



CITY OF ATASCADERO CITY COUNCIL AGENDA

* COVID-19 NOTICE *

Consistent with Executive Orders N-25-20 and No. N-29-20 from the Executive Department of the State of California and the San Luis Obispo County Health Official's March 18, 2020 Shelter at Home Order, the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.

HOW TO OBSERVE THE MEETING:

To maximize public safety while still maintaining transparency and public access, the meeting will be live-streamed on SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and on KPRL Radio 1230AM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website or by visiting <https://attendee.gotowebinar.com/rt/6870163572939367694>.

HOW TO SUBMIT PUBLIC COMMENT:

Members of the public are highly encouraged to call **805-538-2888** to listen and provide public comment via phone, or submit written public comments to cityclerk@atascadero.org by 5:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Mayor's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

City Council agendas and minutes may be viewed on the City's website: www.atascadero.org.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection during City Hall business hours once City Hall is open to the public following the termination of the Shelter at Home Order.



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, June 9, 2020

City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Mayor Moreno

ROLL CALL: Mayor Moreno
Mayor Pro Tem Bourbeau
Council Member Fonzi
Council Member Funk
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATIONS: None.

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – May 26, 2020

- Recommendation: Council approve the May 26, 2020 Draft City Council Meeting Minutes. [City Clerk]

2. 2020-2021 Annual Spending Limit

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution establishing the annual spending limit for fiscal year 2020-2021. [Administrative Services]

3. Measure F-14 Pavement Rehabilitation Construction Award

- Fiscal Impact: The current budget has \$2,650,000 in Measure F-14 Funds for this project. However, staff estimates that project expenditures may be as high as \$2,900,000 with construction contingencies.
- Recommendations: Council:
 1. Award a construction contract for \$2,167,515 to Ferravanti Grading and Paving for the 2020 Measure F-14 Pavement Rehabilitation Project (Project No. C2019R02).
 2. Authorize the City Manager to execute a contract with Ferravanti Grading and Paving for \$2,167,515 to construct the 2020 Measure F-14 Pavement Rehabilitation Project.
 3. Authorize the Director of Administrative Services to allocate an additional \$250,000 in Measure F-14 Fund balance to the 2020 Measure F-14 Pavement Rehabilitation Project. [Public Works]

4. Mid-Cycle Budget Revisions for the Atascadero Tourism Business Improvement District

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution establishing a Reserve Policy for the Atascadero Tourism Business Improvement District. [Administrative Services]

5. Atascadero Tourism Business Improvement District (ATBID) Annual Assessment

- Fiscal Impact: None.
- Recommendations: Council:
 1. Approve the ATBID Annual Report.
 2. Adopt Draft Resolution declaring intent to levy an annual Business Improvement District assessment on lodging businesses within the Atascadero Tourism Business Improvement District, and set a public hearing for June 23, 2020. [City Manager]

6. Parking & Business Improvement Area (PBIA) Assessment

- Fiscal Impact: None.
- Recommendations: Council adopt Draft Resolution, declaring intent to levy an annual Downtown Parking and Business Improvement Area assessment, and set a public hearing for June 23, 2020. [City Manager]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a

subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Apple Valley Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2020/2021 will total \$38,500 for road/drainage system maintenance and \$63,000 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for fiscal year 2020/2021.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2020/2021 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in fiscal year 2020/2021.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2020/2021 for Landscaping and Lighting District No. 01 (Apple Valley). [Administrative Services]

2. De Anza Estates Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2020/2021 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2020/2021 for half of the maintenance costs of the trails and open space.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for fiscal year 2020/2021.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2020/2021 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in fiscal year 2020/2021.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2020/2021 for Landscaping and Lighting District No. 03 (De Anza Estates). [Administrative Services]

3. Woodridge (Las Lomas) Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2020/2021 will total \$92,932 for road/drainage system maintenance and \$66,049 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Las Lomas (Woodridge). The City General Fund will contribute \$1,850 for the fiscal year 2020/2021 for 25% of the maintenance costs of the trails and open space.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for Fiscal Year 2020/2021.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2020/2021 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in Fiscal Year 2020/2021.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2020/2021 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas). [Administrative Services]

C. MANAGEMENT REPORTS:

1. Authorization for the Use of Inclusionary Housing Funds for Del Rio Ridge Affordable Housing Project (Peoples' Self-Help Housing)

- Fiscal Impact: Peoples' Self-Help Housing is requesting the allocation of \$400,000 from In Lieu Low/Moderate Income Housing Funds in the form of a soft loan.
- Recommendations: Council:
 1. Direct the Director of Administrative Services to appropriate \$400,000 of In Lieu Low/Moderate Income Housing Funds for the Peoples' Self-Help Housing Del Rio Ridge Affordable Housing Project Loan.
 2. Direct staff to bring back a loan agreement for Council approval at a future date.
 3. Authorize the City Manager to sign a letter of support or other necessary documentation in support of the Peoples' Self-Help Housing funding application. [Community Development]

D. DISCUSSION ITEM: Discussion of COVID 19 issues including oral updates by Mayor Moreno and City Manager Rickard, questions by City Council, public comment and comments by City Council.

1. Coronavirus (COVID-19) update – Mayor Moreno
2. Coronavirus (COVID-19) update – City Manager Rickard

E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Economic Vitality Corporation, Board of Directors (EVC)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. City / Schools Committee
2. City of Atascadero Finance Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Fonzi

1. Air Pollution Control District
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. City of Atascadero Design Review Committee
4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. City of Atascadero Finance Committee
2. Homeless Services Oversight Council
3. League of California Cities – Council Liaison

Council Member Newsom

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City / Schools Committee
3. City of Atascadero Design Review Committee
4. Visit SLO CAL Advisory Committee

F. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

G. ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, May 26, 2020

City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California

<u>City Council Closed Session:</u>	5:30 P.M.
<u>City Council Regular Session:</u>	6:00 P.M.

CITY COUNCIL CLOSED SESSION: 5:30 P.M.

Mayor Moreno announced at 5:32 p.m. that the Council was going into Closed Session.

- 1. CLOSED SESSION -- PUBLIC COMMENT – None**
- 2. COUNCIL LEAVES TO BEGIN CLOSED SESSION**
- 3. CLOSED SESSION -- CALL TO ORDER**
 - a. Conference with Labor Negotiators** (Govt. Code Sec. 54957.6)
Agency designated representatives: Rachele Rickard, City Manager
Employee Organizations: Atascadero Professional Firefighters, Local 3600; Atascadero Police Association; Service Employees International Union, Local 620; Mid-Management/Professional Employees; Non-Represented Professional and Management Workers and Confidential Employees
- 4. CLOSED SESSION – ADJOURNMENT**
- 5. COUNCIL RETURNS FROM CLOSED SESSION**
- 6. CLOSED SESSION – REPORT**

The City Attorney reported that there was no reportable action in Closed Session.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the Regular Meeting to order at 6:04 p.m. and Mayor Pro Tem Bourbeau led the Pledge of Allegiance.

ROLL CALL:

Present: **By Teleconference** - Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau, and Mayor Moreno

Absent: None

Others Present: **By Teleconference** - City Treasurer Sibbach

Staff Present: **By Teleconference** - City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, and City Attorney Brian Pierik

APPROVAL OF AGENDA:

MOTION: By Council Member Newsom and seconded by Council Member Funk to:

1. **Approve this agenda; and,**
2. **Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.**

Motion passed 5:0 by a roll-call vote.

PRESENTATIONS: None.

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – May 12, 2020

- Recommendation: Council approve the May 12, 2020 Draft City Council Meeting Minutes. [City Clerk]

2. April 2020 Accounts Payable and Payroll

- Fiscal Impact: \$2,243,160.71
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for April 2020. [Administrative Services]

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to approve the Consent Calendar.

Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

In response to a request made by Council Member Fonzi at the 5/12/2020 Council meeting, Fire Chief Bryson provided an update on new fire software and the City's evacuation plan.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Kris Roudenbush and Geoff Auslen

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Amendments to Fee Schedule

- Ex-Parte Communications:
- Fiscal Impact: There will be an increase in operating revenue resulting from the CPI increase, with an offsetting increase in costs to provide the services.
- Recommendation: Council adopt Draft Resolution adopting amended fees and deposits to offset costs incurred in planning services and a schedule of fees and charges for City services. [Administrative Services]

Administrative Services Director Rangel gave the presentation and staff answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

**MOTION: By Council Member Newsom and seconded by Mayor Pro Tem Bourbeau to adopt Resolution No. 2020-030 adopting amended fees and deposits to offset costs incurred in planning services and a schedule of fees and charges for City services.
*Motion passed 5:0 by a roll-call vote.***

C. MANAGEMENT REPORTS:

1. COVID- 19 Fiscal Update

- Fiscal Impact: None.
- Recommendation: Council receive and file COVID-19 fiscal update. [Administrative Services]

Administrative Services Director Rangel gave the presentation and staff answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

City Treasurer Sibbach made a brief statement in support of the City's practice of reviewing the fee schedule annually and provided additional comments about financial changes during this time.

Council received and filed the report.

2. Consideration of Sales Tax Measure

- Fiscal Impact: Directing staff to bring back a draft ordinance and resolutions necessary to place a sales tax measure on the November 2020 ballot would involve a small amount of staff time.
- Recommendations: Council:
 1. Direct staff to prepare a resolution and ordinance for City Council consideration at the July 14, 2020 meeting to place a one cent local sales tax override measure on the November 2018 ballot; and,
 2. Provide staff direction on what should be included in the draft ordinance.
[City Manager]

City Manager Rickard gave the presentation and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Ron Overacker, Victoria Carezza, Brandon Roberts, and Tori Keen

Emails from the following citizens were read into the record by City Manager Rickard: Grigger Jones and Ron De Carli

City Treasurer Sibbach also spoke briefly regarding this item.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Funk and seconded by Mayor Pro Tem Bourbeau to:

1. **Direct staff to prepare a resolution and ordinance for City Council consideration at the July 14, 2020 meeting to place a one cent local sales tax override measure on the November 2020 ballot that will not include any additional language with regard to a formal oversight committee or advisory body; and,**
2. **That at that meeting staff will also come back to Council with additional recommendations on processes by which the Council can formally engage the public and develop for the Council a plan of accountability.**

Motion passed 5:0 by a roll-call vote.

D. DISCUSSION ITEM: Discussion of COVID 19 issues including oral updates by Mayor Moreno and City Manager Rickard, questions by City Council, public comment and comments by City Council.

1. Coronavirus (COVID-19) update – Mayor Moreno
2. Coronavirus (COVID-19) update – City Manager Rickard

Mayor Moreno and City Manager Rickard provided updates on Coronavirus (COVID-19) and answered questions from the Council. Community Development Director Dunsmore also answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Tricia Stanley and Brenda Mac

Mayor Moreno closed the Public Comment period.

E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. Air Pollution Control District
2. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. Homeless Services Oversight Council

Council Member Newsom

1. California Joint Powers Insurance Authority (CJPIA) Board

F. INDIVIDUAL DETERMINATION AND / OR ACTION:

Mayor Moreno stated she had been approached by TFS to write a letter of support for their application for homeless services grant funding (COVID funding). There was Council consensus to support the Mayor in writing the letter.

G. ADJOURN

Mayor Moreno adjourned the meeting at 9:45 p.m.

MINUTES PREPARED BY:

Amanda Muther
Deputy City Clerk

APPROVED:



Atascadero City Council

Staff Report – Administrative Services Department

2020-2021 Annual Spending Limit

RECOMMENDATION:

Council adopt Draft Resolution establishing the annual spending limit for fiscal year 2020-2021.

DISCUSSION:

The City's annual spending limit (Gann Limit) must be approved by Council at the beginning of each fiscal year. Staff calculates the new limit based on the formula set forth in Proposition 111.

The limit was calculated as follows:

A. Prior Year Spending Limit		\$	36,743,695
B. Population Factor (County)	0.9958		
C. Inflation Factor (Per Capita)	<u>1.0373</u>		
D. Adjustment Factor (B * C)	<u>1.0329</u>		
E. Total Adjustment (A*(D-1))			<u>1,208,868</u>
F. Current Year Limit (A + E)		\$	<u>37,952,563</u>

FISCAL IMPACT:

None.

ATTACHMENT:

Draft Resolution- Adopting the Fiscal Year 2020-2021 Annual Spending Limit

DRAFT RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, ADOPTING THE FISCAL YEAR 2020-2021 ANNUAL SPENDING LIMIT

WHEREAS, Proposition 111 revises the methodology used to calculate the Annual Spending Limit; and

WHEREAS, the City of Atascadero must select the most appropriate criteria to be used in calculating the annual limit.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That the City of Atascadero elects to use the following criteria for fiscal year 2020-2021 in establishing its new Annual Spending Limit:

County Population and
Growth in California Per Capita Personal Income

SECTION 2. That the annual spending limit for 2020-2021 is calculated as follows:

Fiscal Year	Percentage Change	New Limit
2020-2021	3.29%	\$37,952,563

SECTION 3. Any judicial action or challenge must be commenced within 45 days of the effective date of this resolution.

SECTION 4. Documentation used in determining the Annual Spending Limit is available to the public in the Administrative Services Department, 6500 Palma Avenue, Atascadero, California.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member ___ and seconded by Council Member ___, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ITEM NUMBER:
DATE:
ATTACHMENT:

A-2
06/09/20
1

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – Public Works Department

2020 Measure F-14 Pavement Rehabilitation Construction Award

RECOMMENDATIONS:

Council:

1. Award a construction contract for \$2,167,515 to Ferravanti Grading and Paving for the 2020 Measure F-14 Pavement Rehabilitation Project (Project No. C2019R02).
2. Authorize the City Manager to execute a contract with Ferravanti Grading and Paving for \$2,167,515 to construct the 2020 Measure F-14 Pavement Rehabilitation Project.
3. Authorize the Director of Administrative Services to allocate an additional \$250,000 in Measure F-14 Fund balance to the 2020 Measure F-14 Pavement Rehabilitation Project.

