

CITY OF YUBA CITY
STAFF REPORT

Date: July 20, 2021
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Diana Langley, 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
B. Adopt a Resolution confirming and ordering the annual levy of assessments for Fiscal Year 2021-22, pursuant to the Landscaping and Lighting Act of 1972.

Fiscal Impact: Receipt of assessments and expenditures of funds for Landscape Maintenance District No. 1

Purpose:

To continue to provide Landscape Maintenance throughout the City pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIID 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 (Attachment 1, Exhibit A). 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, and B_2). 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. Zones B_1 and B_2 are recently formed zones of benefit and do have provisions for a COLA which is based on the Consumer Price Index from January to January.

On June 15, 2021, Council adopted a Resolution describing improvements and directing the filing of the Annual Report. On July 6, 2021, Council adopted a Resolution approving the Engineer's Report, and a Resolution of Intention to order the improvements, setting a Public Hearing for July 20, 2021 to establish the assessments for Fiscal Year 2021-22.

Analysis:

The Engineer’s Annual Report has been prepared and is on file in the City Clerk’s office. The report describes the District, the improvements therein, the method of assessment, and the proposed assessment for each parcel.

In previous years, the expenditures in District No. 1 exceeded the revenue due to the lack of COLA provisions, creating negative Reserve Fund Balances. The City has addressed these negative fund balances with aggressive cost-cutting measures and transfers from the General Fund and Streets and Road Fund. The City has reduced professional services, water, and administration expenses allowing the revenue to exceed the expenditures in District No. 1. It is unlikely that moving forward the City will be able to keep expenses at these reduced levels while maintaining acceptable levels of maintenance.

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 has exceeded revenues received from the assessments. In order to restore maintenance levels, the City could again approach property owners about approving an assessment increase through a Proposition 218 process.

Fiscal Impact:

The proposed assessments for Fiscal Year 21/22 are shown in Attachment 2.

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

<u>District – Zone of Benefit</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Projected Reserve Fund Balance as of 7/1/22*</u>
1 - A	\$22,007	\$21,978	\$1,476
1 – B**	\$66,250	\$57,276	\$49,252

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

**Dollar amounts for both Zones of Benefit B, B_1, and B_2 are included within “1-B” row of table.

The reserve balance in Zone of Benefit B consists of General Fund transfers that were unspent from previous years. Staff recommends maintaining this reserve balance to cover unforeseen expenses that may come up throughout the year. Moving forward, the City may be required to reduce maintenance levels in District No. 1, or utilize General Fund Gateway Maintenance Transfer funds to maintain previous years’ level of maintenance.

Alternatives:

1. Council may direct the modification of the assessment amounts which will affect future revenue and expenditure amounts in FY 21/22, or cancel the District and find alternative funding sources to maintain the landscaping.
2. Council may direct City staff to follow legal procedures in order to modify District No. 1 to include an adjustment to match current expenditures with COLA provisions to avoid revenue shortfalls in the future.

3. Council may direct other fund sources to supplement the District revenues based on previous Fiscal Year expenditures. In previous fiscal years, the average expenditure dollar amount in Zone of Benefit B was approximately \$100,000 with revenues being approximately \$65,000.

Recommendation:

- A. Conduct a Public Hearing.
- B. Adopt a Resolution confirming and ordering the annual levy of assessments for Fiscal Year 2021-22, pursuant to the Landscaping and Lighting Act of 1972.

