



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

PUBLIC HEARING
July 27, 2010

**Honorable Mayor and
Members of the City Council**

Title: Village Garden Landscape Maintenance District No. 2010-03

Location/Council District: North Sacramento, Council District 2. Includes Village Garden North Subdivision, Units 1 through 5 (Attachment 2, Page 6).

Recommendation: Conduct a public hearing and, upon conclusion, direct the City Clerk to: (1) tabulate the assessment ballots submitted and not withdrawn before the hearing closed, and (2) report back as a Consent item on August 5, 2010, with the tabulation results.

Contact: Brian Wong, Program Specialist, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenter: Brian Wong

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: The existing Village Garden Landscape Maintenance District No. 1987-01 (District 87-01) was formed on December 8, 1987, to provide funding for frontage landscaping maintenance and improvements within District 87-01. At the time of District 87-01 formation, a maximum authorized assessment of \$100.00 per residential parcel was established. This maximum authorized assessment did not contain a provision to allow flexibility to adjust the assessment cap on an ongoing or as needed basis. The assessment is now at the maximum and the fund balance is nearly depleted, requiring the re-formation of District 87-01 with an adequate assessment to cover the cost of required services and annual adjustment mechanism.

In response, staff initiated proceedings on June 1, 2010, to form the proposed Village Garden Landscape Maintenance District No. 2010-03 (District 10-03). City Council adopted a resolution on June 1, 2010, that: (1) directed staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District 10-03, and (2) set July 27, 2010, as the date for a

public hearing on the proposed District 10-03 and assessment. At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the proposed assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the proposed formation of District 10-03 and assessment). Staff will report the results of the tabulation at the City Council meeting on August 5, 2010. 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 establishing District 10-03.

District 87-01 will be dissolved and landscape maintenance services will cease, beginning September 1, 2010, irrespective of whether the proposed District 10-03 is approved or not. At that point, property owners will be responsible for maintenance services if the proposed District 10-03 is not approved.

Policy Considerations: The formation proceedings are being conducted in accordance with the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22585, et seq.), Section XIID of the California Constitution, and the Proposition 218 Omnibus Implementation Act. This action is consistent with the Strategic Planning Focus Area of Sustainability and Livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the California Environmental Quality Act (CEQA) guidelines, administration and formation of District 10-03 does not constitute a project, and therefore is exempt from review.


Sustainability Considerations: There are no sustainability considerations applicable to the formation or renewal and administration of an assessment district.

Committee/Commission: None

Rationale for Recommendation: The actions are required by Section 22588 of the California Streets and Highways Code, Article XIID of the California Constitution, and the Proposition 218 Omnibus Implementation Act.

Financial Considerations: The proposed District 10-03 assessment rate for FY2010/11 will be \$140.56 per residential parcel and will be used to defray costs associated with maintenance services and administration. The total budget for the proposed District 10-03 for FY2010/11 is projected at \$29,237 as detailed in the Engineer's Report on file with the Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records. Future assessment rates may be subject to an increase based on the February-over-February change in the Consumer Price Index for the San Francisco-Oakland-San Jose area (All Urban Consumers).

Emerging Small Business Development (ESBD): None. No goods or services are being purchased with this action.

Respectfully Submitted by: 
Mark Griffin
Fiscal Manager, Finance Department

Approved by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:

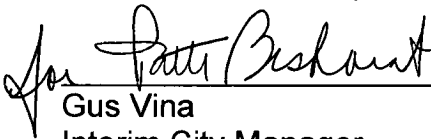

Gus Vina
Interim City Manager

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BACKGROUND

On December 8, 1987, the City Council adopted Resolution No. 87-1012 ordering the formation of the Village Garden North Landscaping and Lighting Assessment District 1987-01 (District 87-01). During the annual proceedings for Fiscal Year (FY) 2001/02, Council changed the name of the district to Village Garden Landscape Maintenance District. District 87-01 provides funding to maintain frontage landscaping for 208 residential parcels.

At the time of the District 87-01 formation, a maximum authorized assessment of \$100.00 per residential parcel was established. The maximum authorized assessment did not contain a provision to allow flexibility in adjusting the assessment cap on an ongoing or as needed basis. Since FY2008/09, the actual assessment of property owners in District 87-01 has been set at the maximum authorized level. However, with rising operating costs, actual maintenance and operating expenses of District 87-01 continue to outpace District 87-01 revenue. The District 87-01 fund balance has been used over the last several years to cover the imbalance between District 87-01 revenue and expenses, but unfortunately, the District 87-01 fund balance has nearly been depleted and is insufficient to cover the projected financial shortfall in FY2010/11. Staff has reviewed all possible options to reduce costs and have determined that an increase in the assessment is necessary to fund the required maintenance services.

On June 1, 2010, staff initiated proceedings to form the Village Garden Landscape Maintenance District No. 2010-03 (District 10-03). If the formation of the proposed District 10-03 is approved by affected property owners, property owners will be assessed a new assessment rate beginning in FY2010/11 with subsequent changes to the assessment rate based on the change in the consumer price index for the San Francisco-Oakland-San Jose area (All Urban Consumers). Additionally, there will be no interruption with the maintenance services provided through the transition from District 87-01 to the proposed District 10-03. However, if affected property owners do not approve the formation of District 10-03, they will be responsible for the maintenance services or they may contract with private maintenance firms to continue maintenance services beginning September 1, 2010.

Assessment Budget

If the formation of the proposed District 10-03 is approved by affected property owners, the total budget for the first year (FY2010/11) will be \$29,237. Assessment rates in subsequent years may be subject to an increase based on the February-over-February change in the Consumer Price Index for the San Francisco-Oakland-San Jose area (All Urban Consumers).

