



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

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**File ID:** 2019-00084

May 28, 2019

**Consent Item 14**

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**Title: Citywide Landscaping & Lighting Assessment District - Initiate Annual Proceedings for Fiscal Year (FY) 2019/20**

**Location:** Citywide

**Recommendation:** Adopt a Resolution approving Engineer's Annual Report and Intention to Order Maintenance of Improvements for FY2019/20 for the Citywide Landscaping and Lighting Assessment District (District) and setting a time and place for a Public Hearing for June 25, 2019.

**Contact:** Eric Frederick, Program Specialist, (916) 808-5129; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None.

**Attachments:**

1-Description/Analysis

2-Background

3-Schedule of Proceedings

4-Proposed FY2019/20 Citywide L&L District Budget Table

5-Resolution

6-Exhibit A: Proposed FY2019/20 District Budget & Parcel Assessments

## Description/Analysis

**Issue Detail:** Pursuant to the California Streets and Highways Code, the District is required to present an annual Engineer's Report (Report) to Council that describes the improvements to be maintained by the District and recommends the assessments to be collected to fund such maintenance. Each year Council must approve the Report and adopt a resolution of intention to levy and collect the assessments for the upcoming fiscal year and to set a time and place for a public hearing regarding the proposed annual assessment.

**Policy Considerations:** The District provides funding for a variety of operations and maintenance services throughout the city including arterial and intersection lighting, neighborhood street lighting, maintenance of medians, street trees, and neighborhood parks, and graffiti abatement.

**Economic Impacts:** Not applicable.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under CEQA Guidelines, administration of the District does not constitute a project, and is therefore exempt from review (14 Cal. Code Regs. §15378(b)(2) & (5)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The actions in the recommended Resolution are required by the Landscaping and Lighting Act of 1972, California Streets and Highways Code Sections 22500, et. seq., for annual proceedings of an existing district.

**Financial Considerations:** Each year the District assessment and budget are developed taking into consideration several factors including the cost of services, the projected number of parcels in each assessment category, and the amount of projected surplus or deficit in the District fund balance at the end of the current fiscal year. As shown on Attachment 4 to this report, the proposed FY2019/20 District expenditure budget totals \$18,022,519, an increase of \$395,430, or approximately 2.4 percent more than the current FY2018/19 District expenditure budget.

The proposed increase in the FY2019/20 assessment by land use category is three percent, a percentage determined by the change between April 2018 and April 2019 in the Consumer

Price Index - San Francisco All Urban Consumers (CPI), but not to exceed three percent in any year. The FY2019/20 assessments are equal to the highest authorized amount for the District. Based on this increase, the total FY2019/20 assessment revenue is projected to be \$17,528,227.

The \$494,292 difference between the expenditure budget and the projected assessment revenue is being funded from available fund balance (\$5,787,138 as of 06/30/18).

**Local Business Enterprise (LBE):** Not applicable.

## ATTACHMENT 2 BACKGROUND

The District, established in August of 1989, provides funding for the maintenance and rehabilitation of City parks and other public landscaped areas, street tree maintenance, and the energy and maintenance cost of streetlights throughout the City. Property owners are assessed in accordance with a series of benefit formulas adopted by Council in 1989. Annual assessments are paid by property owners along with their regular county property taxes. Each year the City must update and adopt the annual Engineer's Report and obtain approval of the assessment associated with the land use designation.

The budget is divided into two categories as described below. In addition to the maintenance activity, each category also contains a proportionate share of the administration and billing costs.

- 1) Street Related Operations and Maintenance: Safety lighting, neighborhood lighting, median maintenance, and street tree maintenance.
- 2) Ongoing Park Maintenance, Park Improvements, and Graffiti Abatement: Park maintenance, graffiti abatement, and funding for park capital improvement projects if available. This portion of the assessment was approved by voters in November 1996.

The budget by category is provided in Attachment 4.

**ATTACHMENT 3  
SCHEDULE OF PROCEEDINGS  
CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT  
FY2019/20 SCHEDULE**

<b>May 28, 2019</b>	<b>Council Approves Engineer's Report, Considers Resolution of Intention and Sets Date for Public Hearing</b>
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June 14, 2019      Publish Notice of Public Hearing

June 25, 2019      Hold Public Hearing  
Council Orders Annual Levy

August 2019      Assessments to County for Placement on Tax Roll

**ATTACHMENT 4**  
**PROPOSED FY2019/20 BUDGET FOR FUND 2232**  
**CITYWIDE LANDSCAPING AND LIGHTING DISTRICT**  
**With 3.00% CPI adjustment in assessments**

Assessment Category	Approved FY2018/19	Proposed FY2019/20
<b><i><u>Street Related Operations &amp; Maintenance:</u></i></b>		
Safety Lighting & Medians	\$2,450,000	\$2,545,000
Neighborhood Street Lighting Maintenance	4,750,000	4,000,000
Tree Maintenance – Residential	4,667,987	5,327,400
Tree Maintenance – Non-Residential	1,512,022	1,502,600
Administration & Billing	<u>247,321</u>	<u>262,974</u>
<b>Subtotal Street Related O&amp;M</b>	<b>\$13,627,330</b>	<b>\$13,637,974</b>
<b><i><u>On-Going Park Maintenance:</u></i></b>		
Park Maintenance & Improvements	\$3,722,744	\$4,100,000
Graffiti Abatement	204,425	200,000
Administration & Billing	<u>72,591</u>	<u>84,545</u>
<b>Subtotal On-Going Park Maintenance:</b>	<b>\$3,999,760</b>	<b>\$4,384,545</b>
<b>TOTAL DISTRICT BUDGET</b>	<b>\$17,627,090</b>	<b>\$18,022,519</b>
Fund Balance Offset	(813,271)	(494,292)
<b>TOTAL ASSESSED TO PROPERTY OWNERS:</b>	<b>\$16,813,819</b>	<b>\$17,528,227</b>

