

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 Residential Street Light Maintenance Districts

Recommendation: A. Conduct a Public Hearing and after consideration
B. Adopt a Resolution confirming the annual budget and ordering the annual levy and collection of assessments for fiscal year 19-20 for the Yuba City Residential Street Light Maintenance District No. 1 (Tierra Buena) and Residential Street Light Maintenance District No. 1 (Walton Area)

Fiscal Impact: Walton District – increase in assessments
Tierra Buena District – decrease in assessments

Purpose:

To provide ongoing residential street lighting maintenance to assessed districts in the City.

Background:

The City annually levies and collects special assessments in order to maintain and service streetlights in the Walton Avenue area and Tierra Buena area. These Residential Street Light Maintenance Districts were formed while the areas were in the County's jurisdiction, and the City assumed administration of the districts when they were annexed into the City.

Prior to 2009, the districts were historically charged the maximum levy, which allowed the reserves to build up. Since 2009, Council has approved reduced assessments with the goal of reducing the reserves to a level equal to six months of operating costs. In addition, Council directed staff to levy assessments in future years at levels in which reserves will be maintained at a constant level and the revenues will cover the expenses with minimal increases from year-to-year.

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

Analysis:

Due to lower operating costs and high reserve levels, the proposed assessments for the Tierra Buena Area are reduced lower than Fiscal Year 18/19.

Operating and maintenance costs for the Walton area were higher than the past levy for the District, which caused the Reserve Fund Balance to decrease. In order to correct this, the proposed assessments for the Walton Area have been raised to the maximum levy amount.

The proposed assessments are shown in Attachment 2.

Fiscal Impact:

The proposed assessments for the Walton Area are higher than Fiscal Year 18/19 with an average increase of \$19.08 per parcel, and the proposed assessments for the Tierra Buena area are less than Fiscal Year 18/19. The proposed levy amounts for each District are shown in Attachment 2. The City is holding more than six months of reserve for the Tierra Buena Districts as staff is working with PG&E to address some billing issues that may require some additional charges to the districts in the future.

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

<u>District</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Projected Reserve Fund Balance as of 7/1/20</u>
Tierra Buena Area	\$22,000	\$24,950	\$127,218
Walton Area	\$81,677	\$81,443	(\$66,122)

Alternatives:

1. Modify the assessment amount.
2. Cancel the districts and find alternative funding sources to maintain the streetlights.

Recommendation:

Adopt a resolution confirming the diagram and assessment and levying the assessment for Fiscal Year 19/20, pursuant to the Benefit Assessment Act of 1982.

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

Finance

City Attorney

BM

RB

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
CONFIRMING THE ANNUAL BUDGET AND ORDERING THE ANNUAL LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 19-20 FOR THE YUBA CITY
RESIDENTIAL STREET LIGHT MAINTENANCE DISTRICT NO. 1 (TIERRA BUENA) AND
YUBA CITY RESIDENTIAL STREET MAINTENANCE DISTRICT NO. 1 (WALTON AREA)**

WHEREAS, the City Council of the City of Yuba City, pursuant to the provisions of the Benefit Assessment Act of 1982, California Government Code Division 2, Chapter 6.6, Section 54703 et seq. (hereafter referred to as the "Act"), did, by previous proceedings and resolution, form the districts known as:

- Residential Street Light Maintenance District No. 1 (Tierra Buena), including the following subdivisions or zones of benefit: Bryn Mawr Estates #3; Bryn Mawr Estates #4; Buena Vista #1; Buena Vista #2; Butte Rancho; Butte View Estates; Country Aire; Kira Estates; Loma Vista; Quail Pointe Estates; Rancho #2 & #3; Rancho #4 & #6; Rancho Estates #1; Rancho Estates #5; Rancho De Royo #2 Ph 1; Rancho De Royo #2 Ph 2; Skyview Place; Stonegate Village Unit 1; Stonegate Village Unit 2; Stonegate Village Unit 3; Suburban Acres; Tara Estates; Teja #4; and Walnut Acres.
- Yuba City Residential Street Light Maintenance District No. 1 (Walton Area), including in the following subdivisions or zones of benefit: Bogue Ranch; Bogue Ranch II; Cypress; Hampton Estates I; Hampton Estates II; Kushlia Village; Lincoln Park 2; Lincoln Pointe; Lincoln Village 1; Lincoln Village 2; Meadowood 1; Meadowood 2; Orchard 2; Orchard 3; Ravenwood 1; Ravenwood 2; Ravenwood 3; Sanborn Estates; Sandpiper 1, 2, and 3; Sunrise Village; Sun Valley 2; Walton Park Estates; Walton Ranch; West Ranch & Meadowood 3; and Woodside Village 2.

