

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: June 1, 2009
Reviewed by: BP

Subject: Intention to Order Improvements and Levy Assessments in Assessment District No. 1988-1 and Assessment District No. 1996-1 for the 2009/10 and 2010/11 Fiscal Years, and Set a Public Hearing for June 15, 2009 on the proposed assessments.

Report By: Ann Chaney, Community Development Director
Randy Leptien, City Engineer

STAFF RECOMMENDATION

1. Approve Resolution #009-26 - A Resolution of Intention to Order Improvements and Levy Assessments in Assessment District No. 1988-1 for the 2009/10 and 2010/11 Fiscal Years (Pursuant to the Landscaping & Lighting Act of 1972), set a public hearing for June 15, 2009 on the proposed assessments; and
2. Approve Resolution #09-27 - A Resolution of Intention to Order Improvements and Levy Assessments in Assessment District No. 1996-1 for the 2009/10 and 2010/11 Fiscal Years (Pursuant to the Landscaping & Lighting Act of 1972).

BACKGROUND

The City has two assessment districts that were established pursuant to the provisions of the Streets and Highways Code: (1) LLAD 1988-1, Landscaping and Lighting; and (2) LLAD 1996-1 (or more commonly referred to as Measure R). This section of the Code is known as the Landscaping and Lighting Act of 1972 (Section 22500 et.seq.)

Last years' Landscape and Lighting Assessment District (LLAD) budget was adopted for a two-year period (2008/09 and 2009/10) for planning purposes. However, pursuant to State law for LLADs, an Engineer's Report that contains a scope of work and budget for the next fiscal year must be approved annually at a public hearing.

The proposed scope of work and budget for the 2009/10 fiscal year is described in Parts A and B of the Engineer's Report for each District respectively (see Attached). This information was presented to the Park and Recreation Commission in April and May of this year, together with the following background information:

LLAD 1988-1 Landscaping and Lighting

The older of the two Districts, Assessment District No. 1988-1 (LLAD 1988-1) was formed in the summer of 1988. Its initial purpose was to provide for the maintenance and replacement of park and recreation facilities. The scope of work was expanded in the following year to provide for the installation and maintenance of street lighting on Solano Avenue and landscaped medians in commercial areas. In 1992 bonds were issued for the construction of the Community Center and a proposed Maintenance Center. The scope of services for LLAD 1988-1 was expanded to include the payment of the debt service on the bonds. The bonds expire (will be paid off) in 2012. The attached cost estimate (Part B) indicates the estimated income, fund uses and projected balances for LLAD 1988-1 through 2010/2011. The following is a summary of the revenues, expenditures, and projected balances to be carried forward in each year.

Revenue – Assessments under LLAD 1988-1 are levied in proportion to the benefits that are estimated to be received by a property from the improvements, including maintenance of the improvements. The assessment for a detached single-family residence (SFR) unit is \$75.54 per year. Other assessments are levied in proportion to the estimated benefits received when compared to those estimated to be received by a SFR unit. There are approximately 6,900 Equivalent Residential Units (or ERU) in the District and the assessments produce approximately \$521,000 per year in revenue. The interest on the bond fund generates another \$19,000 and the total annual income is approximately \$540,000.

Expenditures – The assessment district expenditures are divided into two categories, “Fund Uses” and “Projects”. Fund Uses include debt service and maintenance expense. Project expenditures are generally capital expenditures for parks, lighting and landscaping projects included in the City’s Capital Improvement Program (CIP).

Debt Service - The annual debt service is approximately \$363,000 per year. As noted above, the annual debt service will expire in 2012 and revenues may be used for other authorized uses or projects.

Maintenance – The proposed maintenance activities include the Community Center, street trees, graffiti abatement, tennis courts, street lights on Solano Avenue and Ohlone Greenway, sidewalks and the urban forest program. The budget for sidewalks consists of matching funds for the replacement of sidewalks that are uprooted by trees. Since these funds are committed in the 5 year CIP they were moved in FY 2006-07 from “Projects” to “Uses”. In FY 2007-08, the street tree maintenance program was increased by 20%. The sidewalk maintenance program was moved from projects to uses, and a \$30,000 budget allocated to the Urban Forestry Program.