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**Approving Engineer's Annual Report and  
Intention to Order Maintenance of Improvements for the  
Citywide Landscaping and Lighting Assessment District No. 2  
for Fiscal Year (FY) 2019/20  
(Pursuant to Landscaping and Lighting Act of 1972)**

**BACKGROUND**

- A. The Citywide Landscaping and Lighting Assessment District (District) was established by the City Council on August 1, 1989, by adoption of Resolution No. 89-600.
- B. The City Council established the District under the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 in the Streets and Highways Code, beginning with Section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for landscaping and lighting maintenance services and related services to be provided within the District; all in accordance with the 1972 Act.
- C. On March 12, 2019, the City Council directed the Supervising Engineer of the Department of Public Works, designated by the City Council as the Engineer of Work for the District, to file an annual report in accordance with the provisions of the 1972 Act (Resolution No. 2019-0087).

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that the background statements A through C are true and correct.
- Section 2. The City Council hereby approves the Engineer's Annual Report for FY2019/20 on file with the Public Improvement Finance (PIF) Division of the Department of Finance, designated by the City Clerk's Office to be the repository of documents associated with special districts.
- Section 3. The City Manager is authorized to make any necessary budgetary adjustments associated with the approval of the Engineer's Annual Report for FY2019/20.

Section 4. The City Council intends to levy and collect assessments within the District during FY2019/20. The area of land to be assessed is located in the City of Sacramento, Sacramento County.

Section 5. The maintenance or construction of improvements to be made in this assessment district is generally described as follows:

a) Maintenance of improvements:

(1) landscaping; (2) statuary fountains, and other ornamental structures and facilities; (3) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (4) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (5) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (6) the acquisition of land for park, recreational, or open-space purposes; and (7) any and all expenses incidental to the above.

b) Installation or construction of improvements:

(1) landscaping; (2) statuary fountains, and other ornamental structures and facilities; (3) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (4) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (5) park and recreational improvements including, but not limited to,



land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (6) the acquisition of land for park, recreational, or open-space purposes; and (7) any and all expenses incidental to the above.

- Section 6. In accordance with this Council’s resolution directing the filing of an annual report, the Engineer of Work has filed with PIF the report required by the 1972 Act. All interested parties are referred to that report for a full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the assessment district.
- Section 7. At the hour of 5:00 pm on Tuesday, June 25, 2019, the City Council will conduct a public hearing on the questions of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the City Hall, 915 I Street, First Floor, Sacramento, California.
- Section 8. This year’s assessments are adjusted from the previous year and are equal to the highest authorized amount for this District shown on Exhibit A.
- Section 9. The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.
- Section 10. Exhibit A is part of the resolution.

**Table of Contents:**

Exhibit A – Proposed FY2019/20 District Budget & Annual Parcel Assessments

**EXHIBIT A**  
**CITYWIDE LANDSCAPING & LIGHTING DISTRICT FY2019/20**  
**PROPOSED DISTRICT BUDGET AND PARCEL ASSESSMENTS**

**PROPOSED DISTRICT BUDGET**

Estimated Beginning Available Fund Balance	5,198,164
Total Assessed to Property Owners	<u>17,528,227</u>
<b>Total Resources</b>	<b><u>22,726,391</u></b>
Street Related Operations and Maintenance	13,375,000
Park Maintenance and Graffiti Abatement	4,300,000
Administration and Billing	<u>347,519</u>
<b>Total Expenditures</b>	<b><u>18,022,519</u></b>
Estimated Ending Available Fund Balance	<u>4,703,872</u>
Year-Over-Year Change in Available Fund Balance	<u>(494,292)</u>

**PROPOSED ANNUAL PARCEL ASSESSMENTS FY2019/20**

Assessment Components	Single Family Residence	Multi-Family Residence	Business Property (Parcel Square Ft.)			Church
			0-25,000	25,001-100,000	100,001 or more	
<b><u>Street Related O&amp;M:</u></b>						
Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance			128.48	642.37	1,336.12	36.71
With Lights:	66.28	46.40				
Without Lights:	31.90	22.33				
<b><u>Park Facilities &amp; Related O&amp;M:</u></b>						
Park Maintenance, Youth Employment Program, Graffiti Abatement	20.55	13.99	35.15	175.75	365.56	10.04
<b>Proposed Assessment (rounded):</b>			<b>\$163.62</b>	<b>\$818.12</b>	<b>\$1,701.68</b>	<b>\$46.74</b>
<b>With Lights:</b>	<b>\$86.84</b>	<b>\$60.38</b>				
<b>Without Lights:</b>	<b>\$52.46</b>	<b>\$36.32</b>				
<i>Current Year Assessment (FY18/19):</i>			160.50	802.52	1,669.22	45.86
<i>With Lights:</i>	84.30	58.62				
<i>Without Lights:</i>	50.92	35.26				
<i>Change in assessment with 3.00% CPI adjustment:</i>			3.12	15.60	32.46	0.88
<i>With Lights:</i>	2.54	1.76				
<i>Without Lights:</i>	1.54	1.06				