Attachments:

1. Resolution
 - a. Exhibit A - District Maps
2. Proposed Assessments

Prepared by:

/s/ Joshua Wolfe
Joshua Wolfe
Assistant Engineer

Submitted by:

/s/ Dave Vaughn
Dave Vaughn
City Manager

Reviewed by:

Department Head
Finance
City Attorney

DL
SM
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 2021-22 FOR THE YUBA CITY LANDSCAPE MAINTENANCE DISTRICT NO. 1 (ZONE
OF BENEFIT "A" (STABLER LANE AREA) AND ZONES OF BENEFIT "B," "B_1," & "B_2"
(GARDEN HIGHWAY AREA))**

WHEREAS, on July 6, 2021, 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 2021-22; 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 June 15, 2021, pursuant to the provisions of the Act, the City Council initiated proceedings by Resolution No. 21-065 for the levy and collection of assessments against the assessable lots and parcels of land in the District for Fiscal Year 2021-22 and directed the Engineer of Work, Tyrone Peter 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 6, 2021, the City Council adopted Resolution No. 21-086 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 July 20, 2021, was duly published on July 16, 2021.

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

1. The above recitals are true and correct, and are hereby incorporated herein by this reference.
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, 2021 and ending June 30, 2022, to pay for the costs and expenses of the improvements described in the Engineer's Report.

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.
4. That the hearing on said annual levy of assessment was held in accordance with law and all persons desiring to speak were heard.
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 as to the District, and that the assessment of the total amount of the costs and the individual assessments thereof, respectively, from said improvements, and of the expenses incidental thereto, be and the same hereby are finally approved and confirmed as the assessments to pay the costs. The assessments for District No. 1, Zones of Benefit "A" and "B," for Fiscal Year 2021-22 are proposed to remain the same as the previous year as described in the Engineer's Report. The assessments for District No. 1, Zone of Benefit "B_1," and "B_2" for Fiscal Year 2021-22 are proposed to increase from the previous year as described in the Engineer's Report, but are still within or less than the amount approved for Zones of Benefit "B_1" and "B_2" at the time of the Districts' formations.
6. The Council hereby orders the levy of the assessments described in said Resolution of Intention and the Engineer's Report.
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.
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 July 21, 2021.
9. As the levies remain the same as prior years, the assessments for District No. 1 Zones of Benefit "A" and "B" are exempted from the requirements of Article XIII Section "D" of the California Constitution (Proposition 218). Likewise, although the levies have increased for District No. 1 Zones of Benefit "B_1" and "B_2" as compared to the prior year, the levy amounts are consistent with and less than the previously approved Cost of Living Adjustment adopted at the times of formation of the Districts pursuant to Proposition 218, and as such, the levies for District No. 1 Zones of Benefit "B_1" and "B_2" are likewise exempt from further compliance with 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 July 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Marc Boomgaarden, Mayor

Ciara Wakefield, Deputy City Clerk

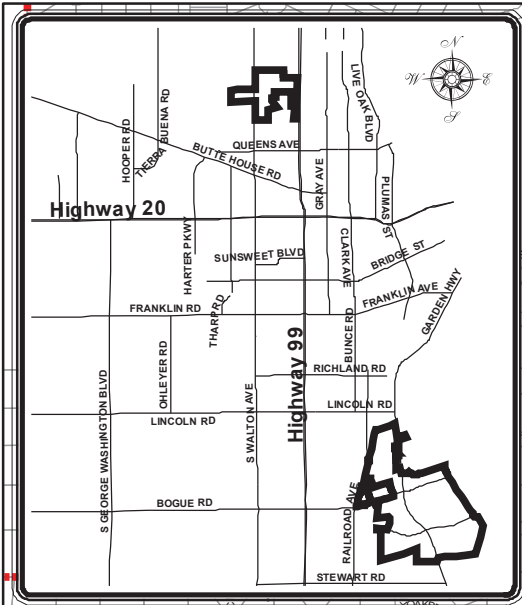
APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

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



Attachment(s):

