

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: May 16, 2023
To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: FY 2023-24 Street Lighting Assessment District
Recommendation: Adopt a resolution of intention to levy and collect the annual assessments for Fiscal Year 2023-24 for the City of Sebastopol Street Lighting Assessment District, preliminarily approving the annual Engineer’s Report and setting the date of the Public Hearing in accordance with provisions of the Landscaping and Lighting Act of 1972.
Funding: Currently Budgeted: ___Yes___ No ___X___ N/A
Net General Fund Cost: \$0
If Cost to Other Fund(s),
Fund:

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

INTRODUCTION:

This item is to request that the City Council Approve and Adopt the Resolution approving the intention to levy and collect the annual streetlighting assessment for Fiscal Year 2023-24, and preliminarily approving the annual Engineer’s Report and setting the date of the Public Hearing, in accordance with the provisions of the Landscaping and Lighting Act of 1972.

BACKGROUND:

On March 7, 2023, the City Council adopted Resolution No. 6517-2023 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 2023-24. The annual Engineer’s Report has been prepared and filed and is submitted for your review and preliminary approval.

For Fiscal Year 2023-24, the proposed annual assessment is \$32.00 per ESD, same as from the previous assessment of \$32.00 in Fiscal Year 2022-23. The District’s projected Reserve Fund balance for Fiscal Year ending at June 30, 2024 is approximately \$27,527.

The City of Sebastopol utilizes a city-wide Street Lighting Special Assessment District, in accordance with the provisions of the Landscaping and Lighting Act of 1972, to fund the operation and maintenance of the city-wide 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 begun by the City Council’s March 7, 2023, action.

The proposed annual assessment per ESD unit is determined by dividing 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.

Tonight's meeting is the second of the three annual City Council actions regarding the Assessment District.

By adopting the attached resolution, the City Council will set the maximum assessment rate that may be levied for Fiscal Year 2023-24.

At the June 6, 2023, Public Hearing (third City Council action), the City Council may authorize the levy and collection of the assessments at a rate that is equal to, or less than, the rate approved at tonight's meeting.

DISCUSSION:

The annual Engineer's Report for Fiscal Year 2023-24 includes:

- a) The description and proposed changes to the Assessment District.
- b) The estimated budget to operate and maintain the streetlight system.
- c) The assessment roll for all parcels to be levied.
- d) The method of apportionment (spread) of the assessments to each parcel of land in the Assessment District.
- e) The assessment diagram (map) of the Assessment District.

The City Council can make changes to the Engineer's Report up to and including the date of the Public Hearing. The remaining City Council actions for the levy of the annual assessments for Fiscal Year 2023-24 for the City's Street Lighting Assessment District are as follows:

- The City Council holds a Public Hearing planned for June 6, 2023, at 6:00 p.m. to fulfill the public protest hearing requirements in the Street and Highways Code.
- Upon its conclusion, the City Council may adopt a resolution confirming the assessments, either as preliminarily approved on June 6, 2023, or as modified by the City Council at the conclusion of the June 6, 2023, Public Hearing. The adoption of the resolution shall constitute authorization to levy and collect assessments for Fiscal Year 2023-24.

These annual proceedings and the City Council actions are required by the Landscaping & Lighting Act of 1972 of the California Streets and Highways 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 comment portion of the agenda item.

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 the scheduled meeting date.

FISCAL IMPACTS:

The proposed annual assessment of \$32.00 per ESD will result in estimated revenue of approximately \$128,300 associated with the recommended action tonight. This item will be budgeted for the Fiscal Year 2023-24 City Budget with associated expenditures of approximately \$131,200, with a small use of estimated Reserve Fund balance at June 30, 2023, of approximately \$30,200.

RECOMMENDATION:

That the City Council Approve and Adopt the Resolution approving the intention to levy and collect the annual assessment for Fiscal Year 2023-24, and preliminarily approving the annual Engineer's Report and setting the date of the Public Hearing, in accordance with provisions of the Landscaping and Lighting Act 1972.

Attachment(s):

Resolution

Draft Annual Engineer's Report

RESOLUTION NO. XXXX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS FOR FISCAL YEAR 2023-24 FOR THE SEBASTOPOL STREET LIGHTING SPECIAL ASSESSMENT DISTRICT, PRELIMINARILY APPROVE THE ENGINEER'S REPORT AND SET THE TIME AND PLACE FOR A PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS.

