

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2019
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Benjamin Moody, Interim Assistant Public Works Director

Summary

Subject: Levying Assessments for Yuba City Landscape Maintenance District No. 1 (Stabler Lane/Garden Highway Area)

Recommendation: A. Conduct a Public Hearing and after consideration
B. Adopt a Resolution confirming and ordering the annual levy of assessments for Fiscal Year 19/20, pursuant to the Landscaping and Lighting Act of 1972.

Fiscal Impact: No change in assessment.

Purpose:

To continue to provide Lighting and Landscape Maintenance throughout the City pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIIIID of the California Constitution.

Background:

The City annually levies and collects a special assessment in order to maintain and service landscaping that provides special benefit to the parcels identified in Landscape Maintenance District 1. The assessments were approved by the property owners of record through a protest ballot proceeding at the time the District was formed.

District 1 includes the Stabler Lane area (A) and Garden Highway area (B & B_1). Zones A and B do not have provisions for a cost of living adjustment (COLA) and have historically been charged the maximum levy allowed in order to cover the expenses. Zone B_1 is a recently formed zone of benefit and does have provisions for a COLA which is based on the Consumer Price Index from January to January. The COLA was determined to be a 1.55% change from last year.

On July 16, 2019, Council adopted resolutions directing the filing of the Annual Reports and resolutions of intention to order the improvements, and setting a public hearing for August 20, 2019 to establish the assessments for Fiscal Year 19/20.

Analysis:

The expenditures in District No. 1 exceed the revenue due to the lack of COLA provisions, creating a negative projected Reserve Fund Balance in 2020. The City previously attempted to modify District No. 1 to include the COLA provisions, but residents within the District opposed the modification. Without the ability to increase rates, the cost to maintain the district will increase with inflation while funding will remain stagnant. This will result in a lower level of maintenance or the use of alternate revenue sources due to the inability to properly fund the necessary maintenance activities.

The proposed assessments are shown in Attachment 2.

Fiscal Impact:

The projected revenue, expenditures, and cash balance, which include capital reserve, for the District is as follows:

<u>District</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Projected Reserve Fund Balance as of 7/1/20*</u>
1	\$87,841	\$155,218	(\$225)

*The Projected Reserve Fund Balance is the total of the Capital Replacement Reserve plus the Operating Reserve.

Funds for Fiscal Year 19/20 have been budgeted to cover costs within District No.1. Staff is currently evaluating options to reduce future expenditures to match the amount of revenue received by the district annually. Once staff has compiled multiple options, said options will be brought forth to the Council for further evaluation and approval.

Moving forward, the City may be required to reduce maintenance levels in District No. 1, or find alternative funding sources to maintain previous years' level of maintenance.

Alternatives:

1. Direct the modification of the assessment amounts, which will affect future revenue and expenditure amounts in Fiscal Year 19/20.
2. Cancel the District and find alternative funding sources to maintain the landscaping.
3. Direct City staff to follow legal procedures in order to modify District No. 1 to include COLA provisions.

Recommendation:

Adopt a resolution confirming the diagram and assessment and levying the assessment for Fiscal Year 19/20, pursuant to the Landscaping and Lighting Act of 1972.

Attachments:

1. Resolution
2. Proposed Assessments
3. District Maps

Prepared by:

/s/ Joshua Wolfe

Joshua Wolfe
Assistant Engineer

Submitted by:

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed by:

Department Head

BM

Finance

RB

City Attorney

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
CONFIRMING AND ORDERING THE ANNUAL LEVY OF
ASSESSMENTS FOR FISCAL YEAR 19-20 FOR THE YUBA CITY
LANDSCAPE MAINTENANCE DISTRICT 1 (ZONE OF BENEFIT "A"
(STABLER LANE AREA) AND ZONES OF BENEFIT "B" & "B_1"
(SOUTH YUBA CITY AREA))**

WHEREAS, on July 16, 2019, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code (commencing with Section 22500) (the "Act"), the City Council of the City of Yuba City did declare its intention to review, levy and collect the annual assessment for Landscape Maintenance District No. 1 ("District") for fiscal year 2019-20; and

WHEREAS, assessments levied within the District provided revenue for the purpose of financing the installation, construction, and maintenance of certain public projects eligible under the Act, including without limitation the operation, maintenance, and servicing of improvements including turf, ground cover, shrubs, trees, plants, irrigation and drainage systems, ornamental lighting structures, street lighting, masonry walls or other fencing, entryway monuments, and associated appurtenant facilities located within the streetscape (perimeter landscaping) surrounding the developments, as well as servicing improvements including electricity, water for irrigation of any landscaping, and the operation of fountains; and

