



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	4/28/2026
<b>AGENDA SECTION:</b>	Public Hearing
<b>SUBJECT:</b>	Natoma Station Maintenance Assessment District No. 2025-2 Public/Protest Hearing and Ballot Proceedings; Direction to Staff to Tally Ballots and Return with Results at the Next City Council Meeting
<b>FROM:</b>	Parks and Recreation Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council conduct a public hearing to receive testimony and to allow for the submittal of ballots before the close of the public hearing.

Staff recommends following the close of the public hearing, the item be continued to the next City Council meeting scheduled for May 12, 2026, so the City Clerk can tabulate the ballots on Wednesday, April 29, 2026, at 9 a.m. in the Large Public Works Conference Room at City Hall, 50 Natoma Street, Folsom, CA 95630. This ballot tabulation is open to the public. Results from the tabulation will be presented at the May 12, 2026, City Council meeting.

## **BACKGROUND / ISSUE**

On June 24, 2025, the City Council approved Resolution No. 11403 - A Resolution Initiating Proceedings for the Formation of a Landscaping and Lighting Assessment District to be known as the Natoma Station Maintenance Assessment District No. 2025-2.

On February 10, 2026, the City Council approved Resolution No. 11548 - A Resolution Approving the Preliminary Engineers Report, Declaring the Intention to Order the Formation of the Natoma Station Maintenance Assessment District No. 2025-2, to Levy and Collect Assessments, to Provide Notice of Public Hearing and Direct the Mailing of Assessment Ballots Within the Proposed District in the City of Folsom.

Pursuant to Government Code Section 53753, ballots were mailed to all current property owners within the proposed district.

Under the provisions of Proposition 218, a public hearing must be held on the levy of new assessments at least 45 days after notice of the proposed assessment was mailed to record owners of each parcel in the new district. The public hearing was set in Resolution No. 11548 on February 10, 2026, and published in the Folsom Telegraph on April 17, 2026. The public hearing was set for April 28, 2026, at 6:30 p.m. in the City Council Chambers, 50 Natoma Street, Folsom, California 95630.

### **POLICY / RULE**

The City Council is required to approve, or modify and approve, the Engineer's Report as part of the formation process pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22586). The City Council shall comply with the hearing procedures pursuant to Section 22588 of the Streets and Highways Code.

Pursuant to Section 22605(d) of the Streets and Highways Code, the original Natoma Station Landscaping and Lighting District will be consolidated with the Natoma Station Maintenance Assessment District No. 2025-2 if a majority is in favor.

Pursuant to Section 22611 of the Streets and Highways Code, all assets, liabilities, revenues, expenses, and installments of the original Natoma Station Landscaping and Lighting District shall be transferred to, and assumed by, the Natoma Station Maintenance Assessment District No. 2025-2 for the continued maintenance and servicing of the improvements.

### **ANALYSIS**

The Natoma Station Landscaping and Lighting District was formed by Resolution No. 3024 on June 18, 1990, to maintain improvements within the District. These improvements include landscaping and associated improvements along Iron Point Road, Blue Ravine Road, Turnpike Drive, Black Diamond Drive, and Natoma Station Drive, as well as the subdivision's streetlights, landscape lighting, irrigation systems, open space, monument entry signage, soundwalls, mini-parks, and art monuments. This District was formed prior to Proposition 218 and, therefore, does not have an escalator built into the annual rate.

There are 1,272 single-family dwelling units within the District, and it is one of the older Districts in the city. In early 2025, the District pursued the Proposition 218 reassessment process; however, the resulting ballot measure did not receive sufficient support, with voters opposing the assessment. The District is increasingly unable to keep pace with rising operational and maintenance costs, which have placed significant strain on its financial resources. The District maintains the aforementioned improvements along the frontages and medians of Iron Point Road, Blue Ravine Road, Turnpike Drive, Black Diamond Drive, and Natoma Station Drive. In addition to maintaining these areas, the District is responsible for servicing costs for irrigation, water, and electricity to the street and landscape lights.

