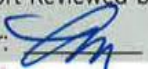


Agenda Report Reviewed by:
City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: June 21, 2022
To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: FY 2022-23 Street Lighting Assessment District
Recommendation: Conduct a public hearing, Adopt a resolution approving the annual Engineer’s Report, confirming the Assessment Diagram, and authorizing the levy of annual assessments for Fiscal Year 2022-23 for the City of Sebastopol Street Lighting Special Assessment District
Funding: Currently Budgeted: _____ Yes _____ No X N/A
Net General Fund Cost: \$0
If Cost to Other Fund(s),
Fund: 215-xx-xx-xxxx

Account Code/Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

INTRODUCTION:

This item is to request that the City Council Conduct a public hearing, Approve and Adopt the Resolution Approving the annual Engineer’s report, confirming the Assessment Diagram, and authorizing the levy of annual assessments for Fiscal Year 2022-23 for the City of Sebastopol Streets Lighting Special Assessment.

BACKGROUND:

The Sebastopol Street Lighting Special Assessment District was formed on May 18, 1981 by the City Council to cover the costs associated with the citywide streetlight system. The funding sources for the Assessment District costs are the parcels within the Assessment District. The parcels are assessed through an annual process typically requiring three separate City Council actions.

On April 5, 2022, the City Council adopted Resolution No. 2022-6418 appointing the Engineer of Work, directing the preparation and filing of the annual Engineer’s Report and describing the potential changes to the Assessment District for Fiscal Year 2022-23.

The annual Engineer’s Report was subsequently prepared and filed with the City on June 7, 2022 by adopting Resolution No. 6440-2022 indicating the intention to levy and collect annual assessments for Fiscal Year 2022-23.

The proposed annual assessment rate of \$32.00 per ESD (Equivalent Single-family Dwelling) unit for Fiscal Year 2022-23 is an increase of \$7.00 over the previous year’s assessment rate in FY 2021-22 of \$25.00. An estimated fund balance of \$14,472 is projected for fiscal year ending June 30, 2022. The proposed assessment rate will continue to show a positive fund balance at June 30, 2023.

DISCUSSION:

Tonight is the final City Council action for these annual proceedings. The City Council can adopt the attached resolution approving the Fiscal Year 2022-23 Engineer’s Report and Assessment Diagram, and authorizing the

levy and collection of the annual assessments, as described therein, and any amendments incorporated at the City Council's direction for Fiscal Year 2022-23. With this action, the City Council is further authorizing the submittal of the assessment information as shown in the annual Engineer's Report to the County of Sonoma Assessor's Office for the levy and collection of assessments on a city-wide basis for street lighting. The annual assessment would appear on the Fiscal Year 2022-23 property tax bills as a separate line item for this Assessment District. If, however, the City Council decides not to adopt the attached resolution, all Fiscal Year 2022-23 costs associated with the maintenance and operation of the assessment district streetlights will have to come out of the General Fund. The proposed Fiscal Year 2022-23 assessment is \$32.00 per ESD (Equivalent Single-family Dwelling) unit, which is an increase of \$7.00 over the prior fiscal year's assessment rate of \$25.00.

The total proposed levy for the Fiscal Year 2022-23 Street Lighting Special Assessment District is \$128,256 compared to expenditures of \$125,500.

It should also be noted that the Sebastopol Street Lighting Special Assessment District is exempt from the procedural requirements of Proposition 218, and per Article XIID, Section 5(a), the public agency property that was not assessed in previous years does not need to be included in the Assessment District, as long as the annual assessment is not increased beyond its highest rate prior to 1996. These annual proceedings are required by the Landscaping and Lighting Act of 1972 of the Streets and Highways Code.

The Engineer's Report is a document of 78 pages and available for review at Sebastopol City Hall, 7120 Bodega Avenue, Sebastopol, CA 95472. If a member of the public would like to review the report, please contact the Administrative Services Department at 707 823 7863 or email akwong@cityofsebastopol.org to set up an appointment to review the report. The adoption of tonight's resolution is pursuant to Section 22631 of the Streets and Highway Code.

GOALS:

Goal 1 – Maintain the long-term financial stability and sustainability of the City of Sebastopol and Operate City government in a fiscally responsible and responsive manner.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public hearing.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. In addition, a Legal Notice was published on June 10, 2022 as required regarding the public hearing date, time and a brief description of the proposed rates.

FISCAL IMPACT:

Funds have been appropriated in the Assessment District Fund for the proposed FY2022-23 budget.