(hereafter referred to as the "Districts"); for the purposes of levying annual assessments upon benefiting properties within the Districts for the operation of lighting systems related thereto; and

WHEREAS, pursuant to the Act, after the first year's levy of assessments, the City Council may annually thereafter determine the cost of the services to be financed by the assessments and by ordinance or resolution determine and impose the assessments; and

WHEREAS, the City Council of the City of Yuba City did declare its intention to review, levy and collect the annual assessment for Yuba City Residential Street Light Maintenance Districts ("Districts") for fiscal year 2019-20; and

WHEREAS, both Districts do not have an approved formula for increasing the maximum assessment rates on an annual basis. Therefore, no change is being proposed to the maximum assessment rates for Fiscal Year 2019/2020 from the prior year; and

WHEREAS, assessments levied within the Districts 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 street light and associated improvements as well as servicing improvements including electricity; and

WHEREAS, said Council did declare its intention to levy and collect the annual assessment for the operation of the street light and associated facilities in said Districts; and

WHEREAS, on July 16, 2019, the City Council initiated proceedings by Resolution No. 19-061 for the annual levy and collection of assessments against the assessable lots and parcels of land in the Districts for Fiscal Year 19/20 and directed the Engineer of Work, Richard Kopecky of Willdan Financial Services, to prepare and file a written annual levy report for each District 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 reports (the "Engineer's Budget Reports") with the City Clerk, and the City Clerk has presented the Engineer's Budget Reports to the City Council, which said Engineer's Budget Reports are incorporated by reference; and

WHEREAS, the Engineer's Budget Report outlines the proposed expenses and annual assessments for the Districts; and

WHEREAS, on July 16, 2019, the City Council adopted Resolution No. 19-063 approving the Engineer's Budget Reports, which calculated the annual assessments for the parcels in said Districts; 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; and

WHEREAS, the City Council, after notice duly given as required by law, held a public hearing on August 20, 2019 at 6:00 p.m., in the City Hall council chamber to consider the proposed annual levy of assessments for each of the Districts; and

WHEREAS, the City Council has examined and reviewed the Engineer's Budget Reports as presented and is satisfied that the assessments have been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed within the Districts therein; and

WHEREAS, the City Council now desires to impose the annual assessment for each District at an amount not to exceed the maximum amount previously approved by the voters.

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 "Residential Street Light Maintenance District No. 1 (Tierra Buena)" and "Yuba City Residential Street Light Maintenance District No. 1 (Walton Area)" (the "Districts") 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 Budget Report.

Section 3. That the City Council hereby determines that the territory within the Districts, whose boundaries are set forth in the Engineer's Budget Report for each District, 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 Reports.

Section 4. The City Council has reviewed the annual Engineer's Budget Report proposed in connection with each of the Districts and the levy and collection of assessments proposed for fiscal year 2019/2020. Based upon its review of the Engineer's Budget Report, the City Council hereby finds and determines for each District that:

- a. The territory of land within each of the Districts will receive special benefits from the operation, maintenance and servicing of the lighting system and the appurtenant improvements and facilities related thereto within that District.
- b. The amount of the assessment imposed on any parcel of property is related to the benefit to the parcel derived from the provision of service from the District. Specifically, the net amount to be assessed upon the lands within each of the Districts, in accordance with the proposed annual Engineer's Budget Report (commencing July 1, 2019 and ending June 30, 2020) is apportioned by a formula and method which fairly distributes the net amount among the eligible parcels within that District in proportion to the special benefits to be received by each parcel from the improvements and services as defined in the Engineer's Budget Report, and the Council is satisfied that the assessments are levied without regard to property valuation.
- c. The annual aggregate amount of the assessment does not exceed the estimated annual cost of providing the service; and
- d. The revenue derived from the assessment will not be used to pay the cost of any service other than for which the assessment was levied.

Section 4. The budget and assessments for each of the Districts for Fiscal Year 2019/2020 as presented to the City Council and on file in the office of the City Clerk are hereby confirmed as filed.

Section 5. The Council hereby adopts and orders the levy of the assessments described in the Engineer's Budget Reports.

Section 6. The City Council hereby orders the improvements for the Districts as indicated in the Engineer's Budget Report, to be made and authorizes and directs the City Clerk or designee to file the levy with the Sutter County Auditor-Controller for Fiscal Year 2019/2020.