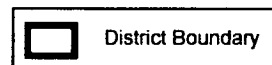
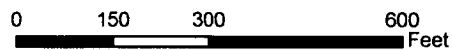
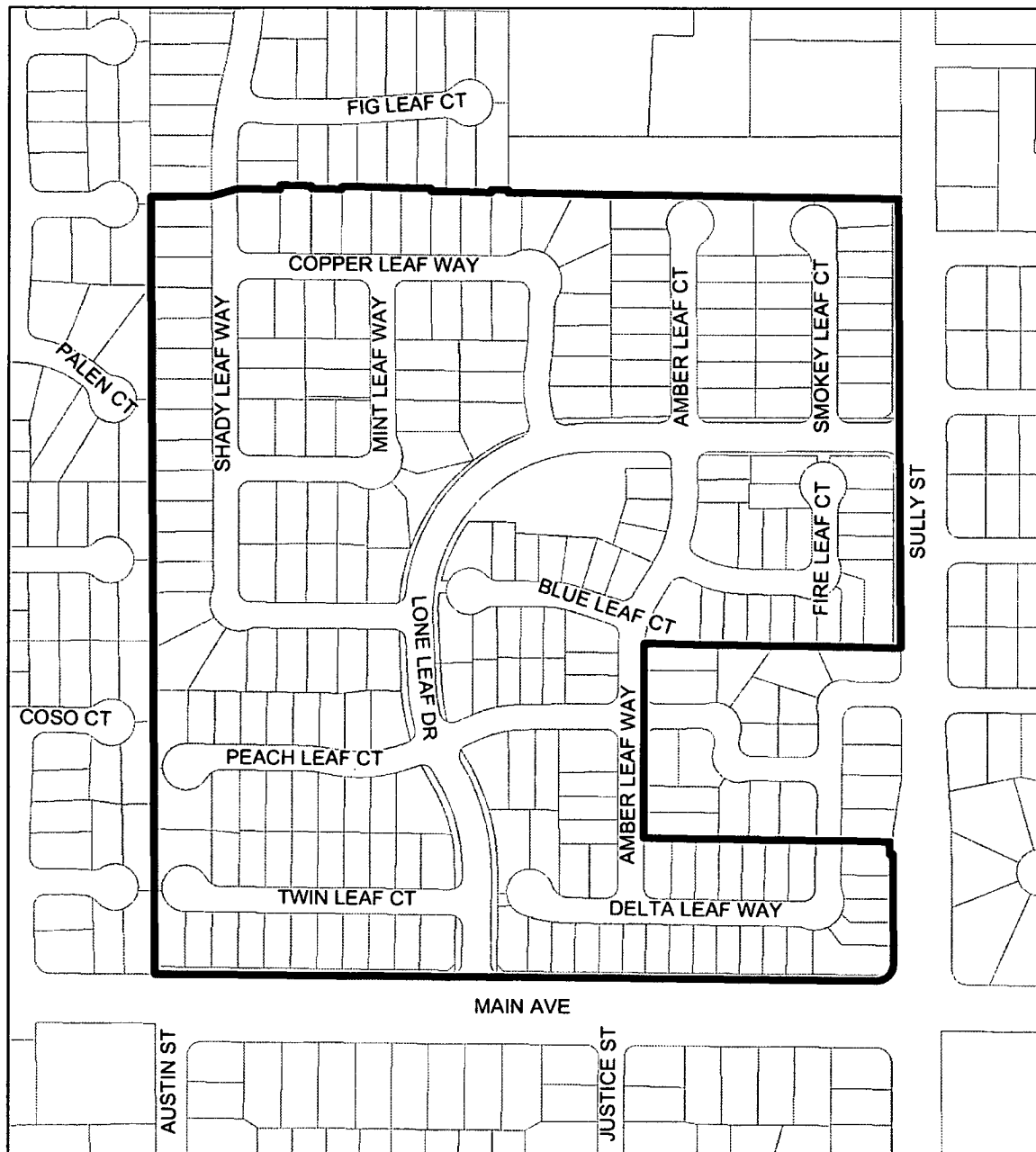
**Village Garden Landscape Maintenance District No. 2010-03
FY2010/11 Budget**

Program	Budget	% of Total
Maintenance Contract	\$10,320	35.3
Inspections and Corrective Action	\$7,078	24.2
Utilities – <i>water costs for irrigation</i>	\$6,630	22.7
Special District Administration	\$3,505	12.0
Annual Billing & Accounting Administration	\$1,704	5.8
Total	\$29,237	100.00

Public Hearing and Tabulation of Assessment

On June 1, 2010, City Council directed staff to complete the actions necessary to form the proposed District 10-03. On June 4, 2010, staff mailed out assessment ballots and notices of public hearing to the owners of property in the proposed District 10-03. 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 5, 2010, City Council meeting.

Village Garden Landscape
Maintenance District No. 2010-03



**SCHEDULE OF PROCEEDINGS
VILLAGE GARDEN LANDSCAPE MAINTENANCE DISTRICT NO. 2010-03
FY2010/11**

June 1, 2010 Council Considers Resolution of Intention and Sets Date for Public Hearing

June 4, 2010 Mailing of Ballots and Notices of Public Hearing

July 27, 2010	Public Hearing and Tabulation of Ballots – City Council
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August 5, 2010 City Council Ballot Results
If reformation effort is approved: Resolution ordering assessments for District 10-03 for FY2010/11

If reformation effort is not approved: Resolution dissolving District 87-01

If the proposed District 10-03 is approved:

August 2010 New assessments are placed on the County Tax Roll for Tax Year 2010/11