DISCUSSION:

Background

Sales Tax Measure F-14 was approved by voters in November 2014 to fund the repair, maintenance, and rehabilitation of City-maintained local roadways with a one-half cent sales tax over twelve years. A list of projects to be funded with Measure F-14 revenue is developed each budget cycle by employing the Critical Point Management technique with the City's Pavement Management Program. The roadway segments in the chart below are part of the 2020 Measure F-14 Pavement Rehabilitation Project and included in the current Budget and 5-Year Capital Improvement Program (CIP). This project has a total of 4.25 centerline road miles, or 8.50 lane miles. A map showing these segments is also attached for reference (Attachment 1).

Road Segments in Measure F-14 2020 Rehabilitation Project

Road Segment	From	To	Length (ft.)	Width (ft.)	Area (sq. ft.)	2019 PCI
Gabarda Road	Curbaril Ave	End	2,303	22	50,666	29
Junipero Avenue	El Camino Real	End	3,590	22	78,980	36
Palomar Avenue	El Camino Real	Castano Ave	4,013	22	88,286	33
Pueblo Avenue	El Camino Real	Sombrilla Ave	1,210	27	32,670	40
Robles Avenue	Santa Ysabel Ave	Sombrilla Ave	440	22	9,680	38
Sinaloa Avenue	Pueblo Ave	Curbaril Ave	1,255	22	27,610	36
Sombrilla Avenue	Curbaril Ave	End	3,504	21	73,584	28
Sonora Avenue	Valle Ave	Pinal Ave	1,425	16	22,800	14
Valle Avenue	Curbaril Ave	End	4,693	22	103,246	36

Total: 22,433 487,522

Design Analysis

Earth Systems Pacific performed pavement testing services and preliminary design recommendations, which were then coordinated with Rick Engineering Company in final design work and preparing construction plans and specifications for the project. Gabarda Road, Robles Avenue, Sombrilla Avenue, Sonora Avenue and Valley Avenue are proposed to be fully reconstructed using the Full Depth Reclamation (FDR) method with subgrade cement treatment. The Junipero Avenue, Pueblo Avenue and Sinaloa Avenue segments will be rehabilitated using a combination of cape seal and localized full-depth pavement digouts. Palomar Avenue will be rehabilitated with a mill and asphalt overlay treatment. All treatment options were based on an assessment of subgrade quality and current roadway conditions.

Staff was heavily involved in value engineering during the design process and worked closely with the consultants (Rick Engineering and Earth Systems) to determine the appropriate level of treatment on each roadway. As part of the design process, each roadway segment was analyzed to determine if and where underlying structural issues existed, and where the pavement degradation was confined to the surface courses and could be remedied with a less costly treatment (overlay, cape seal, etc.). The design team worked together to pinpoint the worst areas, determine the causes of failure, (drainage issues, poorly compacted subgrade fill, insufficient structural section, etc.), and focus the major repairs at these locations. Where the roadways were deteriorated beyond what could be repaired using these rehabilitation efforts, FDR with cement treatment will be utilized as a cost-effective and less time-intensive alternative to pavement reconstruction. FDR has been used effectively on two of the previous three F-14 projects and is a well-proven, cost-effective pavement rehabilitation technique. FDR is roughly half the cost of a full pavement reconstruction.

Bid Analysis

The project was publicly bid starting April 22, 2020 for a minimum of 30 days in accordance with State Contracting Laws and Atascadero Purchasing Policies. A public bid opening occurred on May 27, 2020 and six bids were received ranging from

\$2,167,515 to \$3,041,848. The bids were reviewed for accuracy and compliance with project bidding requirements, and the City Engineer has determined that Ferravanti Grading and Paving of Paso Robles is the lowest responsive bidder at \$2,167,515. Bidding was very competitive for this project and Ferravanti's bid is considered an excellent price for this project scope.

The adopted budget includes \$2,650,000 in Measure F-14 monies for project funding. To date, there has been approximately \$275,000 spent for the design and bid phases of the project. State Law requires the City to maintain or re-establish existing survey monuments during road construction. The City will contract directly with a licensed land surveyor for survey monument perpetuation/preservation work, which is estimated at \$50,000. Other non-construction costs remaining include material testing, coordination, and inspection fees that are estimated to be around \$150,000, or about 7% of construction costs. Staff is recommending contracting with a qualified material testing firm for Quality Assurance (QA) testing and a construction management firm for part-time construction inspection to supplement the Public Works Inspector on an as-needed basis.

A standard contingency of 20% is customarily used for capital projects as a safeguard for quantity over-runs and if unknown conditions arise which require a change in plans. The risk for unknowns drops significantly on roadway projects if excavation is not a part of construction. In addition, estimated quantities for surface treatment projects such as this are based upon known pavement surface areas (cape seal) and known linear measurement (pavement markings), therefore the risk for actual versus estimated quantity deviation drops significantly. Given the thorough fieldwork performed during design, staff is comfortable recommending a lower construction contingency of 12%, or \$260,000, of the construction contract amount.

During construction, some inconvenience is expected to vehicular and pedestrian traffic along the roadway segments. Specifically, FDR is expected to result in full closure of the affected roads to through traffic during cement treatment efforts. The contractor will be required to prepare a traffic control plan, and City staff will work with the contractor to minimize travel delays and impediments to driveways. Since the majority of the pavement rehabilitation will match existing grades, the number of driveways that will need to be removed and replaced is minimal. This will limit impacts to individual property owners. Property owners on each roadway segment will be notified of the construction schedule prior to work beginning.

ENVIRONMENTAL REVIEW:

The proposed project is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) pursuant to CEQA Guidelines Section 15301, because it is limited to repair and maintenance of existing facilities. A finding of exemption is on file in the project records.

FISCAL IMPACT:

The current budget has \$2,650,000 in Measure F-14 Funds for this project. However, staff estimates that project expenditures may be as high as \$2,900,000 with construction contingencies, and recommends appropriating an additional \$250,000 to the project budget. The following summarizes the estimated project expenditures and funding sources:

ESTIMATED EXPENDITURES	
Design and Bid Phase	\$ 275,000
Construction Contract	2,167,515
Survey Monument Perpetuation	50,000
Construction Inspection / Testing / Administration @ 7%	147,485
Construction Contingency @ 12%	260,000
Total Estimated Expenditures:	\$ 2,900,000

BUDGETED FUNDING SOURCES	
Measure F-14 Fund: 2020 Pavement Rehabilitation	\$2,650,000
Measure F-14 Fund: Fund Balance Allocation	250,000
Total Budgeted Funding Sources:	\$2,900,000

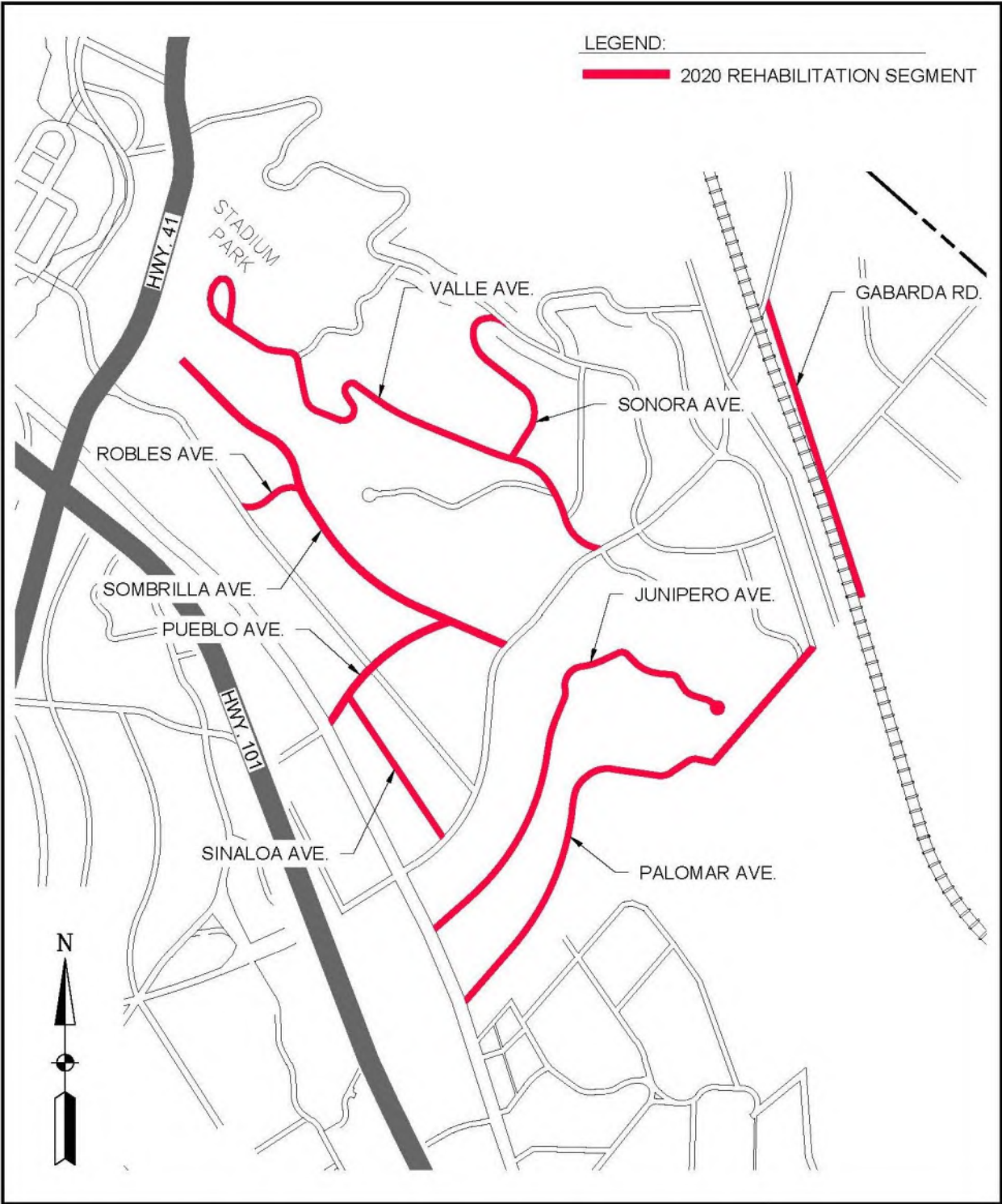
ALTERNATIVES:

Staff does not recommend any alternatives. Council may direct staff to rebid the project, however, staff believes the bids received are highly competitive and pricing is reasonable. A rebid may result in higher bid proposals.

ATTACHMENTS:

1. Project Location Map
2. Bid Summary


**2020 F-14 PMP PROJECT
STREET LOCATIONS**



City of Atascadero

Office of the City Clerk

Bid Summary

TO: Public Works
FROM: Amanda Muther, Deputy City Clerk 
BID NO.: 2020-003
OPENED: 5/27/2020
PROJECT: 2020 F14 Pavement Rehabilitation project (C2019R02)

6 Bids were received and opened today, as follows:

<u>Name of Bidder</u>	<u>Bid Total</u>
Ferravanti Grading & Paving	\$2,167,515.30
R. Burke Corporation	\$2,269,601.00
Souza Construction, Inc.	\$2,648,557.05
CalPortland Construction	\$2,659,792.50
Whitaker Construction Group, Inc.	\$2,664,872.30
Papich Construction Co., Inc.	\$3,041,848.75



Atascadero City Council

Staff Report – Administrative Services Department

Mid-Cycle Budget Revisions for the Atascadero Tourism Business Improvement District

RECOMMENDATION:

The Atascadero Tourism Business Improvement District Board recommends Council:

Adopt Draft Resolution establishing a Reserve Policy for the Atascadero Tourism Business Improvement District.

DISCUSSION:

The Atascadero Tourism Business Improvement District (ATBID) Board formed an AdHoc Committee to discuss the goals and course of action to allocate a pre-determined amount of ATBID reserve funds to a contingency emergency fund.

It is the ATBID Board's desire to be able to respond quickly in the event of a natural or fiscal emergency or other significant event. The City Council has the sole authority to authorize the budget of all funds under the City's care, and adopts a budget for the ATBID fund every two years along with the City's budget cycle. At any time in the interim, the City Council may increase the ATBID budget to respond to emergency situations. The ATBID Board wants assurance that the City will respond quickly; if necessary freeing ATBID reserves, in incidents that are expected to have a significant effect on tourism.

Adoption of the attached Draft Resolution would ensure that the ATBID Board and City have the ability to promptly respond to any circumstances that might affect the lodging and tourism businesses in Atascadero and sets the Reserve Policy for the ATBID. The Reserve Policy would require that the fund reserve levels:

- be evaluated during the two-year budget cycle process
- have no upper limit
- have a lower limit of 20% of budgeted ATBID expenditures

In the event of an emergency, the ATBID reserve level may fall below the lower limit as long as within six months of the event, the ATBID Board adopts a long-term plan to bring the reserve level back up.

The Draft Resolution also pledges that the City Council will act quickly and with urgency in the event of natural, fiscal or other emergencies affecting tourism in Atascadero.

FISCAL IMPACT:

None.

ATTACHMENT:

Draft Resolution – Establishing a Reserve Policy for the Atascadero Tourism Business Improvement District

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ESTABLISHING A RESERVE POLICY
FOR THE ATASCADERO TOURISM BUSINESS IMPROVEMENT
DISTRICT**

WHEREAS, reserves are a function of revenues, expenses and remaining fund balances; and

WHEREAS, fiscal stability is a critical factor in the overall health and sustainability of the Atascadero Tourism Business Improvement District (ATBID); and

WHEREAS, sound financial management includes the practice and discipline of maintaining adequate reserve funds; and

WHEREAS, it is ATBID's desire to maintain a sufficient level of reserve funds to provide for the continuation of ATBID operations in the event of natural or fiscal emergencies or other significant event; and

WHEREAS, the prudent level of reserves is not a static number or percentage of ATBID expenditures, but instead is a function of the economic climate, exposure to risk, and cash flow needs; and

WHEREAS, the City Council may increase the ATBID budget to respond to natural or fiscal emergencies or other significant events affecting, or potentially affecting, lodging and tourism businesses; and

WHEREAS, the City Council desires that the ATBID has the ability to promptly anticipate and/or quickly respond to events or circumstances that may or will affect lodging and tourism businesses; and

WHEREAS, the ATBID Board has requested assurance that in the event of a natural or fiscal emergency, or other significant event, the City will do all within its power to insure in that the ATBID has access to all of its funds on hand if necessary.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Reserves should be evaluated, funding goals considered and the accumulation and/or expenditure of reserves determined as part of adoption of the biennial budget.