Revenue from the existing assessment (approximately \$170,000 annually) is allocated yearly to maintain the District's features. The existing per-unit rate of \$91.70 has not been increased since

it was established over 36 years ago. Approximately 37% of the budget currently covers scheduled and unscheduled landscape maintenance; 9% to streetlight maintenance and supplies; 23% to water and electricity; and 31% to incidental cost (non-landscape contract services, electrical repairs, vandalism response/repairs, hazard tree removal, sidewalk repair, yearly backflow testing, preparation of Engineer's Reports, publications/mailings, staff, overhead, county auditor fee). The existing revenue from collected assessments has been unable to fund the expected day-to-day unscheduled costs, such as irrigation repairs and plant/tree replacements, as well as not being able to set aside funds for life-cycle costs in the District.

The primary objective of forming a new District to replace the existing District is to specifically provide the level of service originally intended, address deferred maintenance of the improvements within the District, plan for life-cycle replacements and repairs for years into the future, and provide for an annual inflationary adjustment as needed. Such deferred items include outdated and un-centralized irrigation systems, replacement of missing landscaping, addressing tree care, and implementing water conservation measures such as replacing dead/dying trees and shrubs with water-wise plantings and LED streetlight retrofits. Should the new Landscaping and Lighting District be formed, it is proposed to complete many of the deferred maintenance improvements over the first few years, as well as embark on the phased replacement plan for the older landscape areas.

Staff conducted community outreach meetings on May 20, 2025, and May 28, 2025, to inform property owners of the results of the failed assessment and to solicit input regarding potential next steps, including interest in initiating a subsequent reassessment in accordance with Proposition 218. Based on feedback from community outreach meetings and subsequent communications, a majority of participating property owners supported pursuing another assessment effort. In response to this demonstrated interest, staff initiated a reassessment process in accordance with the requirements of Proposition 218 and applicable state law. As part of the process to form a new assessment District, staff initiated a public outreach program for the Natoma Station community with two public meetings that were held on January 22, 2026, and January 29, 2026. The intent of the meetings was to discuss the option proposed to address the District's financial condition and develop a viable option that will ultimately be voted on and approved (or denied) by the property owners within the District. Staff presented an option for the District utilizing the trips method of apportionment. This proposal would create a new District that consolidates and replaces the existing District. This new District would cover the regular maintenance and servicing of the District assets, cover the deficit, address all deferred maintenance, and provide some enhancements. There was a thoughtful discussion to ensure those in attendance had their questions answered. As a result of these two public meetings, those in attendance were supportive of the proposed option for the District; as such, it was the option that appeared on the ballot for the entire community to vote on.

The property owners of Natoma Station Landscaping and Lighting District were sent a ballot to vote on the proposal to form a new assessment district in the middle of February 2026, meeting the 45-day period for the district property owners to consider the proposed assessment. At the public hearing, ballots will be collected by the close of the Public Hearing. Ballots are scheduled to be tabulated on Wednesday, April 29, 2026, at 9 a.m. in the Large Public Works Conference Room located at 50 Natoma Street, Folsom, CA 95630. This tabulation is open to the Public. After

confirmation of the ballot tabulation, results from the tabulation will be made public by posting on the City website located at [www.folsom.ca.us](http://www.folsom.ca.us), the afternoon of April 29, 2026. Results will be presented at the City Council meeting scheduled for May 12, 2026.

### **FINANCIAL IMPACT**

The maximum assessment amount is calculated as the total cost of improvements, less the portion attributable to general benefit in accordance with Proposition 218. The general benefit of \$53,617.44, determined to be 15.095% of total improvement costs, includes benefits to the broader community, including Sheldon Park and Mann Park. In addition to the funding for this general benefit portion, the City will contribute an additional \$30,492.10 annually from the General Fund (Fund 010) to further offset general benefit costs associated with Sheldon Park and Mann Park. The total maximum amount to be assessed in Fiscal Year 2026-2027 is \$527,371.40. The remaining costs of the District will be funded through the assessment and will directly benefit properties within the District boundaries.

### **ENVIRONMENTAL REVIEW**

The formation of a financing District, maintaining and servicing existing landscaping and lighting improvements, is not a project under the California Environmental Quality Act. No environmental review is required.

Submitted,

Kelly Gonzalez, Parks & Recreation Director