RECOMMENDATION:

The City Council Conduct a public hearing, Approve and Adopt the Resolution Approving the annual Engineer's report, confirming the Assessment Diagram, and authorizing the levy of annual assessments for Fiscal Year 2022-23 for the City of Sebastopol Streets Lighting Special Assessment.

Attachment(s):

Resolution
Final Engineer's Report

RESOLUTION NO. XXXX-2022

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING THE ANNUAL ENGINEER'S REPORT, THE ASSESSMENT DIAGRAM AND ANNUAL ASSESSMENTS AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2022-23 SEBASTOPOL LIGHTING SPECIAL ASSESSMENT DISTRICT (PURSUANT TO THE LIGHTING AND LANDSCAPING ACT OF 1972)

WHEREAS, the City Council ordered the formation of the Assessment District on May 18, 1981 to levy and collect assessments pursuant to the Landscaping and Lighting Act of 1972; and

WHEREAS, the City Council intends to levy and collect annual assessments for the operation and maintenance of streetlights along public rights-of-way within the Sebastopol Lighting Special Assessment District during Fiscal Year 2022-23. The area of land to be assessed is located in the City of Sebastopol, County of Sonoma; and

WHEREAS, the City Council must appoint an Engineer of Work and direct the preparation and filing of an Engineer's Report outlining the proposed budgets, the proposed improvements and/or changes to the Assessment District in order to levy and collect assessments in any following fiscal year; and

WHEREAS, pursuant to Section 22622 of the Streets and Highways Code, the City Council on April 5, 2022, appointed NBS as the Engineer of Work for the Sebastopol Lighting Special Assessment District, directed the preparation and filing of the annual Engineer's Report describing the potential changes to the Assessment District for Fiscal Year 2022-23; and

WHEREAS, the Engineer of Work subsequently prepared and filed with the City Clerk the annual Engineer's Report for Fiscal Year 2022-23 as required by the Landscaping and Lighting Act of 1972 on June 7, 2022; and

WHEREAS, the annual assessment of \$32.00 per Equivalent Single-Family Dwelling Unit (ESD) is proposed to be levied and collected for Fiscal Year 2022-23; and

WHEREAS, notice of the public protest hearing was given by publication according to the Landscaping and Lighting Act of 1972; and

WHEREAS, on June 21, 2022, the City Council conducted a public hearing and gave every interested person an opportunity to make a protest to the annual Engineer's Report, either in writing or orally, and the City Council considered each protest; and

WHEREAS, the Sebastopol Lighting District is exempt from the procedural requirements of Proposition 218, and per Article XIID, Section 5(a), the public agency property that was not assessed in previous years does not need to be included in this Assessment District as long as the assessment is not increased beyond its highest rate prior to 1996.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sebastopol hereby approves and adopts the annual Engineer's Report as prepared and filed, confirms the Assessment Diagram and annual assessments as set forth in the annual Fiscal Year 2022-23 Engineer's Report and any amendments incorporated at the City Council's direction and hereby authorizes the levy and collection of the annual

assessments set forth in such report for Fiscal Year 2022-23 and that this resolution is adopted pursuant to Section 22631 of the Streets and Highways Code.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 21st day of June, 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Mayor Patrick Slayter

ATTEST:

Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM:

Larry McLaughlin, City Attorney

CITY OF SEBASTOPOL

Engineer's Report For: Fiscal Year 2022/23

Lighting Maintenance Assessment District

May 2022

Prepared by:



Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

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1. ENGINEER’S LETTER

WHEREAS, on May 18, 1981, the City Council (the “Council”) of the City of Sebastopol, California, (the “City”) pursuant to the provisions of the Landscaping and Lighting Act of 1972 (the “Act”) adopted Resolution Number 3332, approving the formation of the Lighting Maintenance Assessment District (the “District”) for the operation and maintenance of the citywide streetlight system located in the public rights-of-way. Maintenance may include replacement of damaged facilities and other allowable items per Section 22531 of the California Streets and Highways Code for the life of the District; and

WHEREAS, the City Council has directed NBS, to prepare and file an Engineer’s Report (the “Report”) for Fiscal Year 2022/23 in accordance with Chapter 1, Article 4 of the Act presenting: plans and specifications describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs to maintain, operate, and service the improvements for the District for the referenced fiscal year; a diagram for the District showing the area and properties to be assessed; and an assessment of the estimated costs to maintain and service the improvements, stating the net amount upon all assessable lots or parcels within the District in proportion to the special benefit received.

NOW, THEREFORE, the following assessments are made to cover the portion of the estimated costs to maintain, operate, and service the improvements for Fiscal Year 2022/23, to be paid by the assessable real property within the District in proportion to the special benefit received.