WHEREAS, said Council did declare its intention to levy and collect the annual assessment for the maintenance and operation of the landscaping facilities in said District; and

WHEREAS, on July 16, 2019, pursuant to the provisions of the Act, the City Council initiated proceedings by Resolution No. 19-055 for the levy and collection of assessments against the assessable lots and parcels of land in the District for Fiscal Year 2019-20 and directed the Engineer of Work, Richard Kopecky of Willdan Financial Services, to prepare and file a written report in accordance with Article 4 (commencing with Section 22565) of Chapter 1 of the Act; and

WHEREAS, in accordance with Article 4 of Chapter 1 of the Act, the Engineer of Work prepared and filed such report (the "Engineer's Report") with the City Clerk, and the City Clerk has presented the Engineer's Report to the City Council; and

WHEREAS, on July 16, 2019, the City Council adopted Resolution No. 19-057 approving the Engineer's Report, which calculated the annual assessments for the parcels in said District, as filed pursuant to Section 22623 of the Act, and

WHEREAS, the public notice of the Resolution of Intention and the Public Hearing scheduled for August 20, 2019, was duly published on August 8, 2019.

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City as follows:

Section 1. The above recitals are true and correct, and are hereby incorporated herein by this reference.

Section 2. The City Council hereby (1) finds that the public interest and convenience requires and (2) declares its intention to order the levy of and to collect assessments against the assessable lots and parcels of property within an existing assessment district designated "Landscape Maintenance District No. 1" (the "District") pursuant to the provisions of the Act, for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay for the costs and expenses of the improvements described in the Engineer's Report.

Section 3. That the City Council hereby determines that the territory within the District, whose boundaries are set forth in the Engineer's Report, on file with the City Clerk of the City of Yuba City, will be the territory benefited by the maintenance and servicing of the improvements described in said Report.

Section 4. That the hearing on said annual levy of assessment was held in accordance with law and all persons desiring to speak were heard.

Section 5. That the Engineer's Report, the diagram for the assessment district and the assessment of the estimated costs of the improvements contained therewith and each and every part of said Report, is adopted and approved, and that the assessment of the total amount of the costs and the individual assessments thereof upon the several subdivisions of lane expenses, respectively, from said improvements, and of the expenses incidental thereto, be and the same hereby is finally approved and confirmed as the assessment to pay the costs. The assessment for fiscal year 2019-20 is proposed to remain the same as the previous year as described in the Engineer's Report.

Section 6. The Council hereby orders the levy of the assessments described in said Resolution of Intention and the Engineer's Report.

Section 7. That the assessment diagram showing the assessment district referred to in said Resolution of Intention, and also the subdivision of land within the District, as contained in said Engineer's Report, be and it is hereby finally approved and confirmed as the diagram of the properties to be assessed to pay the costs of the improvements.

Section 8. The City Clerk shall file the diagram and assessment, as confirmed or certified copy thereof, with the Sutter County Auditor-Controller no later than August 21, 2019.

Section 9. As the levies remain the same as prior years, the assessment is exempted from the requirements of Article XIII Section "D" of the California Constitution (Proposition 218).

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August 2019.

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

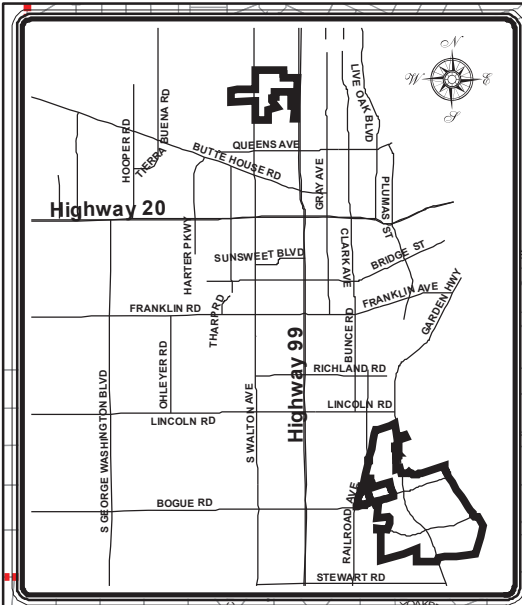
Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2


