

Meeting Date: 7/26/2016

Report Type: Public Hearing

Report ID: 2016-00528

**Title: Meadowview Multifamily Improvement District No. 2016-03 (Noticed 06/01/2016)
[Continued from 07/19/2016]**

Location: District 8

Recommendation: Conduct a public hearing and upon conclusion, pass a Motion directing the City Clerk to: 1) tabulate the assessment ballots submitted and not withdrawn before the hearing is closed; and 2) bring back a Consent item on August 4, 2016, with the tabulation results.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Special Districts Manager, (916) 808-8788, Department of Finance

Presenter: Sini Makasini, Administrative Analyst, (916) 808-7967, Department of Finance

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed District Map

City Attorney Review

Approved as to Form
Michael W. Voss
7/12/2016 10:36:56 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 6/29/2016 11:34:25 AM

Description/Analysis

Issue Detail: The property owners within the Meadowview and 24th Street corridor have proposed to form the Meadowview Multifamily Improvement District (MMID) for a five-year term. Participation in the MMID will serve the public interest by providing a level of security, streetscape improvements and capital improvements above what the City currently provides. Security, streetscape and capital improvements will include patrol services with a focus on mitigating nuisance crimes along with providing additional trash bins, benches, signage, banners and decorative lighting for the district area.

On May 31, 2016, the City Council passed Resolution 2016-0183: 1) directing staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District; and 2) setting July 19, 2016, as the date for a public hearing on the proposed District and assessment. By recommendation of City Council, the public hearing was continued and rescheduled to July 26, 2016.

At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the MMID and assessment). Staff will report the results of the tabulation at the City Council meeting on August 4, 2016. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and establish the MMID.

Policy Considerations: The goal of the district is to provide services to promote safety and provide image enhancement improvements to the MMID area. The City will participate as owner of eight parcels. The City Council delegated the authority to cast ballots in favor of the formation on May 24, 2016.

Environmental Considerations: The formation of a MMID does not constitute a project under the California Environmental Quality Act and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

Rationale for Recommendation: MMID services include security and streetscape services above what the City currently provides. These services will help to create a positive image for the residents and patrons within the MMID.

The MMID will serve as a key partner to the City's efforts to reduce crime and enhance public safety, improve the quality of life in neighborhoods, preserve and enhance the housing stock, protect public assets and build community serving public infrastructure. The MMID will serve as a critical partner in identifying both public safety and infrastructure maintenance needs and opportunities, as it will in many instances be the first entity to be contacted by the property owners and residents in the area.

Financial Considerations: Financing will be provided by the levy of assessments upon real property that benefit from improvements and activities of the MMID. The MMID will not issue bonds.

There are 66 parcels in the proposed MMID service area. The total MMID assessment budget for the first year is estimated at \$184,199. If the MMID is formed, the City will participate as a property owner of eight parcels. The City's proposed assessment of \$83,907 would be approximately 45 percent of the overall MMID assessment. Of this, \$63,953 will be paid by the General Fund and \$19,954 by the Solid Waste Fund. Funding is not currently included in the FY2016/17 Proposed Budget and would be funded from the fund balance of the respective fund.

Future assessment rates may be subject to further increases of no more than three percent (3%) annually based on the proposed Management District Plan (MDP) that will govern the MMID upon a successful formation. If the MMID is established, the annual budget will be adjusted to reflect the Council approved assessments and expenditure plans.

The estimated assessment budget of \$184,199 includes both an administrative component for management of the MMID on a day-to-day basis and a City component for costs to levy and collect the assessment. The day-to-day costs will be incurred by the managing non-profit for rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, contingency and renewal fees, and other general office expenses. The estimated budget for the administrative costs is \$29,519, which is approximately 16% of the overall budget, as shown in the MDP and Engineer's Report for the MMID.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

The proposed Meadowview Multifamily Improvement District (MMID/District) will be a benefit assessment district formed by property owners to fund security, street and capital improvement services, for the purpose of providing safe and clean neighborhoods within the proposed boundaries of the MMID.

- **Security:** The security program will focus on making the District a safer place to live and do business. The security program will include regular private security patrols throughout the District, coordination with law enforcement, and tenant screening including background checks for occupants of assessed parcels. These efforts are intended to reduce criminal and nuisance behaviors on assessed parcels that are detrimental to commercial activity on the parcel.
- **Streetscape and Capital Improvement:** The streetscape and capital improvement program will provide installation and maintenance of additional/new trash bins, benches, signage and banners and decorative lighting. Further, MMID efforts will seek to leverage funds to attract additional investments in capital improvements, such as grants from government agencies and private foundations. These efforts are intended to make the District safer, more attractive, and more functional for tenants and property owners.
- **Administration-Contingency/Reserve:** The administration portion of the budget will be utilized for administrative costs associated with providing the services. Those costs may include rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses. The budget includes a contingency line item to account for uncollected assessments. If there are contingency funds collected, they may be held in a reserve fund or utilized for program, administration or renewal costs.

Annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. Assessment rates may be subject to an increase of no more than 3% per year.

