



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2019-00072

May 14, 2019

Consent Item 17

Title: Neighborhood Lighting District - Initiate Annual Proceedings

Location: Districts 2, 5, and 6

Recommendation: Adopt a Resolution approving the Engineer's Annual Report and Intention to Order Maintenance of Improvements for Fiscal Year (FY) 2019/20 for the Neighborhood Lighting District and setting a time and place for a Public Hearing for June 4, 2019.

Contact: Arwen Wacht, Program Specialist, (916) 808-7535; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution Approving Engineer's Annual Report
- 5-Exhibit A – District Boundary Map
- 6-Exhibit B – District Budget & Parcel Assessment

Description/Analysis

Issue Detail: The Neighborhood Lighting District (District) is required by the California Streets and Highway Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for maintenance and energy costs of neighborhood lighting in the District (Attachment 5, Exhibit A) for FY2019/20. Additional information on this District is provided in the background section of the report (Attachment 2).

Policy Considerations: The recommended action will ensure the continuation of an affordable means of providing neighborhood lights by maintaining lights on Sacramento Municipal Utilities District (SMUD) wood poles.

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: Not applicable.

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

Financial Considerations: The District assessment for FY2019/20 is projected at \$45,808 and District expenditures at \$43,586. Revenues that exceed projected expenditures will be used to maintain a prudent fund balance. Projected revenues and expenditures for FY2019/20 are shown in Exhibit B to the Resolution Approving Engineer's Report (Attachment 6) and detailed in the Engineer's Report on file with the Public Improvement Financing Division of the Department of Finance, which is designated by the City Clerk to be the repository of documents associated with special districts.

The District consists of three subdivisions. Details of the assessment and cost for each subdivision, as well as a breakdown per single family lot, are provided in Attachment 6, Exhibit B. The District is self-supporting and has no impact on the General Fund.

Local Business Enterprise (LBE): Not applicable.

Attachment 2

Background

On October 22, 1996, City Council approved formation of the District (Resolution No. 96-577) for the Swanston Estates neighborhood. The District provides an affordable means of providing for neighborhood lights by placing lights on SMUD wood poles. Two other neighborhoods, Youngs Heights and Colonial Heights, have since annexed to the District.

District services include the annual maintenance and energy cost of neighborhood lights, and the district administration and billing costs. A provision was included to mitigate cost increases based on the Consumer Price Index (CPI), San Francisco area, all items, provided that this increase does not exceed 3.00 percent in any year. The change in the February 2018 CPI index was 3.87 percent over the prior year, and as such, the annual maximum assessments will be increased by 3.00 percent.

To cover expenditures and maintain a prudent fund balance, the FY2019/20 assessment for the Swanston Estates subdivision will remain at the FY2018/19 rate and both the assessments for Colonial Heights and Youngs Heights subdivisions will increase from the FY 2018/19 assessments by the allowable CPI index of 3.00 percent.

The maximum assessment allowed, prior year assessment, and FY 2019/20 annual assessments for each subdivision are as follows:

Neighborhood	Maximum Authorized in FY2019/20	FY2018/19 Assessment	FY2019/20 Assessment
Swanston Estates	\$31.60	\$28.08	\$28.08
Youngs Heights	\$30.17	\$29.28	\$30.16
Colonial Heights	\$31.60	\$30.68	\$31.60

Each year the City must adopt a new Engineer's Report and budget. The recommended Council action is necessary to allow staff to notify the public of the proposed hearing, which has been set for June 4, 2019. At the conclusion of the public hearing, staff will recommend Council adopt the budget and levy the assessments.

The total cost to property owners in FY2019/20 is projected to be \$43,526. A map of the District is included as Exhibit A to the resolution.

