



CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: June 16, 2026 (Continuation from June 2, 2026)

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To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
 Oriana Hart – Public Works Director
Responsible Department: Administrative Services | Public Works
Subject: FY 2026-27 Street Lighting Assessment District

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RECOMMENDATION(S):

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 2026-27 for the City of Sebastopol Street Lighting Special Assessment District.

PROCESS OF AGENDA ITEM:

- Presentation of agenda item by staff
- Council questions of staff
- Public Hearing
- Council discussion
- Motion

EXECUTIVE SUMMARY:

The 1972 Act Landscaping and Lighting District is a flexible tool used by local government agencies to pay for landscaping, lighting and other improvements and services in public areas. As a form of benefit assessment, it is based on the concept of assessing only those properties that benefit from improvements financed, either directly, or indirectly through increased property values. Because it is considered a benefit assessment, a 1972 Act assessment is not subject to Proposition 13 limitations.

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 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.

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 21, 2026, the City Council adopted Resolution No. 6748-2026 appointing the Engineer of Work (NBS) directing the preparation and filing of the annual Engineer’s Report and describing the potential changes to the Assessment District for Fiscal Year 2026-27.

The annual Engineer’s Report was subsequently prepared and filed with the City. On May 19, 2026, the City Council adopted Resolution No. 6761-2026 preliminarily approving the Engineer’s Report and indicating the intention to levy and collect annual assessments for Fiscal Year 2026-27.



City of Sebastopol

For Fiscal Year 2026-27, the proposed annual assessment is \$23.32 per (ESD) equivalent single-family dwelling. For a single family residential household unit, this amount is an decrease from the previous assessment of \$35.00 in Fiscal Year 2025-26. This decrease in assessment has been adjusted in accordance with the limitations established during the 1996/97 Fiscal Year and remains consistent with those parameters. The District is projected to end the fiscal year on June 30, 2027, with an estimated Reserve Fund balance of approximately \$23,520.

STAFF ANALYSIS:

Tonight is the final City Council action for these annual proceedings. The City Council can adopt the attached resolution confirming approval of the Fiscal Year 2026-27 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 2026-27.

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 2026-27 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 2026-27 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 2026-27 assessment is \$23.32 per ESD (Equivalent Single-family Dwelling) unit, which is a decrease in the prior fiscal year’s assessment.

The total proposed levy for the Fiscal Year 2026-27 Street Lighting Special Assessment District is \$94,470 compared to expenditures of \$106,365.

The Engineer’s Report is a document of 79 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.gov 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.

CITY COUNCIL GOALS/PRIORITIES/ AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Goal 5: Achieving Greater Fiscal Resilience and Long Term Fiscal Sustainability

This agenda item represents the City Council General Plan Consistency (if applicable): N/A

FISCAL IMPACT:

The proposed annual assessment charge of \$23.32 for each ESD is anticipated to generate roughly \$94,470 in revenue related to the action recommended for approval tonight. This amount is planned to be allocated in the Fiscal Year 2026-27 City Budget, with corresponding expenses of about \$106,365. It is important to note that the expected revenue does cover the forecasted expenses, leading to an estimated use of the fund balance of June 30, 2027, of roughly \$11,395.

The projected fund balance as of June 30, 2027, is approximately \$23,520, representing 22.1% of total expenditures. While the assessment district is not required to maintain a specific fund balance level, this amount is considered adequate given that no new projects are planned for the upcoming fiscal year.

COMMUNITY OUTREACH:



City of Sebastopol

This item has been 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.

As of the writing of this agenda item 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 agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting.

RESTATED 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 2025-26 for the City of Sebastopol Street Lighting Special Assessment District.

CITY COUNCIL OPTION(S):

No alternative options have been considered

ATTACHMENTS:

- Resolution
- Final Annual Engineer’s Report

APPROVALS:

Department Head Approval: Approval Date: 5/21/26

CEQA Determination (Planning): Approval Date: N/A

The proposed action is not a project under the California Environmental Quality Act (CEQA).

Administrative Services (Financial) Approval Date: 5/21/26

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) N/A

City Attorney Approval: Approval Date: 5/22/26

City Manager Approval: Approval Date: 5/22/26

RESOLUTION NO. XXXX-2026

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 2026-27 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 2026-27. 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 21, 2026, 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 2026-27; and

WHEREAS, the Engineer of Work subsequently prepared and filed with the City Clerk the annual Engineer's Report for Fiscal Year 2026-27 as required by the Landscaping and Lighting Act of 1972, which was approved by the City Council on May 19, 2026; and;

WHEREAS, the annual assessment of \$23.32 per Equivalent Single-Family Dwelling Unit (ESD) is proposed to be levied and collected for Fiscal Year 2026-27; 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 2, 2026, 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, at the conclusion of the public hearing it was determined that majority protest did not occur; and

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sebastopol hereby confirms approval and adoption of the annual Engineer's Report as prepared and filed, and confirms the Assessment Diagram and annual assessments as set forth in the annual Fiscal Year 2026-27 Engineer's Report and any amendments incorporated at the City Council's direction.

BE IT FUTHER RESOLVED that the City Council hereby authorizes the levy and collection of the annual assessments set forth in such report for Fiscal Year 2026-27 and that this resolution is adopted pursuant to Section 22631 of the Streets and Highways Code.

BE IT FUTHER RESOLVED that the assessment shall be collected in the same manner and at the same time as regular municipal property taxes, and that the City Manager, or designee, is authorized and directed to take all actions necessary to carry out the purpose and intent of this resolution.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 2nd day of June, 2026.

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 Jill McLewis

ATTEST:

Mary Gourley, City Manager

APPROVED AS TO FORM:

Alex Mog, City Attorney

CITY OF SEBASTOPOL

Fiscal Year 2026/27 Engineer's Report for:

Lighting Maintenance Assessment District

May 2026

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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 2026/27 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 2026/27, 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	2,051	2,051	\$47,829.32
Multiple dwelling unit parcels	367	1,525	35,563.00
Commercial parcels with no dwelling units	241	241	5,620.12
Commercial parcels with dwelling units	33	164	35,563.00
Industrial parcels with no dwelling units	28	28	652.96
Industrial parcels with dwelling units	0	0.0	0.00
Vacant Parcels	84	42	979.44
Totals	2,804	4,051	\$94,469.32

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 XIII D of the California Constitution, 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 XIII D 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 XIII D of the California Constitution, 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 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 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 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 2026/27 is shown below.

Category	Cost Estimate
Utilities	\$98,365.00
Administration Costs	
City of Sebastopol	0.00
Professional Services	7,750.00
Public Works	0.00
Auditor	250.00
Total Cost	\$106,365.00

4.2 Reserve Fund

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 2026/27.

Beginning Reserve Fund	\$34,914.92
Contribution from Reserves	(11,895.68)
Interest and Rental Revenue	500.00
Estimated Reserve Fund Balance at June 30, 2027	23,519.24
Reserve Fund Target ⁽¹⁾	\$53,182.50

(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 2026/27 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 2026/27 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 2026/27 Operating Cost	\$106,365.00
Total Contribution from Reserves	(11,895.68)
Total ESD Units	4,051
2026/27 Actual Assessment Rate ⁽¹⁾	\$23.32
2026/27 Assessment Revenue	\$94,469.32

(1) Provided by the District.

The Fiscal Year 2026/27 assessment amount will be short of the annual operating costs by approximately \$11,895.68.

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



NOTE:

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 Fiscal Year 2026/27 assessment roll for the District, 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 2026/27, 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 2026-27



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