Category	Parcels	ESD Units	Total Assessment
Single dwelling parcels	2,071	2,074.0	\$66,368.00
Multiple dwelling unit parcels	345	1,426.0	45,632.00
Commercial parcels with no dwelling units	248	248.0	7,936.00
Commercial parcels with dwelling units	36	195.0	6,240.00
Industrial parcels with no dwelling units	27	27.0	864.00
Industrial parcels with dwelling units	0	0.0	0.00
Vacant Parcels	79	38.0	1,216.00
Totals	2,806	4,008	\$128,256.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the order of the City Council of the City of Sebastopol at the time of District formation.

John Egan
Assessment Engineer
R.C.E. 14853



2. PLANS AND SPECIFICATIONS

2.1 Description of the Boundaries

The District encompasses the City boundaries. The District Boundary Map is included in Appendix A. Please note that the lines and dimensions of each parcel, as well as the distinctive assessment number, are shown on the Assessor's Maps for the City of Sebastopol available at the Sonoma County (the "County") Assessor's Office.

The formation Report and said resolutions, on file with the City Clerk, as well as the County Assessor's maps of the areas for the current fiscal year are incorporated by reference herein and made part of this Report.

2.2 Description of Improvements and Services

The improvements and services of the District are the operation and maintenance of the city-wide streetlight system located in the public rights-of-way. Maintenance may include replacement of damaged facilities and other allowable items per Section 22531 of the California Streets and Highways Code for the life of the District. Details of the plans and specifications of the City's streetlight system are on file with the City and incorporated into this report by reference.



3. METHOD OF APPORTIONMENT

3.1 Landscaping and Lighting Act of 1972

Pursuant to the Landscaping and Lighting Act of 1972 and Article XIID, parcels that have a special benefit conferred upon them as a result of the maintenance and operation of the improvements and services shall be identified, and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire costs of the maintenance and operation of the improvements and services. The Act permits the establishment of assessment districts for the purpose of providing maintenance and operation of certain improvements which include the operation, maintenance and servicing of lighting improvements.

Section 22573 of the Act requires that maintenance assessments must be levied according to benefit rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements."

"The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000) [of the Streets and Highways Code, State of California])."

3.2 Special Benefit

Pursuant to Article XIID of the California Constitution, Section 2(i) "Special benefit means a particular and distinct benefit over and above the general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute special benefit."

All parcels that have special benefit conferred upon them as a result of the maintenance and operations of the improvements and services provided shall be identified, and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operations of the improvements and services.

In accordance with Article XIID Section 4(a) "No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel."

3.3 Method of Assessment

The method of assessment for the District assigns parcels within the District to an Equivalent Single-Family Dwelling (ESD) unit use, or portion thereof. Every property within the District receives special benefits from the streetlights being maintained and energized nightly by increased driving safety within the City limits, increased pedestrian safety when traveling at night, and increased personal property safety from the presence of lit areas. The typical method of assessing vacant parcels within other assessment districts, is to assess the land for its highest and best use. Because no dwelling units or industrial/commercial developments exist on vacant land, it was felt that the vacant land assessment should be reduced to half a unit.

The following table shows the ESD units assigned to parcel types which reflect the relative benefit within the District.

Parcel Type	ESD Units
Vacant parcel	½ unit
Single dwelling parcel	1 unit
Multiple dwelling units parcels	1 unit per dwelling
Commercial parcel with no dwelling units	1 unit
Commercial parcels with dwelling units	1 unit + 1 unit per dwelling unit
Industrial parcel with no dwelling units	1 unit
Industrial parcel with dwelling unit	1 unit + 1 unit per dwelling unit

The proposed annual assessment per ESD unit is determined by dividing the the District’s street lighting maintenance budget by the total number of ESD units within the District, then apportioning to each parcel in the District based on assigned ESD units.

No charges shall be imposed upon a federal, state or local government agency property that does not receive a benefit from streetlights, upon a parcel without a dwelling used exclusively for greenbelt or open space, or upon the common area of any planned unit development. By virtue of the fact that this existing District is exempt from the operation of Proposition 218, Article XIII D, Section 5(a), public agency property that was not assessed in previous years shall not require any action to be included in the Assessment District, as long as the assessment is not increased beyond it's highest rate prior to 1996.

In the case of a railroad, gas, water, or electric utility right-of-way or electric line right-of-way included within the assessment district, they shall be subject to the assessment only if, and to the extent that, it is found to benefit from the provision of streetlights.