SECTION 2. As part of the biennial budget process, three key measurements should be evaluated both independently and in conjunction with one another to determine the prudent level of ATBID Fund Reserves for that two-year budget cycle:

1. State of the economy
2. Cash flow needs
3. Costs of potential natural disasters and emergencies or other significant events

SECTION 3. There shall be no upper limit on the amount of ATBID Fund Reserve; rather reserve levels shall be set based on the criteria set in Section 2. The lower limit should be no less than 20% of budgeted ATBID expenditures

SECTION 4. In the event of natural or fiscal emergencies or other significant events, the City Council will act quickly and with urgency to address ATBID budget concerns so that the ATBID Board has the ability to promptly anticipate and/or quickly respond to such events.

SECTION 5. In the event of natural or fiscal emergencies or other significant events, the ATBID Fund Reserve level may fall below the lower limit of 20% of budgeted ATBID expenditures; however, within 6 months of the declared emergency, the ATBID Board shall adopt a long-term financial plan to bring the ATBID Fund Reserves up to the minimum level prescribed above.

SECTION 6. The City Manager and Director of Administrative Services are hereby authorized and directed to implement the policy hereby established.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of _____, 2020.

On motion by Council Member ___ and seconded by Council Member ___, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – City Manager’s Office

Atascadero Tourism Business Improvement District (ATBID) Annual Assessment

RECOMMENDATIONS:

Council:

1. Approve the ATBID Annual Report.
2. Adopt Draft Resolution declaring intent to levy an annual Business Improvement District assessment on lodging businesses within the Atascadero Tourism Business Improvement District, and set a public hearing for June 23, 2020.

DISCUSSION:

The City of Atascadero established the Atascadero Tourism Business Improvement District (ATBID) to levy annual assessments under the Parking and Business Improvement Area Law of 1989, by adopting Title 3, Chapter 16 of the Atascadero Municipal Code in April 2013. The activities to be funded by the assessments, on lodging businesses within the ATBID, are tourism promotions and marketing programs to promote the City as a tourism destination. The formation and operation of a Tourism Business Improvement District is governed by the California Streets & Highways Code (Section 36500 et. Seq.). The budget for the ATBID is submitted in conjunction with the City’s annual budget.

The City Council appointed ATBID Advisory Board Members to serve at the pleasure of the Council. The Advisory Board is made up of lodging business owners or employees, or other representatives holding the written consent of a lodging business owner within the ATBID area. At the February 11, 2020 Council meeting, the Council received an update on ATBID activities as part of the City Marketing update.

The Streets & Highways Code requires that the Advisory Board provide a specific report to the City Council annually for the expenditure of funds derived from the assessment paid by lodging businesses within the City. The annual report must identify: (1) proposed activities, programs and projects for the fiscal year; (2) the approximate cost of such activities, programs and projects for the fiscal year; (3) the amount of surplus or deficit revenues carried over from a previous fiscal year; and (4) contributions received other

than assessments. The annual report must meet the requirements of the California Streets and Highway Code §36533. The City Council may approve the report as filed or may modify any particular contained in the report and approve it as modified.

As the numbers in the Annual Report indicate, the response to COVID-19 has impacted the local economy and reduced income to the lodging industry, and in turn, reduced revenue coming into to the ATBID fund. Estimates of the size of the impact will continue to be revised, but as of the writing of this report, staff projects that assessment revenue for fiscal year 2019/20 will be \$211,500, down 25% from the budgeted revenue. Staff projects that assessment revenue for fiscal year 2020/21 will be \$232,800, down 29% from budget revenue. Expenditures for fiscal year 2019/20 are expected to come in under budget by about \$50,000, or about 17%. Budgeted expenditures for fiscal year 2020/21 are not expected to be reduced so that those funds may be used to help rebuild tourism revenue in Atascadero.

The ATBID fund balance is now projected to be \$234,800 at June 30, 2020, and \$154,250 at June 30, 2021. While the fund balance is expected to be less than originally projected in the adopted 2019/21 budget, it remains sufficient to keep ATBID operations stable during this difficult time. Revenues are expected to continue to grow, and reserves are expected to build up again starting in fiscal year 2021/22.

The Annual Report includes the above assumptions. Staff recommends the Council approve the Annual Report, adopt the Resolution of Intention, and set a date and time for a public hearing. The purpose of the public hearing is to receive public comment prior to the assessment being collected. Staff is proposing that the hearing be conducted at the next regular City Council meeting scheduled for June 23, 2020.

FISCAL IMPACT:

None.

ALTERNATIVE:

The City Council may modify the Annual Report before approval.

ATTACHMENTS:

1. Draft Resolution
2. ATBID Annual Report

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT ON LODGING BUSINESSES WITHIN THE ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO STREETS & HIGHWAYS CODE SECTION 36500 ET.SEQ.

WHEREAS, the City Atascadero (“City”) has formed the Atascadero Tourism Business Improvement District, pursuant to Section 26500 of the Streets & Highways Code of the State of California; and

WHEREAS, the City Council has received an annual report pursuant to Section 36533 of said Code; and

WHEREAS, the City Council has approved said report and is required to adopt a resolution of intention pursuant to Section 36534.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Council hereby declares its intent to levy and collect assessments within the Atascadero Tourism Business Improvement District for Fiscal Year 2020-2021.

SECTION 2. The ATBID includes all of the lodging businesses, including hotels, motels, bed and breakfasts, and each business defined as a “hotel” in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of the Atascadero Municipal Code (“Lodging Businesses”) within the corporate boundaries of the City.

SECTION 3. The activities to be funded by the levy of assessments against Lodging Businesses within the ATBID are tourism promotions and marketing programs to promote the City as a tourism destination and projects, programs, and activities that benefit Lodging Businesses located and operating within the boundaries of the ATBID. The proposed activities will primarily be targeted at increasing transient stays at Lodging Businesses.

SECTION 4. The City Council sets June 23, 2020, as the date of the public hearing on the levy of assessments. The public hearing will be held at 6:00 p.m. or as soon thereafter as practicable, in the City of Atascadero Council Chambers, 6500 Palma Ave., Atascadero, California 93422.

SECTION 5. A protest may be made orally or in writing by any owner of a Lodging Business that is within the ATBID boundaries and subject to the ATBID assessment. Written protests must be received by the City Clerk, City of Atascadero, before the close of the public hearing and may be delivered or mailed to the City Clerk, Atascadero, 6500 Palma Ave., Atascadero, California 93422. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

SECTION 6. Further information regarding the proposed ATBID may be obtained from the City Manager’s Office, City of Atascadero, 6500 Palma Ave., Atascadero, CA 93422.

SECTION 7. The City Clerk is directed to provide notice of the public hearing on the proposed ATBID by causing this resolution to be published once in a newspaper of general circulation in the City not less than seven days before said hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of June, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ADOPTED:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

**ATBID Annual Report
Fiscal Year 2020-2021**

(Pursuant to Streets & Highways Code Section 36533)

1. Proposed activities, programs and projects for the fiscal year:
 - Contract services
 - Marketing Firm
 - Administration Services
 - Marketing Plan
 - Maintenance of Visual Assets
 - Photography & Content
 - Creative Services
 - Digital Marketing
 - Website Content & Updates (i.e., Visit Atascadero; VisitSLOCAL)
 - Social Media
 - Advertising
 - Print & Promotional Items
 - Digital
 - Reactive Opportunities
 - Public Relations
 - Group FAM (familiarization tours for journalists, tour operators and meeting & event coordinators)
 - Individual Journalist Hosted Itineraries
 - Press Releases
 - Tour & Travel
 - Collaboration with CCTC FAMs
 - Collaboration with Visit CA FAMs
 - Collaboration with Visit SLOCAL FAMs
 - Consumer Outreach
 - Event Sponsorships Opportunities
 - Event Marketing
 - Email Marketing
 - Administration of TBID fund
2. Approximate cost of such activities, programs and projects for the fiscal year is projected to be \$316,450.
3. Amount of fund balance as of June 30, 2020 is projected to be \$234,800.
4. Estimated fund balance for June 30, 2021 is budgeted at \$271,820, but with the adjustments for the response to COVID-19, is now projected to be \$154,250.
5. Contributions received other than assessments:
 - Estimated interest income of \$440 for fiscal year 2019/2020.
 - Estimated interest income for fiscal year 2020/21 is budgeted at \$4,670, but with the adjustments for the response to COVID-19, is now projected to be \$3,100.



Atascadero City Council

Staff Report – City Manager’s Office

Parking & Business Improvement Area (PBIA) Assessment

RECOMMENDATION:

Council adopt Draft Resolution, declaring intent to levy an annual Downtown Parking and Business Improvement Area assessment, and set a public hearing for June 23, 2020.

DISCUSSION:

The City of Atascadero established a Downtown Parking and Business Improvement Area in 1986 (Chapter 11 of the Atascadero Municipal Code) for the purpose of *acquisition, construction or maintenance of parking facilities, decoration of public places, promotion of public events, and general promotion of business activities in the downtown area*. The formation and operation of a Parking and Business Improvement Area is governed by the California Streets & Highways Code (Section 36500 et. Seq.). The assessment was reduced to \$0.00 in 2010 at the behest of downtown landlords and as part of a program to encourage downtown businesses.

In January 2018, staff was approached by an informal committee of downtown business owners, who expressed interest in reinstating the full levy of the assessment for the Downtown Parking and Business Improvement Area (DPBIA). This committee spent months conducting outreach regarding the DPBIA including holding town hall meetings, sending letters and emails, and personally meeting with businesses subject to the DPBIA in order to garner support to request the Council reinstitute the full assessment. The Council reinstated the assessment in June 2018 following a show of support from downtown business owners.

The Streets & Highways Code requires that the “advisory board” provide a report to the City Council annually for the expenditure of funds derived from the assessment paid by businesses in the downtown area. In order to ensure adoption of the assessment prior to the beginning of the Fiscal Year, the report and Resolution of Intention are submitted as a part of this agenda item. A hearing would then be conducted at the next regular City Council meeting scheduled for June 23, 2020.

The Chamber of Commerce serves as the advisory body and the sub-contractor to the City regarding the DPBIA. The informal committee of downtown business owners advises the Chamber of Commerce on expenditures and assists in the creation of the annual budget. The Chamber of Commerce has submitted a report identifying the proposed improvements and activities for the area, based upon the National Main Street Program's four-point approach. The report does not propose any changes to the boundaries of the DPBIA or of the assessment.

The Chamber of Commerce is proposing expenditures for 2020/20201 with the Downtown Parking and Business Improvement Area funds as follows:

BIA Funds requested for 2020/2021	\$ 10,600
Carry over from 2018/2019	\$ 150
Estimated revenue from events	\$ 1,000
Total Proposed Funding Available	<u>\$ 11,750</u>

2020/2021 Proposed Expenditures:

Events (3 total)	\$ 3,950
Beautification/Miscellaneous	\$ 4,000
Marketing	\$ 2,600
Events Management	<u>\$ 1,200</u>
Total Proposed Expenditures for 2020/2021	<u>\$ 11,750</u>

Fund Residual \$ 0

There are three events held in the Downtown to help promote the downtown and strengthen the businesses in the area. One of these events, Taco Day on Traffic Way, has historically generated income for the committee through ticket sales. Income from this event is again anticipated in the 2020/2021 fiscal year in the amount of \$1,000. This revenue will be collected directly by the committee and/or the Chamber of Commerce.

An annual Draft Resolution of Intention, declaring the City's intent to levy an annual Downtown Parking and Business Improvement Area assessment, and holding a public hearing is required by the California Streets & Highways Code for the City to levy and collect the assessments. Consistent with State law, the City Council is required to adopt a Draft Resolution of Intention and set a public hearing to receive public comment prior to the assessment being collected.

Staff is proposing that the hearing be conducted at the next regular City Council meeting scheduled for June 23, 2020.

FISCAL IMPACT:

None.

ALTERNATIVES:

1. The City Council may set an alternative date for the public hearing, but no later than June 25, 2020.

2. The City Council may discontinue the current program and assess a \$0 fee to businesses in the District.
3. The City Council may choose not to adopt the Resolution of Intention to levy assessment, thereby discontinuing the collection of Downtown Parking and Business Improvement Area assessments.

ATTACHMENTS:

1. Draft Resolution
2. Downtown Parking and Business Improvement Area Report and Proposed Expenditures for 2020-2021

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING THE CITY'S INTENT TO
LEVY AN ANNUAL ASSESSMENT PURSUANT TO STREETS &
HIGHWAYS CODE SECTION 36500 ET. SEQ.**

WHEREAS, the City of Atascadero has formed a Parking and Business Improvement Area, pursuant to Section 36500 of the Streets and Highways Code of the State of California; and

WHEREAS, the City Council has received a report pursuant to Section 36533 of said Code; and

WHEREAS, the City Council has approved such report and is required to adopt a resolution of intention pursuant to Section 36534; and

WHEREAS, the report proposes no changes to the boundaries or assessment amounts that currently apply in said area; and

WHEREAS, the report identifies the proposed improvements and activities for the area based upon the National Main Street Program four point approach, on file in the City Clerk's Office and incorporated herein by this reference.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Council hereby declares its intent to levy and collect assessments within the Parking and Business Improvement Area for Fiscal Year 2020-2021.

SECTION 2. The area is known as the Downtown Parking and Business Improvement Area. The area is generally located in the downtown core including the area between Highway 41 on the south, Rosario Avenue on the north, Highway 101 on the west, and an irregular boundary generally along Santa Ysabel Avenue on the east.

SECTION 3. Consistent with Section 36527 of the Streets and Highways Code, Ordinance No. 116 proposes the following uses of Downtown Parking and Business Improvement Area revenue:

- a. The acquisition, construction, or maintenance of parking facilities for the benefit of the area.
- b. Decoration of public place in the area.
- c. Promotion of public events that are to take place on or in public places in the area.
- d. The general promotion of business activities in the area.