Section 7. The Sutter County Auditor-Controller shall enter on the County Tax Roll opposite each identified parcel of land the amount of the levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 8. The City Treasurer shall deposit the money representing assessments collected by the County for the Districts to the credit of funds for the "Residential Street Light Maintenance District No. 1 (Tierra Buena), and "Yuba City Residential Street Light Maintenance District No. 1 (Walton Area)," as appropriate; and such money shall be expended only for the maintenance, operation and servicing of the improvements and appurtenant facilities so authorized and described in the Engineer's Budget Report for the respective District.

Section 9. As the levies have not been increased from the amount as previously authorized, the City has complied with all laws pertaining to the levy of the special assessments, including 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

WALTON RESIDENTIAL STREET LIGHT DISTRICT

Affected Subdivision	Proposed Assessment (per single unit - \$)	Change From Previous Year (\$)	Maximum Levy Allowed (\$)
Bogue Ranch	\$37.00	\$12.01	\$37.00
Bogue Ranch II	\$59.40	\$19.29	\$59.40
Cypress	\$41.74	\$13.56	\$41.74
Hampton Estates I	\$45.58	\$14.80	\$45.58
Hampton Estates II	\$41.80	\$13.57	\$41.80
Kushlia Village	\$62.00	\$20.13	\$62.00
Lincoln Park II	\$52.56	\$17.07	\$52.56
Lincoln Pointe	\$51.46	\$16.69	\$51.46
Lincoln Village I	\$61.44	\$19.95	\$61.44
Lincoln Village II	\$50.78	\$16.49	\$50.78
Meadowood I	\$73.12	\$23.75	\$73.12
Meadowood II	\$111.88	\$36.33	\$111.88
Orchard II	\$62.92	\$20.43	\$62.92
Orchard III	\$34.60	\$11.23	\$34.60
Ravenwood I	\$54.06	\$17.55	\$54.06
Ravenwood II	\$67.28	\$44.06	\$67.28
Ravenwood III	\$40.40	\$13.12	\$40.40
Sanborn Estates	\$63.58	\$20.65	\$63.58
Sandpiper I, II, III	\$46.32	\$15.04	\$46.32
Sun Valley II	\$51.48	\$16.71	\$51.48
Sunrise Village	\$58.56	\$19.02	\$58.56
W Ranch Meadowood	\$67.06	\$21.77	\$67.06
Walton Park Estates	\$38.00	\$12.34	\$38.00
Walton Ranch	\$60.06	\$19.50	\$60.06
Woodside Village II	\$67.56	\$21.94	\$67.56

TIERRA BUENA RESIDENTIAL STREET LIGHT DISTRICT

Affected Subdivision	Proposed Assessment (per single unit)	Change From Previous Year	Maximum Levy Allowed
Bryn Mawr Estates III	\$25.38	(\$29.87)	\$61.22
Bryn Mawr Estates IV	\$27.16	(\$31.97)	\$65.52
Buena Vista I	\$14.94	(\$17.59)	\$36.04
Buena Vista II	\$34.78	(\$40.94)	\$83.90
Butte Rancho	\$27.93	(\$32.88)	\$67.38
Butte View Estates	\$36.94	(\$43.47)	\$89.10
Country Aire	\$32.22	(\$37.92)	\$77.72
Kira Estates	\$33.20	(\$39.07)	\$80.08
Loma Vista	\$34.14	(\$40.19)	\$82.36
Quail Pointe Estates	\$37.10	(\$43.67)	\$89.50
Ranchero II & III	\$45.15	(\$53.14)	\$108.90
Ranchero IV & VI	\$20.13	(\$23.69)	\$48.54
Ranchero Estates I	\$26.72	(\$31.45)	\$64.46
Ranchero Estates V	\$24.90	(\$29.30)	\$60.06
Rancho De Royo I Ph I	\$52.42	(\$61.69)	\$126.44
Rancho De Royo II Ph II	\$27.18	(\$31.99)	\$65.56
Skyview Place	\$33.95	(\$39.96)	\$81.90
Stonegate Village Unit I	\$24.59	(\$28.94)	\$59.32
Stonegate Village Unit II	\$21.52	(\$25.33)	\$51.90
Stonegate Village Unit III	\$17.24	(\$20.29)	\$41.58
Suburban Acres	\$20.31	(\$23.91)	\$49.00
Tara Estates	\$21.09	(\$24.82)	\$50.86
Teja IV	\$29.73	(\$35.00)	\$71.72
Walnut Acres	\$21.69	(\$25.53)	\$52.32

ATTACHMENT 3

