



**CITY OF SEBASTOPOL CITY COUNCIL**

**AGENDA ITEM REPORT FOR MEETING OF: May 19, 2026**

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

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**RECOMMENDATION:**

Adopt a resolution of intention to levy and collect the annual assessments for Fiscal Year 2026-27 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.

**PROCESS OF AGENDA ITEM:**

- If the item remains on the Consent Calendar, no presentation is required, and the item will be approved as part of the Consent Calendar.
- If the item is removed from the Consent Calendar, it will be heard as a regular agenda item and will proceed as follows:
  - a. Presentation by staff
  - b. Council questions and discussion
  - c. Public comment
  - d. Council deliberation and action

**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.

In order to impose this annual assessment, the City Council must annually authorize an Engineer’s Report to identify the costs, uses, and general benefits of those parcels within the Assessment District. The Engineer’s Report will describe the revenues and uses of revenues for eligible activities. The City Council must then accept the Engineer’s Report and conduct a public hearing to hear comments on the imposition of these assessments in order for the assessment to be imposed. The City is also required to cause the notice of the public hearing to be published one time at least ten days prior to the hearing in a newspaper of general circulation.

**BACKGROUND:**

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 has been prepared and filed and is submitted for your review and preliminary approval.

For Fiscal Year 2026-27, the proposed annual assessment is \$23.32 per equivalent single-family dwelling (ESD). For a single-family residential unit, this represents a decrease from the prior fiscal year’s assessment of \$35.00. The 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.



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 April 21, 2026, 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 2026-27.

At the June 2, 2026, 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.

#### **ANALYSIS:**

The annual Engineer's Report for Fiscal Year 2026-27 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 2026-27 for the City's Street Lighting Assessment District are as follows:

- The City Council holds a Public Hearing scheduled for June 2, 2026, at or after 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 2, 2026, or as modified by the City Council at the conclusion of the June 2, 2026, Public Hearing. The adoption of the resolution shall constitute authorization to levy and collect assessments for Fiscal Year 2026-27.

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

#### **COMMUNITY OUTREACH:**

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.

#### **FISCAL IMPACT:**

The proposed annual assessment charge of \$23.32 per ESD is anticipated to generate approximately \$94,470 in revenue, consistent with the action recommended for approval this evening. This revenue, along with available fund balance, will support the Fiscal Year 2026-27 budgeted expenditures for the Assessment District, which are estimated at approximately \$106,365.



After accounting for planned expenditures, the Assessment District is projected to end the fiscal year with an estimated fund balance of \$23,520 as of June 30, 2027. The Assessment District is not required to maintain a minimum fund balance level, and the projected fund balance—representing approximately 22.1% of total expenditures—is considered sufficient, particularly given that no major projects are planned for the District in the upcoming fiscal year.

**OPTIONS:**

No alternative options have been considered

**ATTACHMENTS:**

- Resolution
- Draft Annual Engineer’s Report

**APPROVALS:**

Department Head Approval: Approval Date: 5/4/26

CEQA Determination (Planning): Approval Date: \_\_\_\_\_

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

Administrative Services (Financial) Approval Date: 5/4/26

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

Account Code (f applicable)

City Attorney Approval: Approval Date: 5/10/26

City Manager Approval: Approval Date: 5/10/26

RESOLUTION NO. XXXX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS FOR FISCAL YEAR 2026-27 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 2025-26, located within the City of Sebastopol, Sonoma County; and

WHEREAS, on April 21, 2026, the City Council adopted Resolution No. 6748-2026 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 2026-27; and

WHEREAS, NBS has 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; 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 2026-27 includes any changes to the Assessment District, such as subdivision developments, lot splits, land use changes or corrections during Fiscal Year 2025-26. The Fiscal Year 2026-27 assessment contains 4,051 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 2026-27; and

WHEREAS, the annual assessment per ESD unit for Fiscal Year 2026-27 is proposed to be \$23.32 per ESD, an decrease of \$11.68 per ESD unit in comparison to Fiscal Year 2025-26; 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 2026-27 and approves the filing of Fiscal Year 2026-27 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 2, 2026, at 6:00 p.m., during the regular City Council meeting held at the Sebastopol Youth Annex, 425 Morris Street, Sebastopol.

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 19<sup>th</sup> day of May 2026.

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:

Jill McLewis, Mayor

ATTEST:

Mary Gourley, City Manager

APPROVED AS TO FORM:

Alex Mog, City Attorney

# CITY OF SEBASTOPOL

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*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
<b>Totals</b>	<b>2,804</b>	<b>4,051</b>	<b>\$94,469.32</b>

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.

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John Egan  
Assessment Engineer  
R.C.E. 14853



## 2. PLANS AND SPECIFICATIONS

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### 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

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### 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
<b>Total Cost</b>	<b>\$106,365.00</b>

## 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 <sup>(1)</sup>	\$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 <sup>(1)</sup>	\$23.32
<b>2026/27 Assessment Revenue</b>	<b>\$94,469.32</b>

(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

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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

**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

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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