



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of October 23, 2018

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Mike Roberts, Public Works Director

**SUBJECT:** Citywide Landscape & Lighting Assessment District Service Reductions Update

**RECOMMENDED ACTION:** Receive Update Report, Discuss, and Provide Direction, including Approving Implementation of Recommended Service Reductions

**FISCAL IMPACT OF RECOMMENDATION:** Three of the Zones in the Citywide Landscape & Lighting Assessment District require service reductions to eliminate current operating deficits – Zone 1 (Hercules by the Bay); Zone 3 & 4 (Birds & Gems); and Zone 6 (Village Parkway). In addition, there are cumulative deficits which will have to be addressed in the future in Zones 1 and 6.

**DISCUSSION:** On August 14, 2018, City Council reviewed and discussed options to address the operating deficits and potentially the cumulative deficits for three of the Zones in the Citywide Landscape & Lighting Assessment Districts. The staff report which outlined options to do so including recommended service reductions is provided as Attachment 1.

The City Council conceptually approved proceeding with the service reductions identified by staff, though opting to delay the implementation to November 30, 2018, and requested that staff undertake a level of outreach to the Homeowner Associations to explore their willingness to contribute to the cost of providing the services in-lieu of implementing the service reductions. The purpose of this report is to provide an update on the outreach, responses from the HOAs, and an update on other implementing actions.

City staff has made the formal request to PG&E to transition the streetlight rate from the LS-2C which has repair and maintenance responsibilities shared between the City and PG & E to the lower LS-2A rate which has the City assuming sole responsibility. The savings from this lower rate would be applied to deficit reduction, though there would be service impacts as the City would not have the resources to maintain or repair lights in the three Zones identified. PG & E has acknowledged receipt of the request, though it is uncertain as to how quickly they will implement the change with the resultant savings beginning to accrue.

The City contacted each of the Homeowner Associations via letter and e-mail as a basis to explore interest in the preservation of services through HOA participation in Zones 1 and 6. This letter was

provided to the HOA's on August, Xx, 2018, and per the City Council's direction, asked the HOA's to reach out to staff with a response by October 15, 2018. For ease of reference, the list of the component Homeowner Associations is provided below:

HOA Name	Category	No. of Units	Estimated Amount needed from HOA to Eliminate Annual Deficit
Zone 1 (Bellevue)	Single-Family Home	132	\$3,785.76
Zone 1 (Chelsea by the Bay)	Condo/Townhome	118	\$2,538.18
Zone 1 (Cottage Lane)	Condo/Townhome	10	\$35.10
Zone 1 (Cottage Lane)	Single-Family Home	46	\$215.28
Zone 1 (Coventry)	Single-Family Home	40	\$187.20
Zone 1 (Hercules by the Bay)	Single-Family Home	246	\$7,055.28
Zone 1 (Olympian Hills)	Condo/Townhome	301	\$1,056.51
Zone 6 (Devonwood)	Condo/Townhome	168	\$5,500.32
Zone 6 (Forrest Run)	Condo/Townhome	136	\$4,452.64
Zone 6 (Glenwood)	Condo/Townhome	228	\$7,464.72
Zone 6 (Westwood Duets)	Condo/Townhome	192	\$6,286.08
Zone 6 (Wildwood)	Condo/Townhome	237	\$7,759.38

As of the date of this report, staff have heard from only two (2) of the Homeowner Associations. City staff is set to meet with the Westwood Duets HOA on October 28, 2018 to explore their taking ownership of the streetlights internal to their tract, and to also explore the common area services. The only other HOA that has responded was the Forrest Run HOA and they expressed an interest in participating in the preservation of services, though no follow-up has occurred given the lack of response from the other HOA's in Zone 6.

Staff believes that we will be able to reach an agreement with the Westwood Duets to take on the responsibility for the lights within their development on their private streets, though without the full participation of the remainder of the Zone 6 HOA's there is not a realistic path to preserve the common area services.

#### **ATTACHMENTS:**

1. Staff Report from August 13, 2018

***Financial Impact***

**Description:**

**Funding Source:**

**Budget Recap:**

Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input type="checkbox"/>		