SECTION 4. A report, which includes a full and detailed description of the improvements and activities to be provided in the 2020-2021 fiscal year, the boundaries of the area, and the proposed assessments to be levied upon the businesses within the area for Fiscal Year 2019-2020, is on file in the City Clerk's Office and incorporated herein by this reference.

SECTION 5. The City Council will hold a public hearing on the levy of the proposed assessment for Fiscal Year 2020-2021 on June 23, 2020 at 6:00 p.m., or sometime shortly thereafter, in the City Council Chambers, 6500 Palma Avenue, Atascadero, California.

SECTION 6. Written or oral protests may be made at the hearing. The form of the protests shall comply with Sections 36524 and 36524 of the Streets and Highways Code.

SECTION 7. The City Clerk is hereby directed to give notice of the public hearing by causing this Resolution to be published once in a newspaper of general circulation in the City not less than seven days before said hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of June, 2020.

On motion by Council Member _____, and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAINED:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

Exhibit A

Atascadero Main Street Downtown Parking and Business Improvement Area Annual Report for Fiscal Year 2020-2021

The California Streets and Highways Code Section 36533 requires the preparation of a report for each fiscal year for which assessments are to be levied and collected to pay the costs of improvements and activities of the Improvement Area. The report may propose changes, including, but not limited to the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses.

No boundary changes are proposed for Fiscal Year 2020-2021. The boundaries are more specifically described as follows:

From the south corner of Morro Road at the Highway 101 over-crossing then in the generally northwest direction immediately adjacent to Highway 101, to a point at the intersection of El Camino Real and Rosario Avenue, then easterly along Rosario Avenue, to a point at the intersection of Rosario and Palma Avenue, then easterly along Palma Avenue to the rear lot line of parcels on the east side of Traffic Way, then north along said rear lot lines to include Lot 24 of Block LA, of Atascadero, then northerly along the center line of Traffic Way, to a point, then easterly to include the presently existing National Guard Armory Property. Then to a point easterly to the intersection of West Mall and Santa Ysabel Avenue at the West Mall bridge, then southerly along Santa Ysabel Avenue to a point at the intersection of the southerly leg of Hospital Drive and Santa Ysabel Avenue, then easterly from that point to the extension of proposed Highway 41, then southwesterly to the Morro Road/Highway 101 over-crossing, point of beginning.

Since 2000, the City, Community Redevelopment Agency, Chamber of Commerce, other organizations and the community have worked to strengthen the downtown business community, and implement the downtown revitalization strategy. In 2009, as the economic downturn was affecting businesses, the City Council made the decision to levy a \$0 assessment on the businesses in the District. The State of California dissolved all redevelopment agencies in 2011, and the City, Chamber of Commerce, and other organizations have worked in collaboration to continue the efforts of the Community Redevelopment Agency to provide better services to and strengthen the businesses in the downtown.

In 2017, an informal committee of downtown business owners formed to promote economic vitality and encourage business growth in the downtown. This committee will advise the Chamber of Commerce on expenditures and will assist in the creation of the annual budget for the Downtown Parking and Business Improvement Area (DPBIA). The Atascadero Chamber of Commerce will serve as the advisory body and the

sub-contractor to the City regarding the Downtown Parking and Business Improvement Area. The Chamber of Commerce is requesting that the City levy an assessment of 100% of the business license fee for businesses in the DPBIA. Each licensed business in the Improvement Area shall contribute to the assessment. Activities and improvements in the DPBIA are funded by the assessment.

The proposed work plan and budget for Fiscal Year 2020/2021 is as follows:

BIA Funds requested for 2020/2021	\$ 10,600
Carry over from 2018/2019	\$ 150
Estimated revenue from events	<u>\$ 1,000</u>
Total Proposed Funding Available	<u>\$ 11,750</u>
 <u>2020/2021 Proposed Expenditures:</u>	
Events (3 total)	\$ 3,950
Beautification/Miscellaneous	\$ 4,000
Marketing	\$ 2,600
Events Management	<u>\$ 1,200</u>
Total Proposed Expenditures for 2020/2021	<u>\$ 11,750</u>
 <i>Fund Residual</i>	 \$ 0

This report shall be filed with the City Clerk on behalf of the DPBIA for Fiscal Year 2020-2021.



Atascadero City Council

Staff Report – Administrative Services Department

Apple Valley Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for fiscal year 2020/2021.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2020/2021 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in fiscal year 2020/2021.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2020/2021 for Landscaping and Lighting District No. 01 (Apple Valley).

DISCUSSION:

The City Council formed and began assessing Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the Apple Valley subdivision.

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No. 01 (Apple Valley) in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscape and lighting improvements within the Apple Valley subdivision.

NBS, an independent financial consultant, was hired to prepare the engineer's report for the two districts. The engineer's reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the Engineer's Reports were preliminarily approved, proceedings

were initiated for the levy, and the date of tonight’s public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer’s Reports and for the approval of the annual levies.

The proposed assessments for fiscal year 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased 3.0% (CPI) this year for both districts.

The City has historically held an annual informational meeting with District residents, to review and gather input regarding the upcoming year’s assessment. Due to a combination of factors including the new social distancing requirements due to the COVID-19, City Council’s stated direction for essentialism in order to better prioritize and streamline staff’s time and efforts, keeping down administration costs in the Districts, and dwindling community attendance at these meetings, the annual meeting was not held. A Notice of Meeting Cancellation was mailed to all property owners on April 9, 2020. The notice also provided city staff contact information for questions and comments, and provided dates for the related Council meetings.

Staff has reviewed the short and long-term costs to maintain the districts and recommends the total cost of both districts of \$1,450 remains flat when compared to the prior year. The Landscaping and Lighting District levy is about 52% of the allowable maximum annual assessment and the Street and Storm Drain District is about 70% of the allowable maximum annual assessment.

District	Amount Per EBU Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2020-21
Atascadero Street and Storm Drain Maintenance District No. 01 Apple Valley	\$ 550.00	\$ 550.00
Atascadero Landscaping and Lighting Maintenance District No. 01 Apple Valley	\$ 900.00	\$ 900.00

FISCAL IMPACT:

Annual assessments for 2020/2021 will total \$38,500 for road/drainage system maintenance and \$63,000 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B

3. Engineer's Annual Levy Report - Street and Storm Drain Maintenance District No. 01 (Apple Valley)
4. Draft Resolution C
5. Draft Resolution D
6. Engineer's Annual Levy Report – Landscaping and Lighting District No. 01 (Apple Valley)

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2020/2021

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2020/2021, said fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 01 (Apple Valley), fiscal year 2020/2021" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2020/2021.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01
(APPLE VALLEY)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.
- c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the

eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer’s Report and the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or her designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of June, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report

Street and Storm Drain Maintenance District No. 01 (Apple Valley)

May 2020

Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
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CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-042, the City Council of the City of Atascadero (the "City"), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the "1982 Act"), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as the "California Constitution"), established the City of Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) (the "District"); and

WHEREAS, on May 12, 2020, the City Council, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for fiscal year 2020/21:

FY 2020/21 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$20,050
Capital Reserve Collection/(Uses)	24,090
Levy Adjustments	(5,640)
Balance to Levy	\$38,500
Fiscal Year 2020/21 Maximum Rate	\$788.56
Fiscal Year 2020/21 Proposed Applied Rate	\$550.00

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIII D* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 01 (Apple Valley)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system, and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2495; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIII D Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments, and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation.

The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

The territory within the District consists of the lots, parcels, and subdivisions of land within the proposed residential subdivision known as the Apple Valley, Tract 2495, which encompasses an area of land totaling approximately twenty-eight acres (28.35 acres).

This residential subdivision includes seventy (70) single-family residential homes. The subdivision is situated in the northern portion of the City just southwest of Highway 101 and is generally located:

- South of Del Rio Road;
- North of Conejo Road;
- West of Ramona Road; and,
- East of Graves Creek.

3.2 Funding Authorized by The 1982 Act

As generally defined by the 1982 Act and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- Drainage and Flood Control;
- Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction, or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

3.3 Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as Apple Valley, Tract 2495 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2495 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition.

The maintenance of the improvements and related activities shall be funded entirely or partially through the District assessments. The District improvements and services are generally described as:

- Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage, or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2495 and that have been dedicated to the City;
- Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters, and storm drain pipes installed in connection with the development of properties of Tract 2495 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
- The appurtenant, equipment, materials, and service contracts related to the aforementioned improvements and facilities;
- Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

3.3.1 STREET MAINTENANCE

The street maintenance program may include, but is not limited to: the repair of potholes, cracks, or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches, and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing, or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays, and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically the street improvements for this District are identified as:

- Approximately 106,460 square feet of asphalt street surface located on the perimeter of the development (south half of Del Rio Road); and the various interior streets identified as Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, and San Ramon Road.
- Approximately 5,320 linear feet of curb and gutter along Del Rio Road, Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, San Ramon Road, and Conejo Road;
- Approximately 3,545 square feet of decorative street pavers and 1,254 linear feet of curb and gutter in and around the two median islands on San Ramon Road (entryways to the development at Del Rio Road and Conejo Road);
- Approximately 70 driveway approaches, 25,394 square feet of sidewalks and various street signs within the District;
- Specifically not included as part of the street maintenance program are the costs associated with major

- replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters, or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt; and replacement of curbs, gutters, driveway approaches, and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities, and services that may include, but are not limited to:

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-stripping of traffic lanes, bike lanes, street parking areas, crosswalks, and intersections (typically in conjunction with slurry or overly activities);
- Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks, and signage as needed;
- Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
- Annual inspection and minor repairs of curbs, gutters, driveway approaches, and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
- Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
- Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities (within

the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State, or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing, or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

- Approximately 30,050 square feet of drainage basin area;
- Twenty-eight (28) inlets, outlets, and manholes located throughout Tract 2495;
- Approximately 2,100 linear feet of storm drain pipe ranging from 18 inches to 42 inches in diameter.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities, and services that may include, but are not limited to:

- Cleaning of storm drain inlets, catch basins, manholes, and pipes as needed;
- Stencil maintenance and documentation of facilities as required by Federal, State, or County regulations;
- Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain inlets, catch basins, and outlets as needed;
- Street sweeping services necessary to control debris and water flow for the storm drain system; and,
- The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins, and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

Budget	2020/2021 Assessment
DIRECT COSTS	
Streets, Roads & Storm Drain Improvements	
Street Sweeping Services	\$1,600
Inspection & Operational Services- Roads, Drainage	13,620
Slurry Seal	0
Total Annual Direct Costs	\$15,220
ADMINISTRATION EXPENSES	
City Annual Administration	\$1,240
Engineer's Report & Services	3,290
Public Noticing	300
Total Annual Administration Costs	\$4,830
TOTAL DIRECT & ADMINISTRATION COSTS	\$20,050
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	\$21,800
Collection Street Re-striping	80
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	850
Collection for Debris Removal	380
Collection for Storm Drain Fencing	380
Collection for Storm Drain Infrastructure	600
Total Annual Capital Reserve Collections/(Uses)	\$24,090
LEVY ADJUSTMENTS	
Interest Income- Improvement Fund	(\$5,281)
Interest Income- Operating Reserve Fund	(209)
Reserve Fund Collection/(Use)	(150)
Total Levy Adjustments	(\$5,640)
BALANCE TO LEVY	\$38,500
DISTRICT STATISTICS	
Total Parcels	74
Parcels Levied	70
Total EBU ⁽¹⁾	70
Levy per EBU	\$550.00
Maximum Levy per EBU	\$788.56
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$13,076
Operational Reserve Interest	209
Surplus Transfer from Improvement Fund	5,388
Operational Reserve Collection (Use)	(5,640)
Estimated Ending Operating Reserve Balance	\$13,033
Beginning Improvement Fund Balance	\$304,549
Improvement Fund Interest	5,281
Surplus Transfer to Operations Fund	(5,388)
Improvement Fund Collection/(Use)	24,090
Estimated Ending Improvement Fund Balance	\$328,532

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

5.1 General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation, and servicing of drainage and flood control improvements as well as streets, roads, and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City’s General Plan. As such the ongoing operation, servicing, and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties. Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels

within the District and the absence of adequate maintenance and servicing of the District improvements could eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

5.3.1 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

5.3.2 EBU APPLICATION BY LAND USE:

- (1) **Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit “EBU”).
- (2) **Multi-family Residential** — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile-home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel’s total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases; the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.
- (3) **Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes, and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) **Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units

that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).

(5) Vacant Residential — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks, or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels, or bifurcated lots or properties with very restrictive development use.

