



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

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File ID: 2019-00088

June 25, 2019

Public Hearing 53

Title: Citywide Landscaping & Lighting Assessment District (Noticed 06/14/2019)

Location: Citywide

Recommendation: Conduct a public hearing and upon conclusion, adopt a Resolution confirming the assessment diagram and assessment for Fiscal Year (FY) 2019/20 for the Citywide Landscaping and Lighting District.

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

Presenter: Eric Frederick, Program Specialist, (916) 808-5129, Department of Finance

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed FY2019/20 Citywide L&L District Budget Table
- 5-Resolution Confirming Diagram and Levying Assessment
- 6-Exhibit A: FY2019/20 Proposed District Budget & Parcel Assessment

Description/Analysis

Issue Detail: As part of the annual administration of the Citywide Landscaping and Lighting Assessment District (District), City staff is required by the California Streets and Highways Code to present an annual report to Council that recommends assessments to be collected to fund the maintenance of improvements in the District. This annual report was approved by Council on May 28, 2019 (Resolution No. 2019-0192), and at the same time Council set a time and place for a public hearing regarding the proposed annual assessment for June 25, 2019.

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, neighborhood parks, and graffiti abatement. The District also finances park capital improvements if funds are available.

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 (FY2018/19). As shown on Attachment 4, the proposed FY2019/20 District expenditure budget will total approximately \$18.0, an increase of approximately \$0.4 million, or 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 (the maximum allowed in any year), based on the change between April 2018 and April 2019

in the Consumer Price Index - San Francisco All Urban Consumers (CPI). Based on this increase, the total FY2019/20 assessment revenue is projected to be approximately \$17.5 million.

The difference between the expenditure budget and the projected revenue will be funded from available fund balance in the Landscaping and Lighting Fund (Fund 2232), which was approximately \$5.8 million as of June 30, 2018.

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**

March 26, 2019	Council Directed Filing of Engineer's Report
May 28, 2019	Council Approved Engineer's Report, Adopted Resolution of Intention and Set Date for Public Hearing
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
<i><u>Street Related Operations & Maintenance:</u></i>		
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>
Subtotal Street Related O&M	\$13,627,330	\$13,637,974
<i><u>On-Going Park Maintenance:</u></i>		
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>
Subtotal On-Going Park Maintenance:	\$3,999,760	\$4,384,545
TOTAL DISTRICT BUDGET	\$17,627,090	\$18,022,519
Fund Balance Offset	(813,271)	(494,292)
TOTAL ASSESSED TO PROPERTY OWNERS:	\$16,813,819	\$17,528,227

RESOLUTION NO.

Adopted by the Sacramento City Council

Confirming Diagram and Assessment and Levying Assessment 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 No. 2 (District), was established by the City Council on August 1, 1989. City Council adopted Resolution No. 89-600 thereby approving Assessment District No. 2 for all developed properties within the City of Sacramento.
- B. 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. Pursuant to Chapter 3 of the 1972 Act, City Council directed the Supervising Engineer of the Department of Public Works, designated by City Council as the Engineer of Work for the District, to prepare and file an Annual Report for FY2019/20.
- D. The Engineer of Work filed the Annual Report on May 28, 2019, and City Council adopted a Resolution approving the Engineer's Annual Report and Intention to Levy and Collect Assessments within the District for FY2019/20 and set a public hearing for June 25, 2019, in City Council Chambers, New City Hall, 915 I Street, First Floor, Sacramento, California. Notice of the hearing was given in the time and manner required by law.
- E. The FY2019/20 assessments are at or below the highest authorized amount for this District shown on Exhibit A.

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 E are true and correct.

Section 2. The City Council confirms the assessment diagram and the assessment roll as referenced in the Engineer's Annual Report and levies the assessments set forth in the Engineer's Annual Report.

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. Exhibit A is part of this resolution.

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Exhibit A – FY2019/20 Proposed District Budget & 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>
Total Resources	<u>22,726,391</u>
Street Related Operations and Maintenance	13,375,000
Park Maintenance and Graffiti Abatement	4,300,000
Administration and Billing	<u>347,519</u>
Total Expenditures	<u>18,022,519</u>
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	
<u>Street Related O&M:</u>						
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				
<u>Park Facilities & Related O&M:</u>						
Park Maintenance, Youth Employment Program, Graffiti Abatement	20.55	13.99	35.15	175.75	365.56	10.04
Proposed Assessment (rounded):			\$163.62	\$818.12	\$1,701.68	\$46.74
With Lights:	\$86.84	\$60.38				
Without Lights:	\$52.46	\$36.32				
<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				