WHEREAS, during 1981 the City Council ordered the formation of the Assessment District to levy and collect assessments to fund the operation and maintenance of the city-wide streetlight system pursuant to the Landscaping and Lighting Act of 1972; and

WHEREAS, an Engineer's Report is required to be prepared and filed each year outlining the proposed budget and assessment, the proposed improvements to be maintained, and any changes to the Assessment District in order to levy and collect assessment on any following fiscal year; and

WHEREAS, the City Council intends to levy and collect assessments from parcels within the Assessment District for Fiscal Year 2023-24, located within the City of Sebastopol, Sonoma County; and

WHEREAS, on March 7, 2023, the City Council adopted Resolution No. 6517-2023 appointing NBS as the Engineer of Work, directing the preparation and filing of the annual Engineer's Report and describing any potential changes to the Assessment District for Fiscal Year 2023-24; and

WHEREAS, NBS has prepared and filed with the City Clerk the annual Engineer's Report for Fiscal Year 2023-24 as required by the Landscaping and Lighting Act of 1972; and

WHEREAS, the proposed improvements to be maintained in this Assessment District are the streetlights within the Sebastopol City limits; and

WHEREAS, the annual Engineer's Report for Fiscal Year 2023-24 includes any changes to the Assessment District, such as subdivision developments, lot splits, land use changes or corrections during Fiscal Year 2022-23. The Fiscal Year 2023-24 assessment contains 4,010.5 equivalent Single-Family Dwelling (ESD) units; and

WHEREAS, all interested persons are referred to the filed Engineer's Report for a full and detailed description of the improvements, the proposed operation and maintenance costs, the boundaries of the Assessment District and the proposed assessments upon assessable lots and parcels of land within the Assessment District for Fiscal Year 2023-24; and

WHEREAS, the annual assessment per ESD unit for Fiscal Year 2023-24 is proposed to be \$32.00 per ESD, no increase per ESD unit in comparison to Fiscal Year 2022-23; and

WHEREAS, this Resolution is adopted pursuant to Section 22624 of the State of California, Streets and Highways Code.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sebastopol hereby intends to levy and collect assessments during Fiscal Year 2023-24 and preliminarily approves the filing of Fiscal Year 2023-24 Engineer's Report with the estimate of costs to maintain said streetlight improvements and incidentals; and

BE IT FURTHER RESOLVED that a public hearing regarding the levy on the proposed assessment will be held on Tuesday, June 6, 2023, at 6:00 p.m., in the regular meeting will be held the Sebastopol Youth Annex, 425 Morris Street, Sebastopol and via teleconferencing from via Zoom.

At that time, the City Council will hear all protests relating to said proposed proceedings. Any interested person may, prior to the conclusion of the hearing, file a written protest with the City Clerk or, having previously filed a protest, file a written withdrawal of the protest. A written protest shall state all grounds of objection. A protest by a property owner shall contain a description sufficient to identify the property owned by that person; and

BE IT FURTHER RESOLVED that at least 10 days prior to the date of the public hearing, the City Clerk shall give notice of the hearing by causing this resolution to be published once in a newspaper of general circulation within the City.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 16th day of May 2023.

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

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Neysa Hinton, Mayor

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 2023/24

Lighting Maintenance Assessment District

May 2023

Prepared by:



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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 2023/24 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 2023/24, 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	2,049	2,053.0	\$65,696.00
Multiple dwelling unit parcels	347	1,430.0	45,760.00
Commercial parcels with no dwelling units	249	250.0	8,000.00
Commercial parcels with dwelling units	54	212.0	6,784
Industrial parcels with no dwelling units	27	27.0	864.00
Industrial parcels with dwelling units	0	0.0	0.00
Vacant Parcels	76	38.5	1,232.00
Totals	2,802	4,010.5	\$128,336.00

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 XIID, 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 2023/24 is shown below.

Category	Cost Estimate
Utilities	\$90,000.00
Administration Costs	
City of Sebastopol	15,157.00
Professional Services	7,250.00
Public Works	18,526.00
Auditor	250.00
Total Cost	\$131,183.00

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 2023/24.

Beginning Reserve Fund	\$30,209.56
Collection for Reserves	(2,847.00)
Interest and Rental Revenue	500.00
Estimated Reserve Fund Balance at June 30, 2024	27,527.00
Reserve Fund Target ⁽¹⁾	\$65,591.50

(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 2023/24 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 2023/24 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 2023/24 Operating Cost	\$131,183.00
Total Collection for Reserves	(2,847.00)
Total ESD Units	4,010.50
2023/24 Actual Assessment Rate ⁽¹⁾	\$32.00
2023/24 Assessment Revenue	\$128,336.00

(1) Provided by the District.

In addition to the estimated operating costs not being fully covered, the Fiscal Year 2023/24 assessment will use approximately \$2,847.00 of 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.



APPENDIX B - ASSESSMENT ROLL

The following pages contain the 2023/24 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 2023/24, 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 2023-24



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