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel’s EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU’s) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU’s of the parcels benefiting from the improvements. This Rate is then applied back to each parcel’s individual EBU to determine the parcel’s proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

5.3.3 ASSESSMENT RANGE FORMULA

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a

summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area from February to February.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

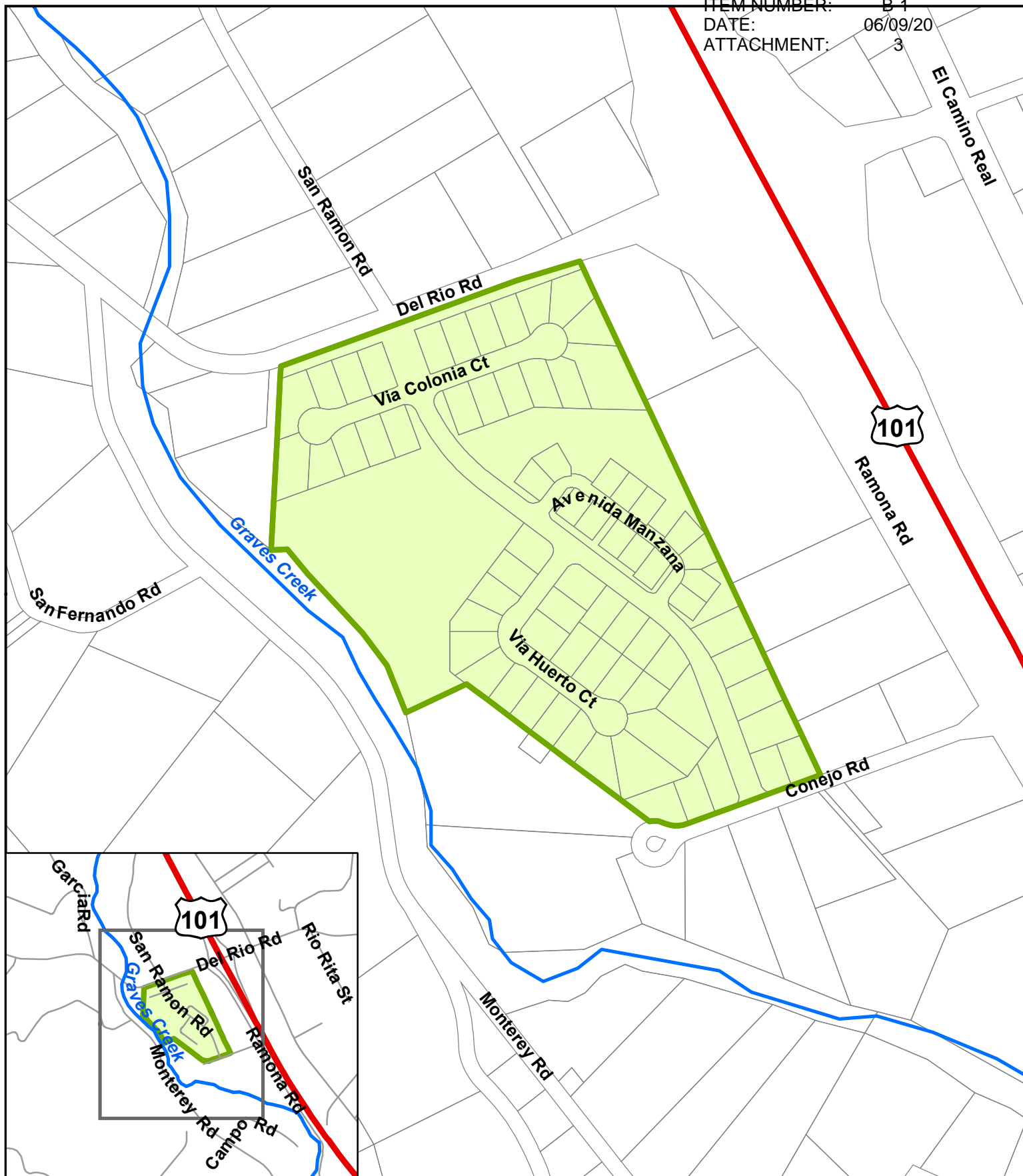
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classification is permitted. Changes in land use or size of an individual property resulting in an assessment increase, are not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 01 (Apple Valley) consist of the lots, parcels, and subdivisions of land located in the residential development known as Apple Valley, Tract 2495. The District covers approximately twenty-eight acres (28.35 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)

Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	788.56	550.00
049-192-002	1	788.56	550.00
049-192-003	1	788.56	550.00
049-192-004	1	788.56	550.00
049-192-005	1	788.56	550.00
049-192-006	1	788.56	550.00
049-192-007	1	788.56	550.00
049-192-008	1	788.56	550.00
049-192-009	1	788.56	550.00
049-192-010	1	788.56	550.00
049-192-011	1	788.56	550.00
049-192-012	1	788.56	550.00
049-192-013	1	788.56	550.00
049-192-014	1	788.56	550.00
049-192-015	1	788.56	550.00
049-192-016	1	788.56	550.00
049-192-017	1	788.56	550.00
049-192-018	1	788.56	550.00
049-192-019	1	788.56	550.00
049-192-020	1	788.56	550.00
049-192-021	1	788.56	550.00
049-192-022	1	788.56	550.00
049-193-001	1	788.56	550.00
049-193-002	1	788.56	550.00
049-193-003	1	788.56	550.00
049-193-004	1	788.56	550.00
049-193-005	1	788.56	550.00
049-193-006	1	788.56	550.00
049-193-007	1	788.56	550.00
049-193-008	1	788.56	550.00
049-193-010	1	788.56	550.00
049-193-011	1	788.56	550.00
049-193-012	1	788.56	550.00
049-193-013	1	788.56	550.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	788.56	550.00
049-193-015	1	788.56	550.00
049-193-016	1	788.56	550.00
049-193-017	1	788.56	550.00
049-193-018	1	788.56	550.00
049-193-019	1	788.56	550.00
049-193-020	1	788.56	550.00
049-193-021	1	788.56	550.00
049-193-022	1	788.56	550.00
049-193-023	1	788.56	550.00
049-193-024	1	788.56	550.00
049-193-025	1	788.56	550.00
049-193-026	1	788.56	550.00
049-193-027	1	788.56	550.00
049-193-028	1	788.56	550.00
049-193-029	1	788.56	550.00
049-193-030	1	788.56	550.00
049-193-031	1	788.56	550.00
049-193-032	1	788.56	550.00
049-193-033	1	788.56	550.00
049-193-034	1	788.56	550.00
049-193-035	1	788.56	550.00
049-193-036	1	788.56	550.00
049-193-037	1	788.56	550.00
049-193-038	1	788.56	550.00
049-193-039	1	788.56	550.00
049-193-040	1	788.56	550.00
049-193-041	1	788.56	550.00
049-193-042	1	788.56	550.00
049-193-043	1	788.56	550.00
049-193-044	1	788.56	550.00
049-193-045	1	788.56	550.00
049-193-046	1	788.56	550.00
049-193-047	1	788.56	550.00
049-193-048	1	788.56	550.00
049-193-049	0	-	-
049-193-051	1	788.56	550.00
Total	70	\$ 55,199.49	\$ 38,500.00



DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY AND
COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2020/2021**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 01 (Apple Valley), fiscal year 2020/2021" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor's Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2020/2021.

SECTION 3. The Engineer's Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer's Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR LANDSCAPING AND LIGHTING DISTRICT NO. 01 (APPLE VALLEY)

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") for fiscal year 2020/2021, said fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 01 (Apple Valley), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Landscaping and Lighting District

District No. 01 (Apple Valley)

May 2020

Prepared by:



nbsgov.com

CITY OF ATASCADERO
Landscaping & Lighting District No. 01
(Apple Valley)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
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CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-045, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 01 (Apple Valley) (the “District”); and

WHEREAS, on May 12, 2020, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2020/21:

FY 2020/21 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$71,720	\$9,245	\$62,475			
Administration	6,830	0	6,830			
Capital Reserve Collections/(Uses)	5,491	650	4,841			
Levy Adjustments	(21,041)	(9,895)	(11,146)			
Total	\$63,000	\$0	\$63,000	70	\$1,723.25	\$900.00

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 01 (Apple Valley)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2495; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the Apple Valley, Tract 2495, which encompasses an area of land totaling approximately twenty-eight acres (28.35 acres).

This residential subdivision includes seventy (70) single-family residential homes. The subdivision is situated in the northern portion of the City of Atascadero just southwest of Highway 101 and is generally located:

- South of Del Rio Road;
- North of Conejo Road;
- West of Ramona Road; and,
- East of Graves Creek

3.2 Improvements and Services Authorized by The 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;

- d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increased assessment.

3.3 Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2495). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2495 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2495;
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas;
- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;

- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

3.3.1 LANDSCAPE IMPROVEMENTS

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

- Approximately 30,580 square feet of streetscape (parkway) landscaping within the public right-of-ways located on the perimeter of the development (south side of Del Rio Road); and along various locations of the interior streets including Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, and San Ramon Road.
- Approximately 108 street trees located along Del Rio Road, Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, San Ramon Road and Conejo Road;
- Approximately 12,541 square feet of landscaping and trees within the median islands on San Ramon Road located at the two entryways to the development (Del Rio Road and Conejo Road);
- Approximately 106,460 square feet of non-irrigated open space area within the District;
- Approximately 109,837 square feet of irrigated park and open space areas within the boundaries of the District including 56,647 square feet of turf; 40,335 square feet of irrigated open space; and 12,855 square feet of landscaped slopes within two drainage basins (6,690 and 6,165 square feet respectively); along with various trees and picnic areas;
- Approximately 10,320 square feet of paths and trails, 25,394 square feet sidewalks and 5,145 linear feet of fencing within and adjacent to the various landscape improvement areas.

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

The lighting improvements may include but are not limited to the cost of providing electrical energy and servicing of lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with:

- Lighting facilities located within the landscaped areas including safety lights, security lights or ornamental lights installed as part of the District improvements.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2020/2021 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$40,000	(\$5,940)	\$34,060
Landscape Supplies	2,500	-	2,500
Landscape Utilities	13,220	(3,305)	9,915
City Landscape Services	16,000	-	16,000
Total Annual Direct Costs	\$71,720	(\$9,245)	\$62,475
CAPITAL EXPENDITURES			
Special Projects	0	0	0
Total Annual Special Projects	\$0	\$0	\$0
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,100	\$0	\$2,100
Engineer's Report & Services	4,230	0	4,230
Public Noticing	500	0	500
Total Administration	\$6,830	\$0	\$6,830
TOTAL DIRECT & ADMINISTRATION COSTS	\$78,550	(\$9,245)	\$69,305
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$1,300	(\$650)	\$650
Median Rehabilitation/Replacement	238	0	238
Open Space Rehabilitation/Replacement	1,120	0	1,120
Tree Rehabilitation/Replacement	2,033	0	2,033
Other Rehabilitation/Replacement	800	0	800
Total Annual Capital Reserve Collections/(Uses)	\$5,491	(\$650)	\$4,841
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$848)	\$0	(\$848)
Interest Income- Operating Reserve Fund	(1,647)	0	(1,647)
Contributions from other Sources	(9,895)	(9,895)	0
Reserve Collection/(Use)	(8,651)	0	(8,651)
Total Levy Adjustments	(\$21,041)	(\$9,895)	(\$11,146)
BALANCE TO LEVY	\$63,000	\$0	\$63,000
DISTRICT STATISTICS			
Total Parcels			74
Parcels Levied			70
Total EBU ⁽¹⁾			70
Levy per EBU			\$900.00
Maximum Levy per EBU			\$1,723.25
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$49,030
Operational Reserve Interest			1,647
Surplus Transfer from Improvement Fund			9,032
Operational Reserve Collection (Use)			(8,651)
Estimated Ending Operating Reserve Balance			\$51,058
Beginning Improvement Fund Balance			\$104,369
Improvement Fund Interest			848
Surplus Transfer to Operations Fund			(9,032)
Improvement Fund Collection/(Use)			3,006
Estimated Ending Improvement Fund Balance			\$99,191

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

5.1 General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“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 benefits to be received by each such lot or parcel from the improvements.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIII D. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIII D. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

5.2.1 SPECIAL BENEFIT

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties

The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area and properties.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Enhanced quality of life through well-maintained green space and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads, streets and public areas.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

5.2.2 GENERAL BENEFIT

In reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing and constructing such improvements, it is evident that the improvements are solely the result of developing properties within the District and the ongoing maintenance and operation of these improvements will directly affect the properties within the District. Although the improvements include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the construction and installation of these improvements were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District.

5.3 Assessment Methodology

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development.

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

5.3.1 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

5.3.2 EBU APPLICATION BY LAND USE:

- (1) **Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit (i.e. Equivalent Benefit Unit "EBU").
- (2) **Multi-family Residential** — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is

also reasonable to conclude that as the density (number of units) increases the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).
- (5) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels' current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU's) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.00% for fiscal year 2020/21.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda,

Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

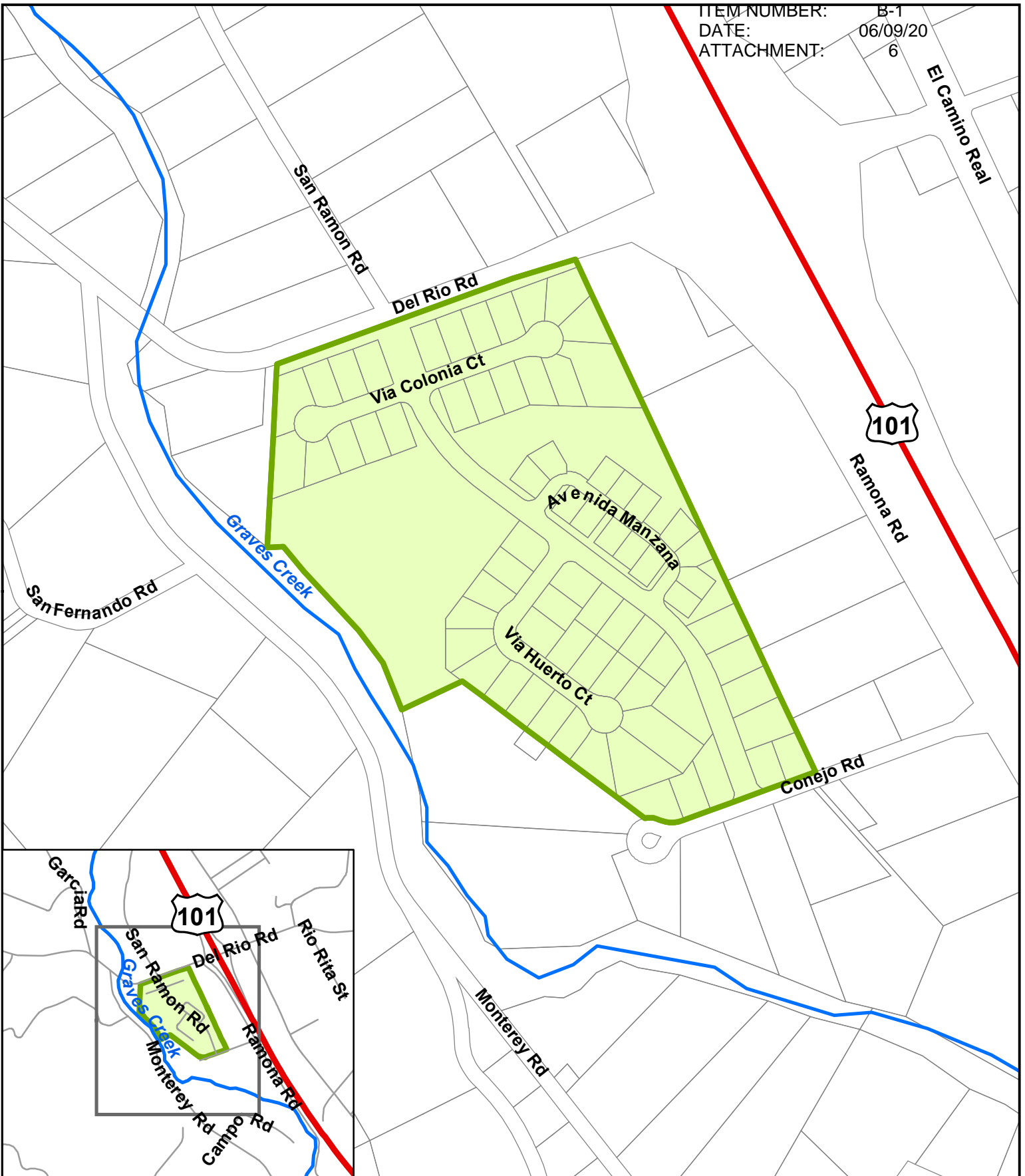
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 01 (Apple Valley) consist of the lots, parcels and subdivisions of land located in the planned residential development known as Apple Valley, Tract 2495. The District covers approximately twenty-eight acres (28.35 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 01
(Apple Valley)
 Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	1723.25	900.00
049-192-002	1	1723.25	900.00
049-192-003	1	1723.25	900.00
049-192-004	1	1723.25	900.00
049-192-005	1	1723.25	900.00
049-192-006	1	1723.25	900.00
049-192-007	1	1723.25	900.00
049-192-008	1	1723.25	900.00
049-192-009	1	1723.25	900.00
049-192-010	1	1723.25	900.00
049-192-011	1	1723.25	900.00
049-192-012	1	1723.25	900.00
049-192-013	1	1723.25	900.00
049-192-014	1	1723.25	900.00
049-192-015	1	1723.25	900.00
049-192-016	1	1723.25	900.00
049-192-017	1	1723.25	900.00
049-192-018	1	1723.25	900.00
049-192-019	1	1723.25	900.00
049-192-020	1	1723.25	900.00
049-192-021	1	1723.25	900.00
049-192-022	1	1723.25	900.00
049-193-001	1	1723.25	900.00
049-193-002	1	1723.25	900.00
049-193-003	1	1723.25	900.00
049-193-004	1	1723.25	900.00
049-193-005	1	1723.25	900.00
049-193-006	1	1723.25	900.00
049-193-007	1	1723.25	900.00
049-193-008	1	1723.25	900.00
049-193-010	1	1723.25	900.00
049-193-011	1	1723.25	900.00
049-193-012	1	1723.25	900.00
049-193-013	1	1723.25	900.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	1723.25	900.00
049-193-015	1	1723.25	900.00
049-193-016	1	1723.25	900.00
049-193-017	1	1723.25	900.00
049-193-018	1	1723.25	900.00
049-193-019	1	1723.25	900.00
049-193-020	1	1723.25	900.00
049-193-021	1	1723.25	900.00
049-193-022	1	1723.25	900.00
049-193-023	1	1723.25	900.00
049-193-024	1	1723.25	900.00
049-193-025	1	1723.25	900.00
049-193-026	1	1723.25	900.00
049-193-027	1	1723.25	900.00
049-193-028	1	1723.25	900.00
049-193-029	1	1723.25	900.00
049-193-030	1	1723.25	900.00
049-193-031	1	1723.25	900.00
049-193-032	1	1723.25	900.00
049-193-033	1	1723.25	900.00
049-193-034	1	1723.25	900.00
049-193-035	1	1723.25	900.00
049-193-036	1	1723.25	900.00
049-193-037	1	1723.25	900.00
049-193-038	1	1723.25	900.00
049-193-039	1	1723.25	900.00
049-193-040	1	1723.25	900.00
049-193-041	1	1723.25	900.00
049-193-042	1	1723.25	900.00
049-193-043	1	1723.25	900.00
049-193-044	1	1723.25	900.00
049-193-045	1	1723.25	900.00
049-193-046	1	1723.25	900.00
049-193-047	1	1723.25	900.00
049-193-048	1	1723.25	900.00
049-193-049	0	-	-
049-193-051	1	1723.25	900.00
Total	70	\$ 120,627.50	\$ 63,000.00





Atascadero City Council

Staff Report – Administrative Services Department

De Anza Estates Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for fiscal year 2020/2021.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2020/2021 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in fiscal year 2020/2021.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2020/2021 for Landscaping and Lighting District No. 03 (De Anza Estates).

DISCUSSION:

The City Council formed and began assessing Street and Storm Drain Maintenance District No.03 (De Anza Estates) in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the De Anza Estates subdivision.

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No.03 (De Anza Estates) in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscaping and lighting improvements within the De Anza Estates subdivision.

NBS, an independent financial consultant, was hired to prepare the engineer's reports for the two districts. The engineer's reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the Engineer's Reports were preliminarily approved, proceedings

were initiated for the levy, and the date of tonight’s public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer’s Reports and for the approval of the annual levies.

The proposed assessments for fiscal year 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.0% (CPI) this year for both districts.

The City has historically held an annual informational meeting with District residents, to review and gather input regarding the upcoming year’s assessment. Due to a combination of factors including the new social distancing requirements due to the COVID-19, City Council’s stated direction for essentialism in order to better prioritize and streamline staff’s time and efforts, keeping down administration costs in the Districts, and dwindling community attendance at these meetings, the annual meeting was not held. A Notice of Meeting Cancellation was mailed to all property owners on April 9, 2020. The notice also provided city staff contact information for questions and comments, and provided dates for the related Council meetings.

Staff has reviewed the short and long-term costs to maintain the districts and recommends the total cost of both districts of \$1,274 per EBU remains flat when compared to the prior year. The Landscaping and Lighting District levy is about 18% of the allowable maximum annual assessment and the Street and Storm Drain District is about 70% of the allowable maximum annual assessment.

District	Amount Per EBU Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2020-21
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Senior Housing	\$ 342.48	\$ 342.48
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Single Family Residential	\$ 681.50	\$ 681.50
Atascadero Landscaping and Lighting Maintenance District No. 03 De Anza Estates	\$ 250.00	\$ 250.00

FISCAL IMPACT:

Annual assessments for 2020/2021 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2020/2021 for half of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer's Annual Levy Report - Street and Storm Drain Maintenance District No. 03 (De Anza Estates)
4. Draft Resolution C
5. Draft Resolution D
6. Engineer's Annual Levy Report - Landscaping and Lighting District No. 03 (De Anza Estates)

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03 (DE ANZA ESTATES), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2020/2021

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2020/2021, said fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 03 (De Anza Estates), fiscal year 2020/2021" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2020/2021.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ____, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer's Report and the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER: B-2
DATE: 06/09/20
ATTACHMENT: 2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Street and Storm Drain Maintenance District No. 03 (De Anza Estates)

May 2020

Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 03
(De Anza Estates)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
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CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on August 9, 2005 by Resolution No. 2005-071, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as the “California Constitution”), established the City of Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (the “District”); and

WHEREAS, on May 12, 2020, the City Council, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2020/21:

FY 2020/21 Summary of Assessment

Description	Zone A - Amount	Zone B - Amount	Total Amount
Estimated Annual Costs	\$6,070	\$14,930	\$21,000
Capital Reserve Collection/(Uses)	15,387	16,349	31,736
Levy Adjustments	(8,614)	(13,560)	(22,174)
Balance to Levy	\$12,843	\$17,719	\$30,562
Fiscal Year 2020/21 Maximum Rate	\$782.98	\$968.02	
Fiscal Year 2020/21 Proposed Applied Rate	\$342.48	\$681.50	

Rates above are per Equivalent Benefit Unit.

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIID* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 03 (De Anza Estates)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21.

The City Council formed the District and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2498; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIID Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and

levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the De Anza Estates, Tract 2498, which encompasses an area of land totaling approximately seventy-six acres (75.76 acres).

This subdivision includes twenty-six (26) Single-Family Residential Units and sixty (60) Modified Housing/Senior Housing Units. The subdivision is situated in the northern portion of the City of Atascadero northeast of Highway 101 and is generally located:

- At the North end of El Camino Real;
- North and East of U.S. HWY 101; and,
- South and West of the Salinas River.

3.2 Funding Authorized by The 1982 Act

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- 1) Drainage and Flood Control;
- 2) Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

3.3 Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as (De Anza Estates), Tract 2498 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2498 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition. The maintenance of the improvements and related activities shall be funded entirely or partially through the District assessments. The District improvements and services are generally described as:

- Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2498 and that have been dedicated to the City;
- Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters and storm drain pipes installed in connection with the development of properties of Tract 2498 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
- The appurtenant, equipment, materials and service contracts related to the aforementioned improvements and facilities;
- Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

3.3.1 STREET MAINTENANCE

The street maintenance program may include, but is not limited to: the repair of potholes, cracks or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically, the street improvements for this District are identified as:

- Approximately 66,000 square feet of asphalt street surface located on the interior streets of the development identified as El Camino Real north of the Upper Bridge Crossing; Ferrocarril Road from the Graves Creek Bridge northeast to the end of Tract 2498; and De Anza Court.
- Approximately 5,700 linear feet of curb and gutter along El Camino Real, Ferrocarril Road, and De Anza Court, 26 driveway approaches and various street signs within the District;
- Two bridges identified as the Upper Bridge Crossing (located on El Camino Real at the entryway to the tract) and the Graves Creek Bridge (located on Ferrocarril Road located at the entryway to the senior housing development);

- Specifically not included as part of the street maintenance program are the costs associated with major replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt; and replacement of curbs, gutters driveway approaches and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval. Also not included as part of the street maintenance program are the street improvements within the senior housing development (street improvements southwest of the Graves Creek Bridge). The street improvements and facilities within the senior housing development shall be maintained and funded through a Homeowner's Association or similar entity.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities and services that may include, but are not limited to:

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-striping of traffic lanes, bike lanes, street parking areas, crosswalks and intersections (typically in conjunction with slurry or overly activities);
- Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks and signage as needed;
- Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
- Annual inspection and minor repairs of curbs, gutters, driveway approaches and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
- Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
- Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating

funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities (within the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

- A single drainage basin of approximately 9,000 square feet;
- A total of approximately three (3) inlets, catch basins, manholes or outlets located within the single-family residential portion of Tract 2498;
- Approximately 200 linear feet of 24 inch storm drain pipe.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities and services that may include, but are not limited to:

- Cleaning of storm drain inlets, catch basins, manholes and pipes as needed;
- Stencil maintenance and documentation of facilities as required by Federal, State or County regulations;
- Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain inlets, catch basins and outlets as needed;
- Street sweeping services necessary to control debris and water flow for the storm drain system; and,
- The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the

annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

Budget	Zone A (Senior Housing)	Zone B (SF-Residential)	Total Assessed
DIRECT COSTS			
Streets, Roads & Storm Drain Improvements			
Drainage Maintenance Services	\$0	\$7,100	\$7,100
Street Sweeping Services	640	960	1,600
Inspection & Operational Services- Roads, Drainage	680	1,020	1,700
Street Repairs	2,200	3,300	5,500
Total Annual Direct Costs	\$3,520	\$12,380	\$15,900
ADMINISTRATION EXPENSES			
City Annual Administration	800	800	1,600
Engineer's Report & Services	1,600	1,600	3,200
Public Noticing	150	150	300
Total Administration Costs	\$2,550	\$2,550	\$5,100
TOTAL DIRECT & ADMINISTRATION COSTS	\$6,070	\$14,930	\$21,000
CAPITAL RESERVE COLLECTIONS/(USES)			
Collection for Street Surface Activities	6,638	9,956	16,594
Collection for Street Re-striping	35	54	89
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	120	179	299
Collection for Debris Removal	0	317	317
Collection for Bridges	8,594	5,729	14,323
Collection for Storm Drain Infrastructure	0	114	114
Total Capital Reserve Collections/(Uses)	\$15,387	\$16,349	\$31,736
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$2,628)	(\$3,625)	(\$6,253)
Interest Income- Operating Reserve Fund	(\$104)	(\$143)	(247)
Reserve Fund Collection (Use)	(\$5,882)	(\$9,792)	(15,674)
Total Levy Adjustments	(\$8,614)	(\$13,560)	(\$22,174)
BALANCE TO LEVY	\$12,843	\$17,719	\$30,562
DISTRICT STATISTICS			
Total Parcels	61	28	89
Parcels Levied	60	26	86
Total EBU ⁽¹⁾	37.5	26	63.5
Proposed Levy per EBU	\$342.48	\$681.50	
Maximum Levy per EBU	\$782.98	\$968.02	
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance	\$5,736	\$7,914	\$13,650
Operational Reserve Interest	104	143	247
Surplus Transfer from Improvement Fund	9,214	12,713	21,927
Operational Reserve Collection (Use)	(9,318)	(12,856)	(22,174)
Ending Operating Reserve Balance	\$5,736	\$7,914	\$13,650
Beginning Improvement Fund Balance	\$138,250	\$190,739	\$328,989
Improvement Fund Interest	2,628	3,625	6,253
Surplus Transfer to Operations Fund	(9,214)	(12,713)	(21,927)
Improvement Fund Collection/(Use)	13,336	18,398	31,734
Estimated Ending Improvement Fund Balance	\$145,000	\$200,049	\$345,049

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

5.1 General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as streets, roads and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such the ongoing operation, servicing and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels within the District and the absence of adequate maintenance and servicing of the District improvements could

eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

5.3.1 ZONES OF BENEFIT:

While it has been determined that the improvements to be maintained by the District are entirely a special benefit to properties within the District (No measurable general benefit), upon review of the various improvements, the location and need for such improvements and the proposed development of properties within the District it has been determined that the improvements and services that will benefit the single-family residential properties are not identical to the improvements and services that will benefit the senior housing development, although they do share in the benefit of some of the improvements. Therefore, it has been determined that two separate zones of benefit are required to appropriately allocate the costs of maintaining the improvements and establish proportional special benefit assessments. The properties associated with the senior housing development have been identified and designated as "Zone A", and the single-family residential properties within Tract 2498 have been identified and designated as "Zone B" based on the improvements associated with those properties.