EXHIBIT A

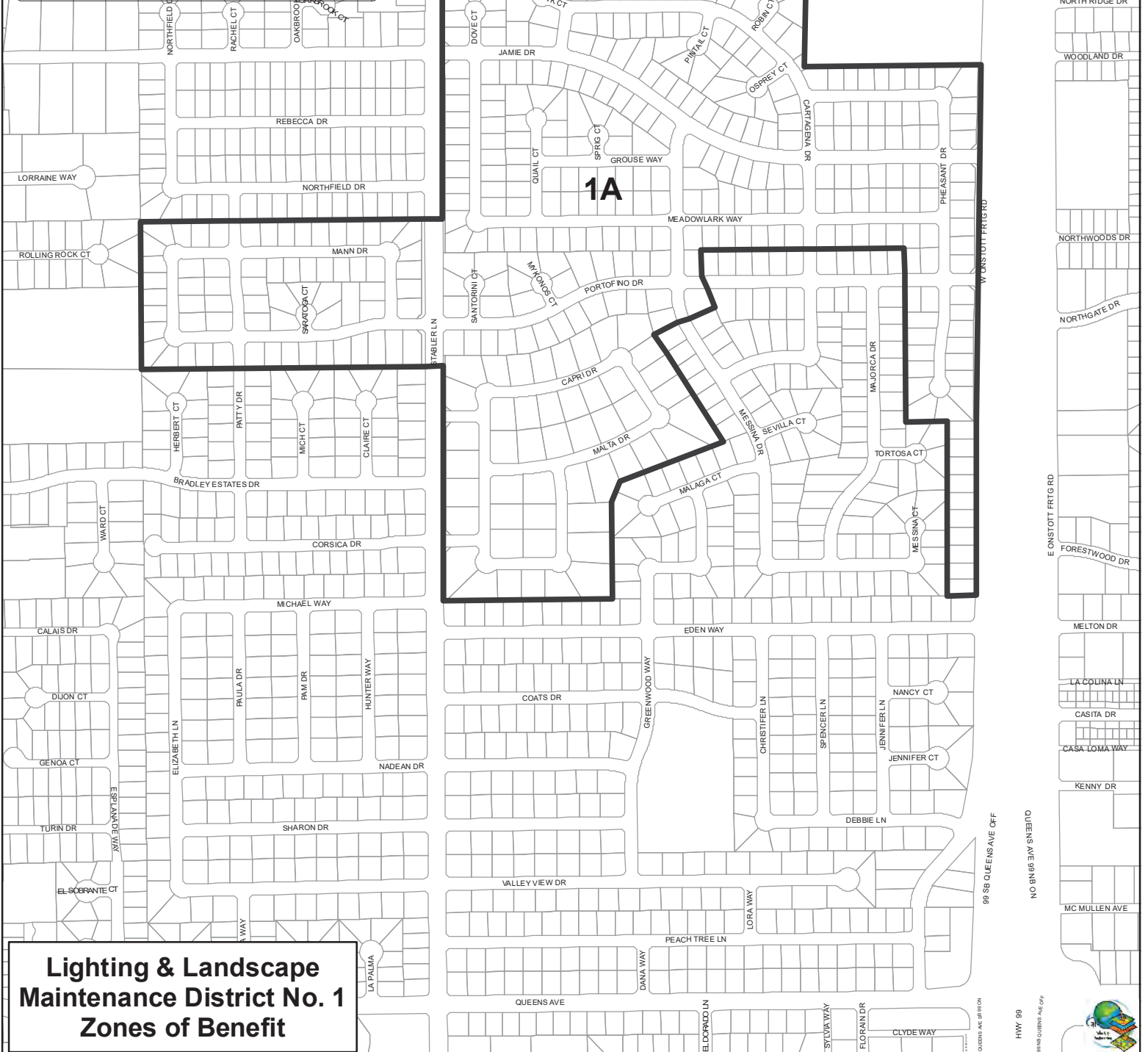
District	Zone of Benefit	FY 2019/20 Proposed Levy Rate (\$)	Change From Previous Year (\$)	Maximum Levy Rate Allowed (\$)
1	A	\$56.72	\$0.00	\$56.72
	B	\$29.50	\$0.00	\$29.50
	B_1	\$30.53	\$0.00	\$30.53