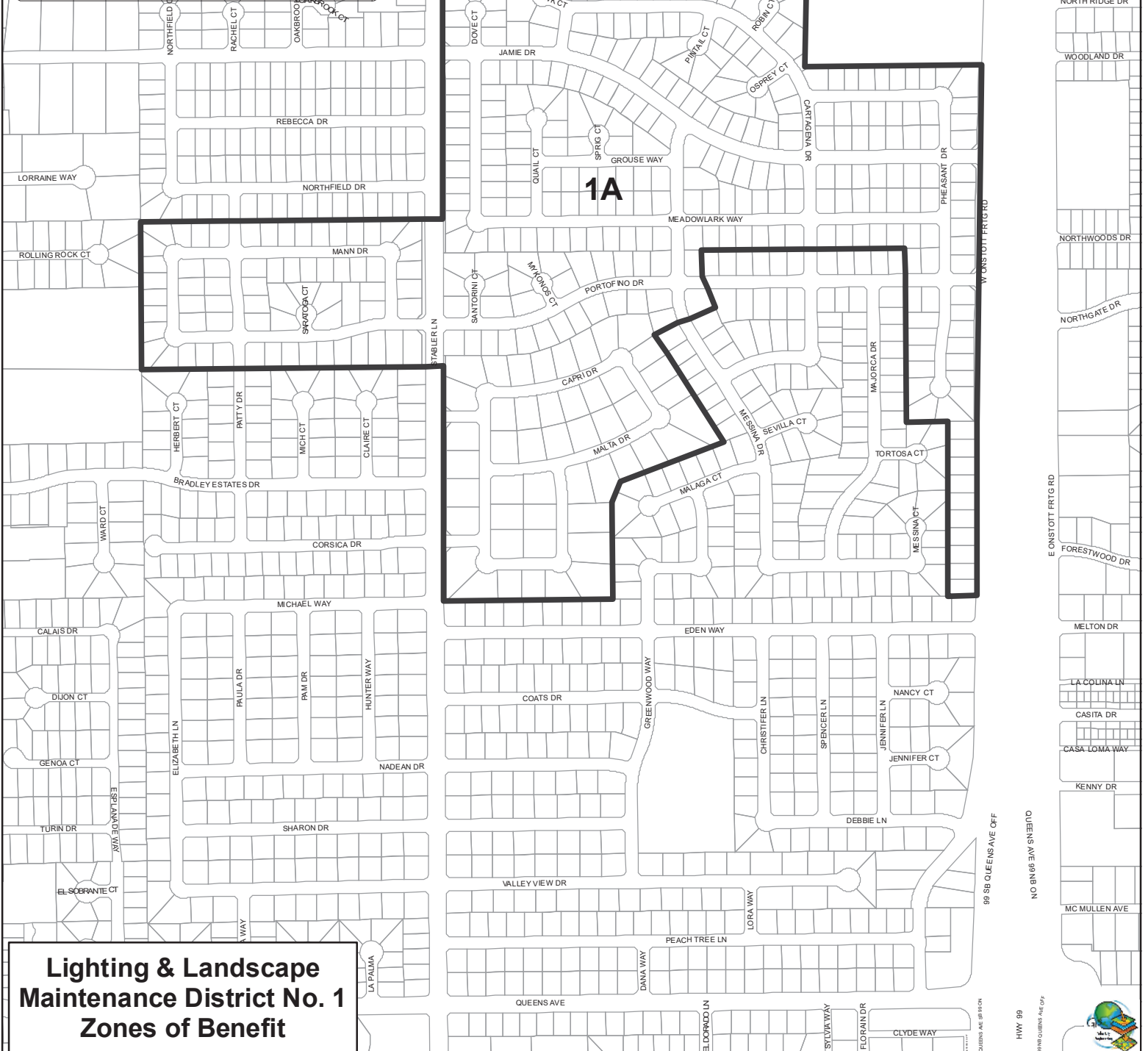
Exhibit A – District Map

EXHIBIT A



Legend

-  Maintenance Districts
-  City Limits



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

99 58 QUEENS AVE OFF
QUEENS AVE 99 58 ON
HWY 99
99 58 QUEENS AVE OFF





Legend

- Maintenance Districts
- City Limits



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



ATTACHMENT 2

DISTRICT 1 PROPOSED ASSESSMENTS

District	Zone of Benefit	FY 2021/22 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	\$34.04	\$0.47	\$34.04
	B_2	\$311.51	N/A	\$311.51