



## Folsom City Council Staff Report

<b>MEETING DATE:</b>	6/10/2025
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Resolution No. 11399- A Resolution Approving the Preliminary Engineer's Report for the Following Landscaping and Lighting Districts for Fiscal Year 2025-2026 and Setting Public Hearing for American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs
<b>FROM:</b>	Parks and Recreation Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends the City Council adopt Resolution No. 11399– A Resolution Approving the Preliminary Engineer's Report for the Following Landscaping and Lighting Districts for Fiscal Year 2025-26 and Setting Public Hearing for American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs.

Staff recommends the City Council direct the Engineer of Record to include a table within the Final Engineers Report to reflect revenues and expenses to further highlight operational deficits as well as the total District account balance as of April 30, 2025. Annual operational deficits are funded from the City's pooled cash account. Any reserve fund balance deficits are assigned to the specific district and is the ongoing financial responsibility of the district. Operating deficits can be reduced by annual reserve fund collections or a reduction in services provided to the district.

### **BACKGROUND / ISSUE**

The City of Folsom has thirty existing Landscaping and Lighting Districts. Each year, as part of the annual assessment process, an Engineer's Report must be prepared in accordance with the requirement of Article 4 of Chapter 1 of Part 2 of Division 15 of the *Streets and Highways Code* and the *Landscaping and Lighting Act of 1972*.

The Engineer's Report for Fiscal Year 2025-26 will address all thirty districts in one report and will be submitted for final approval to the City Council.

On February 25, 2025, the City Council approved Resolution No. 11330 - A Resolution Directing the Preparation of Engineer's Report for the Following Landscaping and Lighting Districts for Fiscal Year 2025-2026 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs Landscaping and Lighting Assessment Districts within the City of Folsom for FY 2025-26. The attached resolution approves the Preliminary Engineer's Report for the thirty districts, declares the continued assessment for each district and sets the date of the public hearing for final approval of the Engineer's Report. The attached Preliminary Engineer's Report for FY 2025-26 addresses all thirty districts in one report and is submitted for City Council review and approval. Included within the report are the following for each district:

- A. Plans and specifications for the maintenance of the improvements (on file in the Parks & Recreation Department).
- B. Cost estimates of maintaining the improvements.
- C. Diagram of the assessment districts.
- D. Estimated costs for maintaining the improvements.

Under the provision of Section 54954.6 of the Government Code, each year a public meeting and public hearing are to be held on the levy of assessments. The attached resolution sets the public hearing for the July 8, 2025, City Council meeting.

## **POLICY / RULE**

The City Council is required to adopt a resolution approving the Preliminary Engineer's Report as part of the annual assessment process pursuant to Article 4 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972). The City Council is also required to adopt a resolution declaring the intention to levy and collect assessments pursuant to Section 54954.6 of the Government Code and Section 22624 of the Streets and Highways Code.

## **ANALYSIS**

The attached Preliminary Engineer's Report (Attachment 2) prepared by the Engineer of Record, NBS Government Financing Group, is for all thirty Landscaping and Lighting Districts for FY 2025-26. This report (one for each district and combined into one document) is submitted for City Council review and has been prepared in accordance with the Streets and Highways Code and includes the following: plans and specifications, estimated costs and budgets, method of apportionment, the proposed assessment for FY 2025-26, and the assessment diagram.

### **Assessment to Properties**

The rate of assessment to properties within each district is shown in the table provided under the financial impact section of this staff report. The table provided shows the maximum authorized rate of assessment, and the CPI or inflator if applicable on a district-by-district basis. We included the not to exceed CPI percentage for this fiscal year for reference.

### **Installment Summary**

The installment summaries describe short-term installments collected pursuant to Section 22660 of the Streets and Highways Code to meet the districts' future repair and replacement needs anticipated to occur within an approximate five-year time frame, as well as long-term installments collected to meet those future needs anticipated to occur within 5 to 30-year time frames.

### **Comparison to Last Year**

District budgets for this upcoming year will continue focusing on improvements and restorations that enhance each district's commitment to water conservation, prolonging assets life, drought tolerant landscaping improvements, fire safety, and tree stewardship. As such, some districts will be retrofitting and centralizing irrigation controllers, inventorying street trees, changing out plant materials to water wise varieties, and converting over to LED streetlights. Many of the City's districts are over 20 years old and do not have escalators built into their rates to track with cost-of-living increases and economic changes. As such, districts being monitored for future outreach regarding a new assessment overlay district are Briggs Ranch (36 years old), Hannaford Cross (34 years old), Cobble Ridge II / Reflections II (31 years old), Broadstone & Broadstone No.4 (33 years old). Broadstone No.4 was approved by voters and adopted by the City Council in July 2016. The budget for Broadstone No. 4 was structured to provide for immediate needs in the first five years by way of a higher assessment, then reduced to a lower assessment for maintenance in the following years. This second

(reduced) level of assessment is inadequate to address the long-term maintenance and renovation needs of the district. Lastly, the city will continue outreach for an increase in Natoma Station in the 2025-26 Fiscal Year.