4. ESTIMATE OF COSTS AND RESERVE FUND

4.1 Estimate of Costs

The estimate of District related costs for Fiscal Year 2022/23 is shown below.

Category	Cost Estimate
Utilities	\$90,000.00
Administration Costs	
City of Sebastopol	13,200.00
Professional Services	5,750.00
Public Works	16,300.00
Auditor	250.00
Total Cost	\$125,500.00

4.2 Reserve Fund

The Streets and Highways Code Section 22569(a) allows for the collection of an operating reserve to cover the costs of maintaining and servicing the District improvements from July 1 to the receipt of the special assessments from the County. The table below shows the estimated status of the Reserve Fund at the end of Fiscal Year 2022/23.

Beginning Reserve Fund	\$14,471.50
Collection for Reserves	2,756.00
Interest and Rental Revenue	100.00
Estimated Reserve Fund Balance at June 30, 2023	17,327.50
Reserve Fund Target ⁽¹⁾	\$62,750.00

(1) Reserve Fund target is 50% of the annual expenditures.

5. ASSESSMENTS

Assessments were levied in Fiscal Years 1981/82 and 1982/83. The City Council then elected not to levy in Fiscal Years 1983/84 through 1995/96. The assessments have been levied annually since Fiscal Year 1996/97.

A list of the amount of actual assessments for Fiscal Year 2022/23 apportioned to each parcel, as shown on the latest equalized roll of the County Assessor, may be found in Appendix B. The description of each lot or parcel is part of the records of the County Assessor and such records are, by reference, made part of this Report.

5.1 Fiscal Year 2022/23 Assessment

The calculated assessment rate to cover operating costs only, as well as a calculated assessment rate will fully fund the Reserve Fund of 50% of the prior year's levy, is shown below.

Total 2022/23 Operating Cost	\$125,500.00
Total Collection for Reserves	\$2,756.00
Total ESD Units	4,008.00
2022/23 Actual Assessment Rate ⁽¹⁾	\$32.00
2022/23 Assessment Revenue	\$128,256.00

(1) Provided by the District.

In addition to fully covering the estimated operating costs, the Fiscal Year 2022/23 assessment will contribute approximately \$2,644 to the Reserve Fund.

APPENDIX A - ASSESSMENT DIAGRAM

The following page shows the boundaries of the District. The Assessment Diagram has been submitted to, and is on file with, the City Clerk in the format required under the provisions of the Act. The lines and dimensions, as well as the Assessor's Parcel Numbers shown on maps of the County Assessor for the current year are, by reference, made part of this Report.



SEBASTOPOL

LIGHTING SPECIAL
ASSESSMENT DISTRICT

DISTRICT BOUNDARY

— DISTRICT BOUNDARY LINE

NOTES
FOR THE DISTINCTIVE ASSESSMENT NUMBER AND
DETAILED DESCRIPTION OF THE LINES AND
DIMENSIONS OF EACH PARCEL REFER TO THE
ASSESSOR'S PARCEL MAPS FOR THE CITY OF
SEBASTOPOL, AVAILABLE AT THE COUNTY OF
SONOMA, ASSESSOR'S OFFICE.

CITY OF SEBASTOPOL
SEBASTOPOL CALIFORNIA
2021-22 FISCAL YEAR



APPENDIX B - ASSESSMENT ROLL

The following pages contain the 2022/23 assessment roll for each of the Districts, as referenced in the report.

Assessor's parcel identification, for each lot or parcel within the District, shall be based on the County Assessor's secured roll data for the applicable year in which this Report is prepared and is incorporated herein by reference.

A listing of assessor's parcels assessed within the District for Fiscal Year 2022/23, along with the assessment amounts, is on file in the office of the City Clerk and incorporated herein by reference. Based on County Assessor's secured roll data, current assessor's parcels, including corrected and/or new assessor's parcels, will be submitted and/or resubmitted to the County Auditor/Controller. The annual assessment amount to be levied and collected for the resubmitted parcel(s) shall be determined in accordance with the method of apportionment and assessment rate approved in this Report. Therefore, if a single assessor's parcel has a status change in development, other land use change, or subdivides into multiple assessor's parcels, the assessment amounts applied to each of the new assessor's parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment amount.



City of Sebastopol

ASSESSMENT DISTRICT – ASSESSMENT ROLL
FISCAL YEAR 2022-23



ASSESSMENT ROLL LISTING IS NOT
INCLUDED DUE TO THE CONFIDENTIAL
NATURE OF EACH PARCEL