Projects – In years past, LLAD 1988-1 revenues were allocated in part toward capital improvement projects. In recent years, these revenues have been increasingly dedicated to maintenance. The only project identified in Parts A and B (attached) for the 2009/10 fiscal year is a contribution toward the Community Center tower repair.

Ending Fund Balance - This amount varies from year to year based upon the projects that are funded by the District. It is necessary to keep approximately 50% of the value of next year's fund uses in reserve so that the fund does not have to borrow from the general fund. This is because revenues are not received from the County Auditor until approximately January of the next calendar year.

LLAD 1996-1 (Measure R)

Assessment District No. 1996-1, also pursuant to the Landscaping and Lighting Act of 1972, commonly referred to as Measure R was formed in 1996 following an advisory election. Measure R provides funding for acquisition of Open Space, Recreational Playfields, and Creek Restoration. Following passage of Measure R, bonds were sold in 1998 to finance the property acquisition and capital costs. These funds are generally being held for major Capital Project or Land Acquisition expenditures although 25% of Measure R is used for improvements for ball fields. The bonds and the assessment authority will expire in 2018. The attached cost estimate (Part B) indicates the estimated income, fund uses and projected balances for Measure R through 2010/2011.

Assessments under Measure R are \$69 per year for a single-family residence (SFR). The total revenue including bonds interest is approximately \$524,000. The total debt service is \$476,000. Each activity is managed as a separate fund. Over the years, several parcels of land were acquired on Albany Hill with only one large piece of land remaining.

Since 2007-08, the annual Measure R budget for creek restoration has included \$5,000 for removal of non-native species from Cerrito Creek on the north side of Albany Hill. This work is being performed under the direction of the Friends of Five Creeks. It is proposed that this activity continue be funded at the same level.

A budget of \$10,000 was also allocated in 2007-08 for vegetation management on Albany Hill. For fiscal year 2009/10, the Park and Recreation Commission has recommended a one time expenditure of up to \$30,000 (\$20,000 more than is currently budgeted) for fire prevention maintenance, the removal of English Ivy, French Broom, and other invasives (see attached Park and Recreation Staff Report dated 4-14-09).

The 2008/09 and 2009/10 budget for the creek program includes \$100,000 for the design of the improvements to Codornices Creek between Kains and San Pablo Avenue and \$10,000 for City plan review.

With the relatively minor exceptions of the vegetation management activities on Albany Hill and in Cerrito Creek, which are expressly permitted under Measure R, the interest on the capital is returned to the Capital fund for future acquisition or construction costs.

DISCUSSION

On March 16, 2009, the Council approved Resolution #09-9 directing Leptien, Cronin, Cooper, Morris & Poore, Inc., Engineer of Record, to prepare and file the annual report for each of these respective districts. These annual reports, including the diagram of the district, method of assessment, and the assessment roll, are on file with the City Clerk. In order for the City to levy and collect assessments for the 2009/10 fiscal, the Council must preliminarily approve the Engineer's Report for each District as submitted, or as modified, and direct the City Clerk to give notice of a public hearing on the proposed assessments.

A Resolution of Intention to Order Improvements and Levy Assessments in each District for the 2009/10 fiscal year (pursuant to the Landscaping & Lighting Act of 1972), and setting public hearings June 15, 2009 on the proposed assessments is attached. Notice is given by publishing the Resolution of Intention for each District in the newspaper, at least 10 days prior to the hearing.

Approval of Resolution #09-26 and #09-27, which sets the hearings for June 15, 2009, is recommended.

SUSTAINABILITY IMPACT

The activities included under the LLAD programs, are dedicated toward restoring habitat, preserving open space, and maintaining and providing trees and generally pervious surfaces (e.g., parks, playfields). These activities help to reduce carbon emissions, improve water quality, and promote a healthier environment.

FINANCIAL IMPACT

None.

Attachments

Resolution # 09-26

Resolution # 09-27

LLAD 1988-1 Engineer's Report (Part A and B only)

LLAD 1996 (Measure R) Engineer's Report (Part A and B only)

Park and Recreation Commission Staff Report – April 14, 2009