- (1) Zone A (Senior Housing Portion of Tract 2489)** — It has been determined that these properties benefit and shall proportionately share in the costs associated with maintaining and servicing the Upper Bridge Crossing, El Camino Real and the western portion of Ferrocarril Road leading into these properties. It has also been determined that the construction of the Graves Creek Bridge was only necessary for the development of these properties and therefore the cost to service and maintain this facility shall be entirely allocated to these properties. Conversely, the storm drain improvements that will be maintained by the City within Tract 2498 have been constructed as part

of developing the twenty-six single-family residential properties and it has been determined that the senior housing properties do not receive direct and special benefit from those particular improvements. While these properties will not be assessed for the storm drain improvements, it should be noted that some storm drain facilities will be constructed as part of the senior housing development; however these improvements are not included in this District and will be provided and maintained by a Homeowner's Association or similar entity.

- (2) Zone B (Single-Family Residential Portion of Tract 2498)** — Along with the properties in Zone A, the single-family residential properties within Tract 2498 benefit and shall proportionately share in the costs associated with maintaining and servicing the Upper Bridge Crossing and El Camino Real. In addition, the overall development of these particular properties required the construction and installation of the street improvements on Ferrocarril Road and De Anza Court as well as the entire storm drain system to be maintained by the District. Therefore the cost of maintaining and servicing these particular improvements shall be budgeted and allocated proportionately to only those properties in Zone B. Conversely, the construction of the Graves Creek Bridge was only necessary for the development of the senior housing and the properties within Zone B will not share in the cost of maintaining this particular facility.

5.3.2 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

5.3.3 EBU APPLICATION BY LAND USE:

- (1) Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit "EBU").
- (2) Multi-family Residential** — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobilehome parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering

Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases, the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) Modified Housing/Senior Housing Units** — Modified Housing or Senior Housing is generally defined as residential units that would typically be classified as Condominiums or Town-homes, but have specific deed restrictions that may limit the size or use of all units within the development. This classification is not applicable to individual single-family residential parcels unless all single-family residential parcels within that particular development or subdivision have the same restrictions. (For example: One or more single-family units within a subdivision that are deed restricted as “Affordable Housing” or “Senior Housing” does not qualify for this land use classification, unless all the units within that development have the same or similar deed restrictions.) Since this classification generally involves Condominium or Town-home type properties, that are generally assigned 0.75 EBU, it has been determined that an appropriate allocation of special benefit for modified housing units or senior housing units is best represented by an assignment of 0.625 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to a single APN.
- (5) Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).
- (6) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the

total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(7) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(8) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU's) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a

summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area from February to February.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

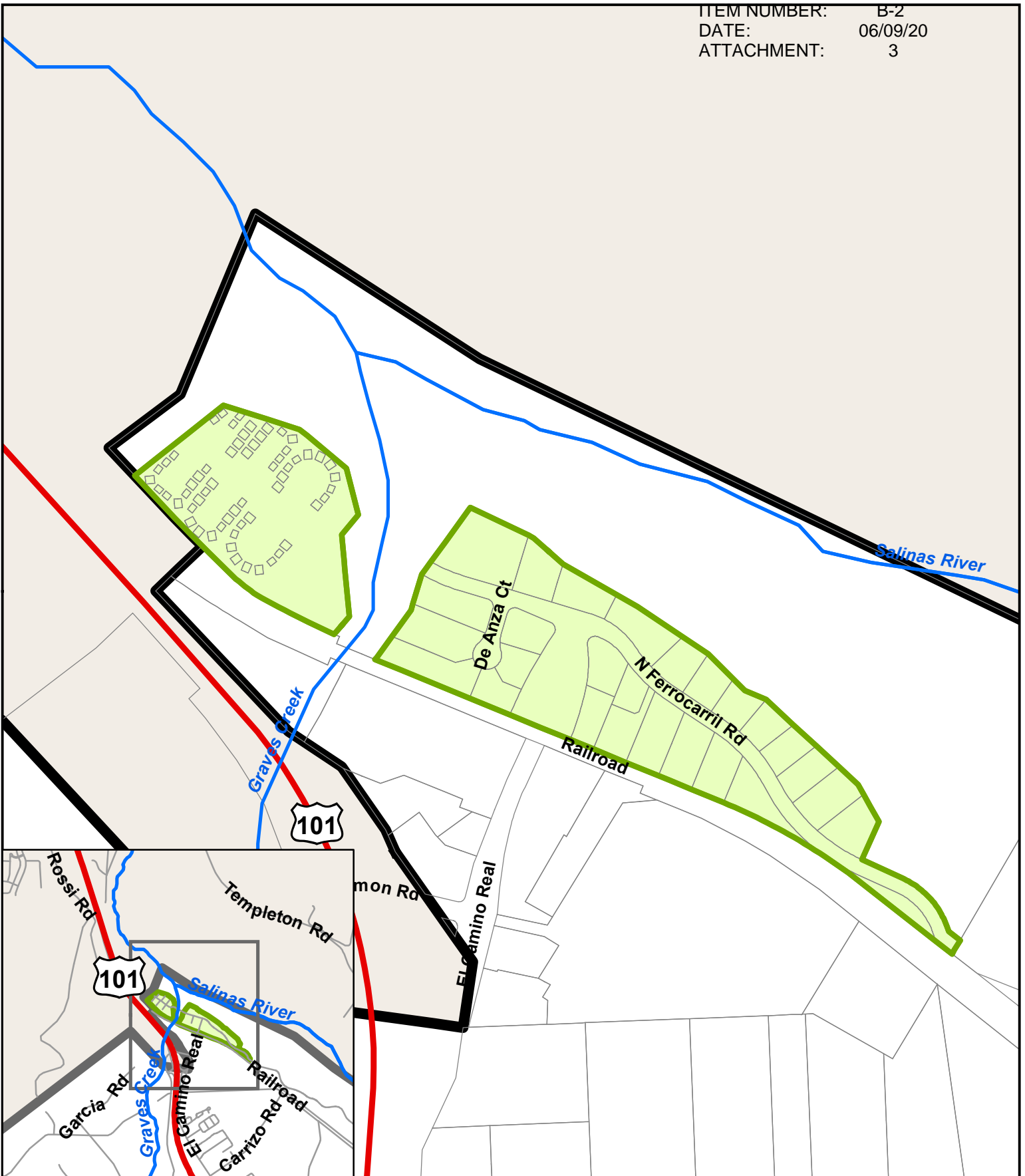
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications is permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 03 (De Anza Estates) consist of the lots, parcels and subdivisions of land located in the residential development known as De Anza Estates, Tract 2498. The District covers approximately seventy-six acres (75.79 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

DE ANZA ESTATES

Street and Storm Drain Maintenance District No. 3

Landscaping and Lighting District No. 3



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 3
(De Anza Estates)

Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
049-043-003	0	\$ -	\$ -
049-043-004	0	-	-
049-044-002	1	968.02	681.50
049-044-003	1	968.02	681.50
049-044-004	1	968.02	681.50
049-044-005	1	968.02	681.50
049-044-006	1	968.02	681.50
049-044-007	1	968.02	681.50
049-044-008	1	968.02	681.50
049-044-009	1	968.02	681.50
049-044-010	1	968.02	681.50
049-044-011	1	968.02	681.50
049-044-012	1	968.02	681.50
049-044-013	1	968.02	681.50
049-044-014	1	968.02	681.50
049-044-015	1	968.02	681.50
049-044-016	1	968.02	681.50
049-044-017	1	968.02	681.50
049-044-018	1	968.02	681.50
049-044-019	1	968.02	681.50
049-044-020	1	968.02	681.50
049-044-021	1	968.02	681.50
049-044-022	1	968.02	681.50
049-044-023	1	968.02	681.50
049-044-024	1	968.02	681.50
049-044-025	1	968.02	681.50
049-044-026	1	968.02	681.50
049-044-033	1	968.02	681.50
049-046-001	0	-	-
049-046-002	0.625	782.98	214.04
049-046-003	0.625	782.98	214.04
049-046-004	0.625	782.98	214.04
049-046-005	0.625	782.98	214.04
049-046-006	0.625	782.98	214.04
049-046-007	0.625	782.98	214.04
049-046-008	0.625	782.98	214.04
049-046-009	0.625	782.98	214.04



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
049-046-010	0.625	782.98	214.04
049-046-011	0.625	782.98	214.04
049-046-012	0.625	782.98	214.04
049-046-013	0.625	782.98	214.04
049-046-014	0.625	782.98	214.04
049-046-015	0.625	782.98	214.04
049-046-016	0.625	782.98	214.04
049-046-017	0.625	782.98	214.04
049-046-018	0.625	782.98	214.04
049-046-019	0.625	782.98	214.04
049-046-020	0.625	782.98	214.04
049-046-021	0.625	782.98	214.04
049-046-022	0.625	782.98	214.04
049-046-023	0.625	782.98	214.04
049-046-024	0.625	782.98	214.04
049-046-025	0.625	782.98	214.04
049-046-026	0.625	782.98	214.04
049-046-027	0.625	782.98	214.04
049-046-028	0.625	782.98	214.04
049-046-029	0.625	782.98	214.04
049-046-030	0.625	782.98	214.04
049-046-031	0.625	782.98	214.04
049-046-032	0.625	782.98	214.04
049-046-033	0.625	782.98	214.04
049-046-034	0.625	782.98	214.04
049-046-035	0.625	782.98	214.04
049-046-036	0.625	782.98	214.04
049-046-037	0.625	782.98	214.04
049-046-038	0.625	782.98	214.04
049-046-039	0.625	782.98	214.04
049-046-040	0.625	782.98	214.04
049-046-041	0.625	782.98	214.04
049-046-042	0.625	782.98	214.04
049-046-043	0.625	782.98	214.04
049-046-044	0.625	782.98	214.04
049-046-045	0.625	782.98	214.04
049-046-046	0.625	782.98	214.04
049-046-047	0.625	782.98	214.04
049-046-048	0.625	782.98	214.04
049-046-049	0.625	782.98	214.04
049-046-050	0.625	782.98	214.04
049-046-051	0.625	782.98	214.04



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
049-046-052	0.625	782.98	214.04
049-046-053	0.625	782.98	214.04
049-046-054	0.625	782.98	214.04
049-046-055	0.625	782.98	214.04
049-046-056	0.625	782.98	214.04
049-046-057	0.625	782.98	214.04
049-046-058	0.625	782.98	214.04
049-046-059	0.625	782.98	214.04
049-046-060	0.625	782.98	214.04
049-046-061	0.625	782.98	214.04
Total	63.5	\$ 72,147.32	\$ 30,561.40

¹ Slight variance in charge or total budget are due to rounding for placement on the tax rolls.

DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 03 (DE ANZA ESTATES), AND THE LEVY AND
COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2020/2021**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 03 (De Anza Estates), fiscal year 2020/2021" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2020/2021.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of June, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") for fiscal year 2020/2021, said fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.

b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 03 (De Anza Estates), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:
Landscaping and Lighting District
No. 03 (De Anza Estates)
May 2020

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 03
(De Anza Estates)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
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CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on August 9, 2005 by Resolution No. 2005-074, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 03 De Anza Estates (the “District”); and

WHEREAS, on May 12, 2020, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2020/21:

FY 2020/21 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$17,790	\$708	\$17,082			
Special Projects	5,200	0	5,200			
Administration	7,020	0	7,020			
Capital Reserve Collections/(Use)	6,614	500	6,114			
Levy Adjustments	(20,749)	(1,208)	(19,541)			
Total	\$15,875	\$0	\$15,875	63.5	\$1,388.03	\$250.00

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 03 (De Anza Estates)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2498; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on August 9, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the De Anza Estates, Tract 2498, which encompasses an area of land totaling approximately seventy-six acres (75.76 acres).

This subdivision is planned to include twenty-six (26) Single-Family Residential Units and sixty (60) Modified Housing/Senior Housing Units at build-out. The planned subdivision is situated in the northern portion of the City of Atascadero northeast of Highway 101 and is generally located:

- At the North end of El Camino Real;
- North and East of U.S. HWY 101; and,
- South and West of the Salinas River.

3.2 Improvements and Services Authorized by The 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;

- d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increase assessment.

3.3 Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2498). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2498 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2498; Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner's Association or similar entity.

- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas;
- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Landscape Improvements

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

- Approximately 43,560 square feet of streetscape (parkway embankment) landscaping within the public right-of-ways located on El Camino Real within the boundaries of Tract 2498;
- An estimated 150 trees, including trees within the landscaped area on El Camino Real, various trees within the open space area and the street trees within the street right-of-way on Ferrocarril Road;
- Approximately 175,550 square feet (4.03 acres) of landscaped area in and around the two (2) drainage basins within Tract 2498;
- Approximately fifty-one (51) acres of non-irrigated open space area;
- Approximately 48,000 square feet of paved and unpaved trails; and 2,600 linear feet of steel rail fencing along the trail system and landscaped areas.

Public Lighting Improvements

The approved development plans for Tract 2498 do not include any proposed street light facilities.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2020/2021 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$6,040	(\$708)	\$5,332
Landscape Supplies	840	0	840
Landscape Utilities	500	0	500
City Landscape Services	9,540	0	9,540
Other Maintenance Services	870	0	870
Total Annual Direct Costs	\$17,790	(\$708)	\$17,082
CAPITAL EXPENDITURES			
Special Projects	5,200	0	5,200
Total Annual Special Projects	5,200	0	5,200
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,180	\$0	\$2,180
Engineer's Report & Services	4,340	0	4,340
Public Noticing	500	0	500
Total Administration	\$7,020	\$0	\$7,020
TOTAL DIRECT & ADMINISTRATION COSTS	\$30,010	(\$708)	\$29,302
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$2,938	\$0	\$2,938
Trail and Pathway Rehabilitation/Replacement	1,000	(500)	500
Park and Open Space Rehabilitation/Replacement	762	0	762
Tree Rehabilitation/Replacement	1,207	0	1,207
Park Rehabilitation/Replacement	707	0	707
Total Annual Capital Reserve Collections/(Uses)	\$6,614	(\$500)	\$6,114
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$1,462)	\$0	(\$1,462)
Interest Income- Operating Reserve Fund	(268)	0	(268)
Reserve Collection/(Use)	(17,811)	0	(17,811)
Contribution from Other Sources	(1,208)	(1,208)	0
Total Levy Adjustments	(\$20,749)	(\$1,208)	(\$19,541)
BALANCE TO LEVY	\$15,875		\$15,875
DISTRICT STATISTICS			
Total Parcels			89
Parcels Levied			86
Total EBU ⁽¹⁾			63.50
Levy per EBU			\$250.00
Maximum Levy per EBU			\$1,388.03
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$15,825
Operational Reserve Interest			268
Surplus Transfer from Improvement Fund			17,845
Operational Reserve Collection/(Use)			(17,811)
Estimated Ending Operating Reserve Balance			\$16,127
Beginning Improvement Fund Balance			\$94,891
Improvement Fund Interest			1,462
Surplus Transfer to Operations Fund			(17,845)
Improvement Fund Collection/(Use)			4,889
Estimated Ending Improvement Fund Balance			\$83,397

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel.