Attachment 1

SCHEDULE OF PROCEEDINGS

**NEIGHBORHOOD LIGHTING DISTRICT
FY2019/20 SCHEDULE**

March 26, 2019 Council – Direct Filing of Engineer’s Report

May 14, 2019	Council Considers Resolution of Intention and Sets Date for Public Hearing
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May 24, 2019 Publish Notice of Meeting and Public Hearing

June 4, 2019 Council – Public Hearing, Council Orders Annual Levy

August 2019 Assessments to County for Placement on Tax Roll

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING ENGINEER’S ANNUAL REPORT AND INTENTION TO ORDER
MAINTENANCE OF IMPROVEMENTS FOR THE
NEIGHBORHOOD LIGHTING DISTRICT FOR FISCAL YEAR 2019/20
(Pursuant to Landscaping and Lighting Act of 1972)**

BACKGROUND:

- A.** The Neighborhood Lighting District (District), as depicted in Exhibit A, was established by the City Council and approved by the property owners on October 22, 1996.
- 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 maintenance of neighborhood street lights on wood poles and related services to be provided within the District, all in accordance with the 1972 Act.
- C.** To cover expenditures and maintain a prudent fund balance, the Fiscal Year (FY)2019/20 assessment for the Swanston Estates subdivision will remain at the FY2018/19 rate. The Youngs Heights assessment will increase from the FY2018/19 assessment by the allowable CPI index of 3.00 percent to cover the subdivision’s expenditures and increase fund balance. Lastly, the Colonial Heights assessment will also increase by the allowable 3.00 percent to cover the subdivision’s expenditures and maintain fund balance.
- D.** On March 26, 2019, City Council directed the Supervising Engineer of the Department of Public Works, designated by 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 D 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 Financing Division, 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 of improvements to be made in this assessment district is generally described as follows:
- The improvements consist of maintenance and energy costs of neighborhood street lights on wood poles fed by overhead electrical lines, and the engineering, administrative and miscellaneous costs related to the district.
- Section 6 In accordance with Council's resolution directing the filing of an annual report, the Engineer of Work has filed the report required by the 1972 Act with the Public Improvement Financing Division, designated by the City Clerk to be the repository of documents associated with special districts. 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 4, 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 Assessments for all subdivisions within the District are at or below the highest authorized amount for this district shown on Exhibit B.
- Section 9 The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.
- Section 10 Exhibits A and B are part of the resolution.