Public Hearing and Tabulation of Assessment Ballots

On May 31, 2016, City Council directed staff to complete the actions necessary to form the MMID. On June 1, 2016, staff mailed out assessment ballots and notices of the public hearing to the owners of property in the proposed MMID. Ballots must be submitted no later than the close of the public hearing to be counted. At the close of the public hearing, the assessment ballots will be tabulated to determine whether a majority protest exists. If a majority protest exists — that is, if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of it — then the proceedings to levy the assessment will terminate. Staff will report back with the tabulation results at the August 4, 2016 City Council meeting.

**SCHEDULE OF PROCEEDINGS
MEADOWVIEW MULTIFAMILY IMPROVEMENT
DISTRICT No. 2016-03**

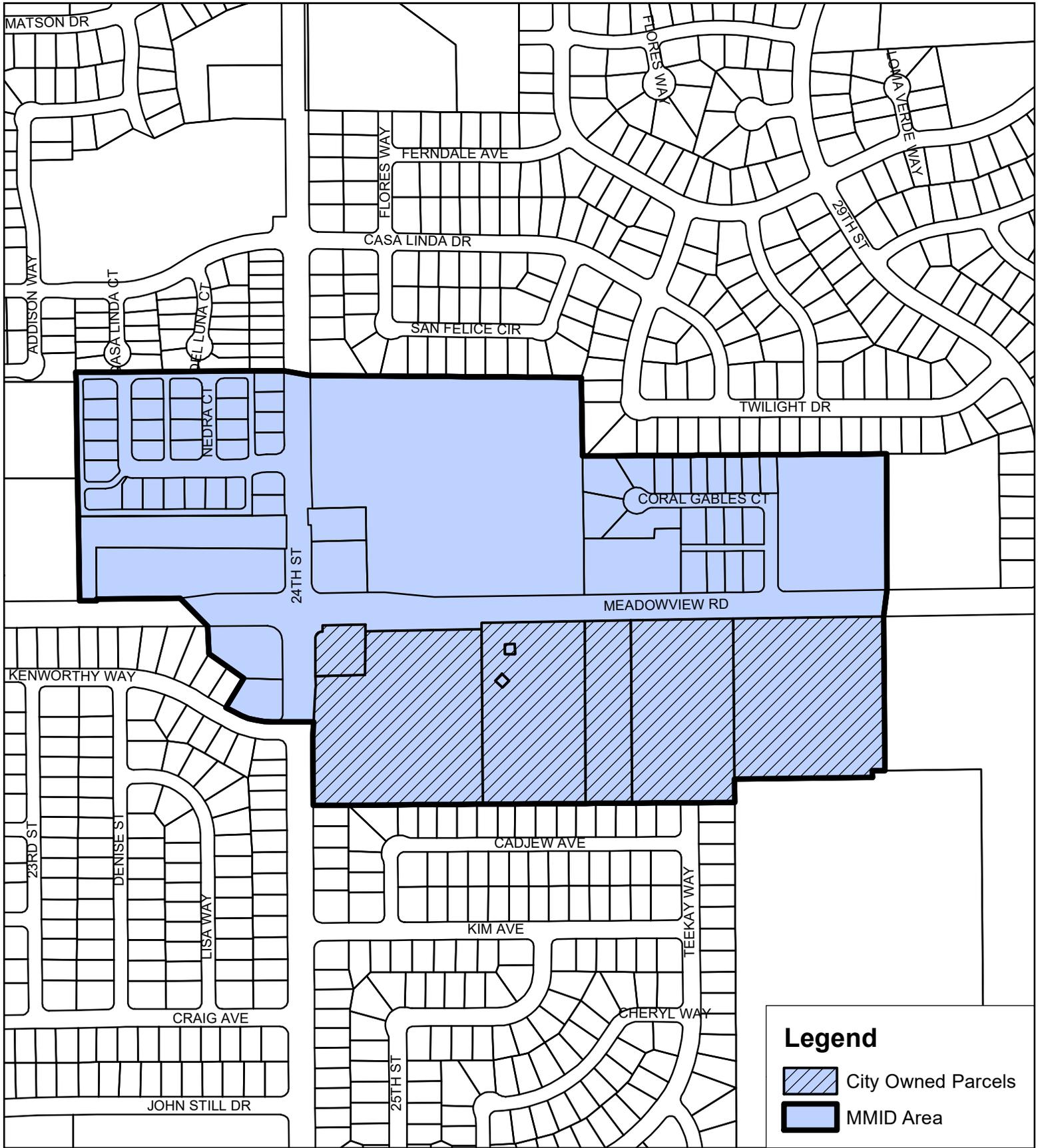
May 10, 2016	Petition Drive Kick-off
May 24, 2016	City Manager Signature Authority – City Council
May 25, 2016	Receive Signed Petitions
May 31, 2016	Resolution of Intention – City Council
June 1, 2016	Record Boundary Map Publish Notice of Hearing, Management Plan, and Mail Ballots

July 26, 2016

Public Hearing & Ballot Count – City Council

August 4, 2016	Ballot Results – City Council Resolution of Formation – City Council
August 5, 2016	Record Notice of Assessment and Assessment Diagram
August 2016	Assessment Roll to County

Meadowview Multifamily Improvement District No. 2016-03



Legend

-  City Owned Parcels
-  MMID Area