Steeplechase, Blue Ravine Oaks & Blue Ravine Oaks No.2 (The Shores), Willow Creek Estates East & Willow Creek Estates East No.2, Willow Creek Estates South (Lexington Hills), Los Cerros, Lake Natoma Shores (The Preserves), Willow Springs, and Sierra Estates have been identified as having projected budget revenue shortfalls that may impact their ability to maintain basic landscape and lighting services within the next five years. To ensure continued service levels and fiscal sustainability, these districts will require outreach efforts and consideration of new or increased property assessments in accordance with Proposition 218 procedures.

Assessment to Properties by District					
District	FY 2024/25 Assessment per SFE	FY 2025/26 Assessment per SFE	Difference	Increase / Decrease	FY 2025/26 Maximum Authorized Rate
Lake Natoma Shores	\$ 138.16	\$ 183.58	\$ 45.42	Increase	\$ 183.58
The Residences at American River Canyon II	\$ 1,569.22	\$ 1,606.56	\$ 37.34	Increase	\$ 1,606.56
Prospect Ridge	\$ 1,317.44	\$ 1,348.78	\$ 31.34	Increase	\$ 1,348.79
The Residences at American River Canyon	\$ 755.56	\$ 773.52	\$ 17.96	Increase	\$ 773.53
Sierra Estates	\$ 445.90	\$ 456.52	\$ 10.62	Increase	\$ 456.52
Prairie Oaks Ranch No. 2	\$ 343.00	\$ 353.30	\$ 10.30	Increase	\$ 353.30
Folsom Heights No. 2	\$ 238.56	\$ 248.84	\$ 10.28	Increase	\$ 248.84
American River Canyon North No. 3	\$ 312.96	\$ 322.34	\$ 9.38	Increase	\$ 322.35
Blue Ravine Oaks No. 2	\$ 110.92	\$ 114.26	\$ 3.34	Increase	\$ 114.26
Willow Creek Estates East No. 2 - Zone A&B	\$ 111.68	\$ 114.34	\$ 2.66	Increase	\$ 114.34
Willow Creek Estates East No. 2 - Zone C	\$ 102.62	\$ 105.10	\$ 2.48	Increase	\$ 105.11
Broadstone No. 4 - Zone A	\$ 42.40	\$ 43.68	\$ 1.28	Increase	\$ 43.68
Broadstone No. 4 - Zone B	\$ 40.38	\$ 41.60	\$ 1.22	Increase	\$ 41.60
Broadstone No. 4 - Zone C	\$ 39.80	\$ 41.00	\$ 1.20	Increase	\$ 41.00
Broadstone No. 4 - Zone D	\$ 39.04	\$ 40.22	\$ 1.18	Increase	\$ 40.22
Broadstone No. 3	\$ 41.90	\$ 42.89	\$ 0.99	Increase	\$ 42.90
Natoma Valley	\$ 397.44	\$ 380.96	\$ (16.48)	Reduced	\$ 1,075.00
Cobble Ridge	\$ 191.96	\$ 114.10	\$ (77.86)	Reduced	\$ 263.95
American River Canyon North	\$ 102.94	\$ 102.94	\$ -	Static	\$ 102.94
American River Canyon North No. 2	\$ 77.70	\$ 77.70	\$ -	Static	\$ 77.70
Blue Ravine Oaks	\$ 218.60	\$ 218.60	\$ -	Static	\$ 218.60
Briggs Ranch	\$ 122.28	\$ 122.28	\$ -	Static	\$ 122.28
Broadstone	\$ 164.98	\$ 164.98	\$ -	Static	\$ 164.99
Cobble Hills II/Reflections II	\$ 113.14	\$ 113.14	\$ -	Static	\$ 113.14
Folsom Heights	\$ 70.88	\$ 70.88	\$ -	Static	\$ 70.88
Hannaford Cross	\$ 195.78	\$ 195.78	\$ -	Static	\$ 195.78
Los Cerros	\$ 121.18	\$ 121.18	\$ -	Static	\$ 121.18
Natoma Station	\$ 91.70	\$ 91.70	\$ -	Static	\$ 91.71
Prairie Oaks Ranch	\$ 213.60	\$ 213.60	\$ -	Static	\$ 213.61
Silverbrook	\$ 132.27	\$ 132.27	\$ -	Static	\$ 132.32
Steeplechase	\$ 157.68	\$ 157.68	\$ -	Static	\$ 157.68
Willow Creek Estates East	\$ 80.40	\$ 80.40	\$ -	Static	\$ 80.40
Willow Creek Estates South	\$ 109.88	\$ 109.88	\$ -	Static	\$ 109.88
Willow Springs	\$ 28.14	\$ 28.14	\$ -	Static	\$ 28.14