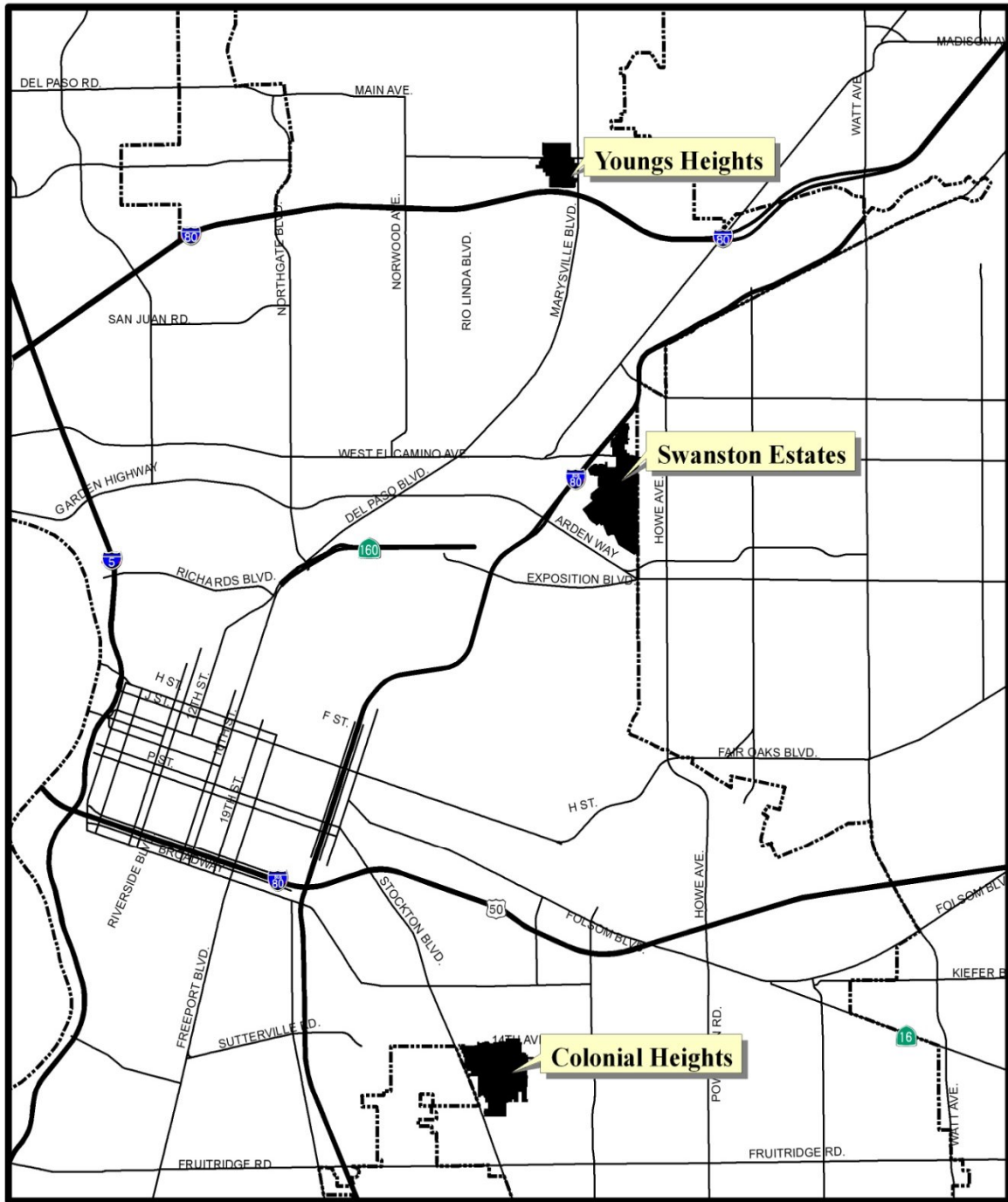
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

Exhibit A: District Map

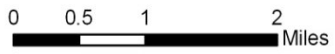
Exhibit B: FY2019/20 District Budget & Parcel Assessments

EXHIBIT A

Neighborhood Lighting District 96-07



 City Boundary
 District Boundary



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EXHIBIT B

**NEIGHBORHOOD LIGHTING DISTRICT
DISTRICT BUDGET, NEIGHBORHOOD AND PARCEL ASSESSMENTS
FUND 2202, FOR FY2019/20**

DISTRICT BUDGET

Estimated Beginning Fund Balance	38,622
Total Assessed to Property Owners	<u>45,808</u>
Total Resources	<u><u>84,431</u></u>
Department of Public Works (Streets)	
Street Lighting Maintenance	25,009
Administrative Costs	
Public Improvement Financing	
Administration	16,198
Accounting	
Administration	1,063
County Billing	<u>1,256</u>
Total Expenditures	<u><u>43,526</u></u>
Estimated Ending Fund Balance	<u><u>40,905</u></u>
Year-Over-Year Change in Fund Balance	<u><u>2,282</u></u>

NEIGHBORHOOD ASSESSMENTS

The cost for each individual neighborhood is as follows:

Neighborhood	FY2019/20 Budget	Surplus/ (deficit)	FY2019/20 Assessed
Swanston Estates	\$18,634	\$2,174	\$20,807
Youngs Heights	\$942	\$264	\$1,206
Colonial Heights	\$23,950	-\$155	\$23,795
Totals:	\$43,526	\$2,282	\$45,808

PARCEL ASSESSMENTS

The following is a breakdown of the average cost per single-family lot in each neighborhood with less than 100 feet of frontage.

Neighborhood	# of Lots	Maximum Authorized	FY2019/20 Assessment
Swanston Estates	697	\$31.60	\$28.08
Youngs Heights	30	\$30.17	\$30.16
Colonial Heights	718	\$31.60	\$31.60