ATTACHMENT 3



Legend

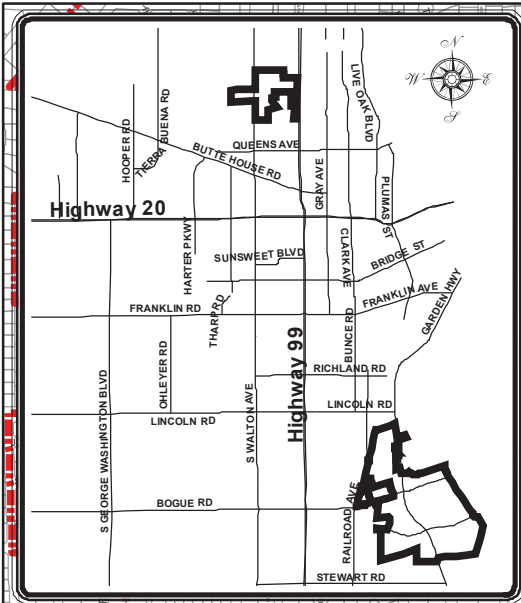
-  Maintenance Districts
-  City Limits



**Lighting & Landscape
Maintenance District No. 1
Zones of Benefit**

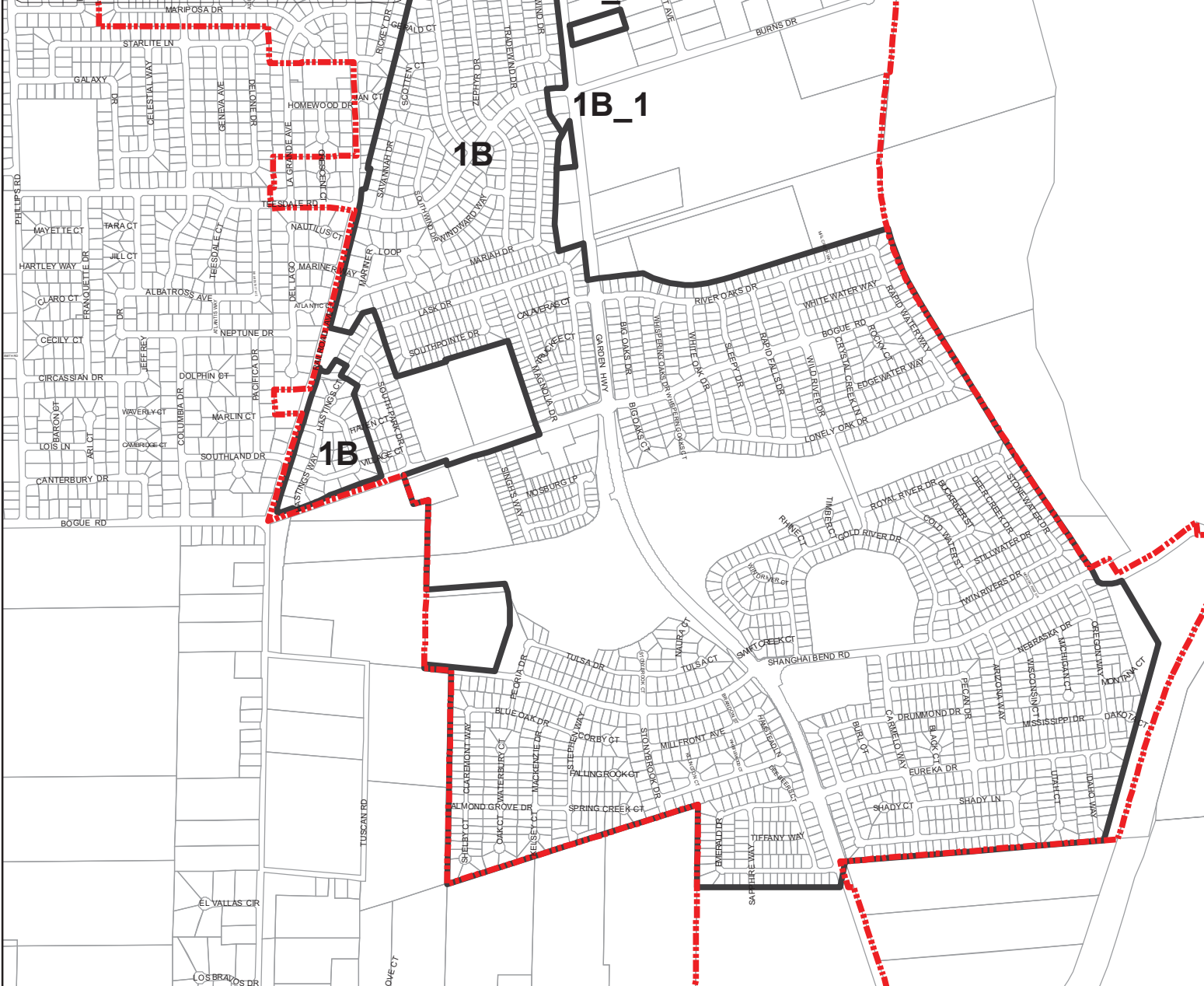
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Legend

- Maintenance Districts
- City Limits



**Lighting & Landscape
Maintenance District No. 1
Zones of Benefit**