The comparison between fiscal years for the assessment costs involves evaluating the amount charged to property owners in each Landscape and Lighting District during Fiscal Year 2024-25 and comparing it to the newly proposed rates for FY 2025-26. This analysis identifies whether assessment amounts have increased, decreased, or remained the same. Any changes typically result from factors such as rising costs for landscaping, lighting, irrigation, labor, or utilities, as well as inflation adjustments allowed under CPI limits. If costs have increased, the proposed assessments for FY 2025-26 are adjusted accordingly to ensure each district has adequate funding to maintain service levels. If no cost increases are anticipated, assessments may remain flat. The goal of this comparison is to maintain equitable and transparent funding for each district based on actual service needs and expenditures.

### **FINANCIAL IMPACT**

Each Landscaping and Lighting District levies and collects funds to cover operating and maintenance costs. There is no fiscal impact to the City of Folsom General Fund. Below is a summary of the proposed assessments for FY 2025-26. One (1) district is being removed from the tax roll (Union Square because it has an HOA that manages the landscape areas).

District	FY 2025/26 Maximum Authorized Rate	FY 2025/26 Proposed Rate	Maximum Assessment Inflator
American River Canyon North	\$102.94	\$102.94	No Inflator
American River Canyon North No. 2	77.70	77.70	No Inflator
American River Canyon North No. 3	322.35	322.34	CPI NTE 3%
Blue Ravine Oaks	218.60	218.60	No Inflator
Blue Ravine Oaks No. 2	114.26	114.26	CPI NTE 3%
Briggs Ranch	122.28	122.28	No Inflator
Broadstone	164.99	164.98	No Inflator
Broadstone No. 3	42.90	42.89	CPI
Broadstone No. 4-Zone A	43.68	43.68	CPI NTE 3%
Broadstone No. 4-Zone B	41.60	41.60	CPI NTE 3%
Broadstone No. 4-Zone C	41.00	41.00	CPI NTE 3%
Broadstone No. 4-Zone D	40.22	40.22	CPI NTE 3%
Cobble Hills II/Reflections II	113.14	113.14	No Inflator
Cobble Ridge	263.95	114.10	CPI
Folsom Heights	70.88	70.88	No Inflator
Folsom Heights No. 2	248.84	248.84	CPI NTE 3%
Hannaford Cross	195.78	195.78	No Inflator
Lake Natoma Shores	183.58	183.58	No Inflator
Los Cerros	121.18	121.18	No Inflator
Natoma Station	91.71	91.70	No Inflator
Natoma Valley	1,075.00	380.96	CPI NTE 4%
Prairie Oaks Ranch	213.61	213.60	No Inflator
Prairie Oaks Ranch No. 2	353.30	353.30	CPI NTE 3%
Prospect Ridge	1,348.79	1,348.78	CPI NTE 4%
Sierra Estates	456.52	456.52	CPI NTE 4%
Silverbrook	132.32	132.27	No Inflator
Steeplechase	157.68	157.68	No Inflator
The Residences at American River Canyon	773.53	773.52	CPI NTE 4%
The Residences at American River Canyon II	1,606.56	1,606.56	CPI NTE 4%
Willow Creek Estates East	80.40	80.40	No Inflator
Willow Creek Estates No. 2-Zone A&B	114.34	114.34	CPI NTE 4%
Willow Creek Estates No. 2-Zone C	105.11	105.10	CPI NTE 4%
Willow Creek Estates South	109.88	109.88	No Inflator
Willow Springs	28.14	28.14	No Inflator

## **ENVIRONMENTAL REVIEW**

N/A (This does not apply as there is no environmental review aspect to the engineer's report.)

## **ATTACHMENTS**

1. Resolution No. 11399- A Resolution Approving the Preliminary Engineer's Report for the Following Landscaping and Lighting Districts for Fiscal Year 2025-2026 and Setting Public Hearing for American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs
2. Preliminary Engineer's Report – The City of Folsom Landscaping and Lighting Districts, May 2025

Submitted,

Kelly Gonzalez, Parks and Recreation Director