5. METHOD OF ASSESSMENT

5.1 General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“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 benefits to be received by each such lot or parcel from the improvements.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIII D. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIII D. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

5.2.1 SPECIAL BENEFIT

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties.

The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area and properties.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Enhanced quality of life through well-maintained green space and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads, streets and public areas.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

5.2.2 GENERAL BENEFIT

Upon reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing, constructing and maintaining such improvements, it is evident that the properties within the District receive special benefit from those improvements. While the District improvements clearly include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the landscaped areas, trails, detention basin as well as the need to increase maintenance activities within the open space areas resulted solely from the development of properties within the District and would otherwise not have been required nor necessarily desired by any properties or developments outside the District and any public access or use of the improvements by others is incidental. Therefore, it has been determined that these improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large. However, while this development has facilitated a need for increased maintenance of the open space area associated with Tract 2498, it is also recognized that land conservation and ensuring adequate open space areas within the City does have some indirect, but not quantifiable, benefit to the community at large. Therefore, while the entire cost to maintain the open space area as well as the Horse Arena facility have been incorporated into the District budget, the annual cost to maintain the arena and a portion of the open space area are not included in the proposed special benefit assessments. Should the City require maintenance of these areas, the associated costs will be funded by other revenue sources available to the City.

5.3 Assessment Methodology

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development.

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

5.3.1 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

- (1) **Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit.
- (2) **Multi-family Residential** — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers

Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) Modified Housing/Senior Housing Units** — Modified Housing or Senior Housing is generally defined as residential units that would typically be classified as Condominiums or Town-homes, but have specific deed restrictions that may limit the size or use of all units within the development. This classification is not applicable to individual single-family residential parcels unless all single-family residential parcels within that particular development or subdivision have the same restrictions. (For example: One or more single-family units within a subdivision that are deed restricted as “Affordable Housing” or “Senior Housing” does not qualify for this land use classification, unless all the units within that development have the same or similar deed restrictions.) Since this classification generally involves Condominium or Town-home type properties, that are generally assigned 0.75 EBU, it has been determined that an appropriate allocation of special benefit for modified housing units or senior housing units is best represented by an assignment of 0.625 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to a single APN.
- (5) Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).
- (6) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based

upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(7) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels' current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(8) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU's) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures,

which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.00% for fiscal year 2020/21.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate is recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate has been calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

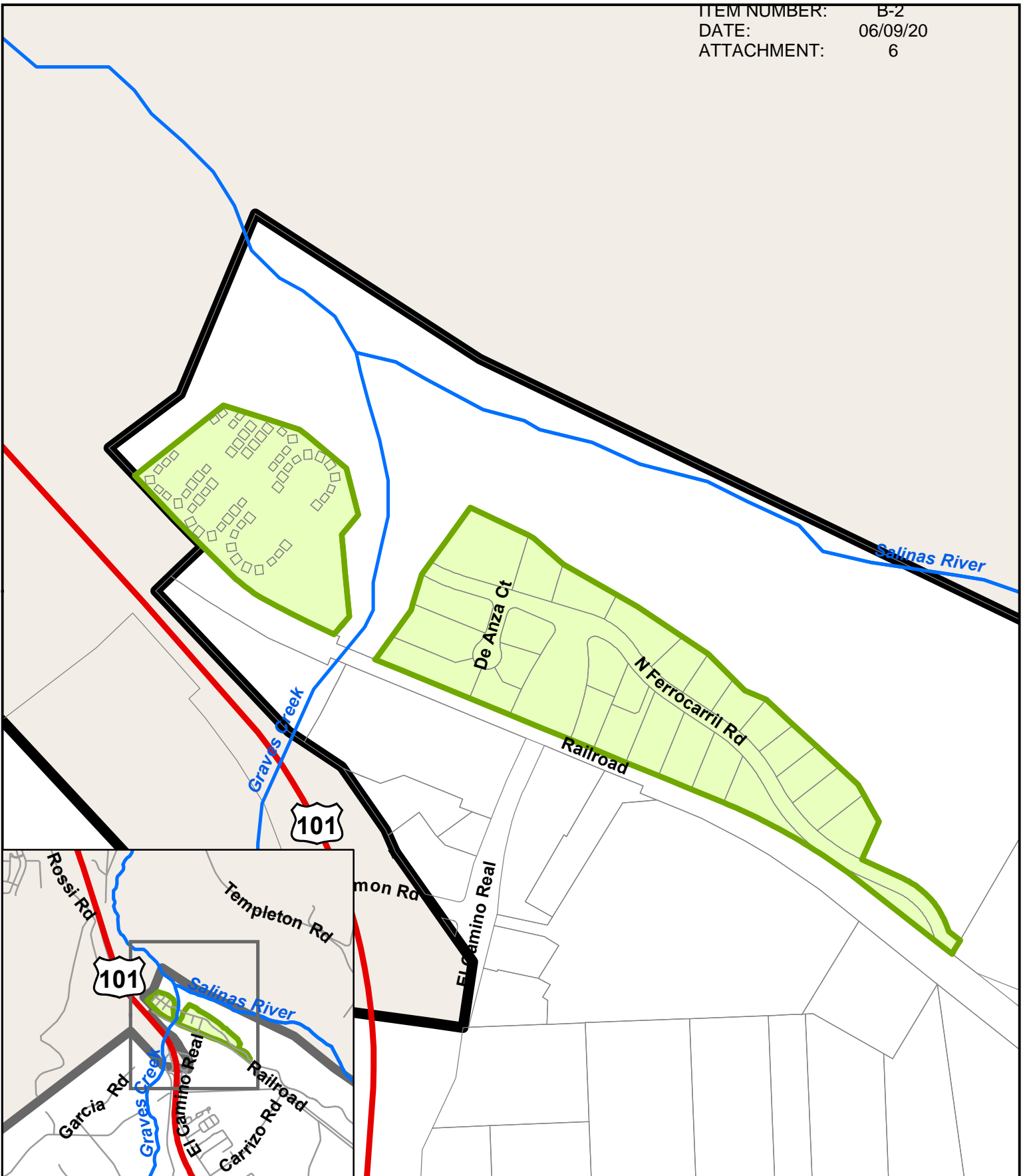
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 03 De Anza Estates consist of the lots, parcels and subdivisions of land located in the planned residential development known as De Anza Estates, Tract 2498. The District covers approximately seventy-six acres (75.76 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

DE ANZA ESTATES

Street and Storm Drain Maintenance District No. 3

Landscaping and Lighting District No. 3



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 03
(De Anza Estates)
 Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment¹
049-043-003	0	\$ -	\$ -
049-043-004	0	-	-
049-044-002	1	1,388.03	250.00
049-044-003	1	1,388.03	250.00
049-044-004	1	1,388.03	250.00
049-044-005	1	1,388.03	250.00
049-044-006	1	1,388.03	250.00
049-044-007	1	1,388.03	250.00
049-044-008	1	1,388.03	250.00
049-044-009	1	1,388.03	250.00
049-044-010	1	1,388.03	250.00
049-044-011	1	1,388.03	250.00
049-044-012	1	1,388.03	250.00
049-044-013	1	1,388.03	250.00
049-044-014	1	1,388.03	250.00
049-044-015	1	1,388.03	250.00
049-044-016	1	1,388.03	250.00
049-044-017	1	1,388.03	250.00
049-044-018	1	1,388.03	250.00
049-044-019	1	1,388.03	250.00
049-044-020	1	1,388.03	250.00
049-044-021	1	1,388.03	250.00
049-044-022	1	1,388.03	250.00
049-044-023	1	1,388.03	250.00
049-044-024	1	1,388.03	250.00
049-044-025	1	1,388.03	250.00
049-044-026	1	1,388.03	250.00
049-044-033	1	1,388.03	250.00
049-046-001	0	-	-
049-046-002	0.625	867.52	156.24
049-046-003	0.625	867.52	156.24
049-046-004	0.625	867.52	156.24
049-046-005	0.625	867.52	156.24
049-046-006	0.625	867.52	156.24
049-046-007	0.625	867.52	156.24
049-046-008	0.625	867.52	156.24
049-046-009	0.625	867.52	156.24



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
049-046-010	0.625	867.52	156.24
049-046-011	0.625	867.52	156.24
049-046-012	0.625	867.52	156.24
049-046-013	0.625	867.52	156.24
049-046-014	0.625	867.52	156.24
049-046-015	0.625	867.52	156.24
049-046-016	0.625	867.52	156.24
049-046-017	0.625	867.52	156.24
049-046-018	0.625	867.52	156.24
049-046-019	0.625	867.52	156.24
049-046-020	0.625	867.52	156.24
049-046-021	0.625	867.52	156.24
049-046-022	0.625	867.52	156.24
049-046-023	0.625	867.52	156.24
049-046-024	0.625	867.52	156.24
049-046-025	0.625	867.52	156.24
049-046-026	0.625	867.52	156.24
049-046-027	0.625	867.52	156.24
049-046-028	0.625	867.52	156.24
049-046-029	0.625	867.52	156.24
049-046-030	0.625	867.52	156.24
049-046-031	0.625	867.52	156.24
049-046-032	0.625	867.52	156.24
049-046-033	0.625	867.52	156.24
049-046-034	0.625	867.52	156.24
049-046-035	0.625	867.52	156.24
049-046-036	0.625	867.52	156.24
049-046-037	0.625	867.52	156.24
049-046-038	0.625	867.52	156.24
049-046-039	0.625	867.52	156.24
049-046-040	0.625	867.52	156.24
049-046-041	0.625	867.52	156.24
049-046-042	0.625	867.52	156.24
049-046-043	0.625	867.52	156.24
049-046-044	0.625	867.52	156.24
049-046-045	0.625	867.52	156.24
049-046-046	0.625	867.52	156.24
049-046-047	0.625	867.52	156.24
049-046-048	0.625	867.52	156.24
049-046-049	0.625	867.52	156.24
049-046-050	0.625	867.52	156.24
049-046-051	0.625	867.52	156.24



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
049-046-052	0.625	867.52	156.24
049-046-053	0.625	867.52	156.24
049-046-054	0.625	867.52	156.24
049-046-055	0.625	867.52	156.24
049-046-056	0.625	867.52	156.24
049-046-057	0.625	867.52	156.24
049-046-058	0.625	867.52	156.24
049-046-059	0.625	867.52	156.24
049-046-060	0.625	867.52	156.24
049-046-061	0.625	867.52	156.24
Total	63.5	\$ 88,139.98	\$ 15,874.40

¹ Slight variance in charge or total budget are due to rounding for placement on the tax rolls.



Atascadero City Council

Staff Report – Administrative Services Department

Woodridge (Las Lomas) Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for Fiscal Year 2020/2021.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2020/2021 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in Fiscal Year 2020/2021.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2020/2021 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas).

DISCUSSION:

The City Council formed and began assessing Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the Woodridge (Las Lomas) subdivision.

The City Council also formed and began assessing Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscape and lighting improvements within the Woodridge subdivision.

The Woodridge subdivision is now known as Las Lomas. The Assessment Districts were formed and named when the area was known as the Woodridge development. All references to Woodridge are now understood to mean the development known as Las Lomas.

NBS, an independent financial consultant, was hired to prepare the engineer's reports for the two districts. The engineer's reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the engineer's reports were preliminarily approved, proceedings were initiated for the levy, and the date of tonight's public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer's Reports and for the approval of the annual levies.

The proposed assessments for fiscal year 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.0% (CPI) this year for both districts.

The City has historically held an annual informational meeting with District residents, to review and gather input regarding the upcoming year's assessment. Due to a combination of factors including the new social distancing requirements due to the COVID-19, City Council's stated direction for essentialism in order to better prioritize and streamline staff's time and efforts, keeping down administration costs in the Districts, and dwindling community attendance at these meetings, the annual meeting was not held. A Notice of Meeting Cancellation was mailed to all property owners on April 9, 2020. The notice also provided city staff contact information for questions and comments, and provided dates for the related Council meetings.

The Landscaping and Lighting District levy is about 15% of the allowable maximum annual assessment and the Street and Storm Drain District is about 51% of the allowable maximum annual assessment.

The levy for the Street and Storm Drain Maintenance District was increased only by CPI of 2.8% when compared to the prior year. At the direction of the residents in the District, the levy for the Street and Storm Drain District only includes costs to maintain the District Improvements through 2033. The residents were strongly opposed to including funding for any longer term maintenance in the current levy. As 2034 approaches, a bond issue or other financing mechanism will need to be approved and paid for by the residents to fund the longer term improvements needed to maintain the District.

An additional notice was mailed to each of the Las Lomas property owners on May 22, 2020, discussing that before fiscal year 2033/34, the neighborhood will need to figure out how to fund future maintenance and periodic pavement costs that are needed to occur in fiscal year 2038/39. The estimated cost of that work is just under \$1,000,000, using current dollars, and is the financial obligation of the residents of the Street and Storm Drain Assessment District.

The levies per EBU for fiscal year 2020/2021, as increased by CPI of 2.8%, are proposed at \$401 for the Street and Storm Drain District, and \$285 for the Landscaping and Lighting District.

District	Amount Per EBU Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2020-21
Atascadero Street and Storm Drain Maintenance District No. 02 Las Lomas	\$ 390.00	\$ 401.00
Atascadero Landscaping and Lighting Maintenance District No. 02 Las Lomas	\$ 280.00	\$ 285.00

FISCAL IMPACT:

Annual assessments for 2020/2021 will total \$92,932 for road/drainage system maintenance and \$66,049 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Las Lomas (Woodridge). The City General Fund will contribute \$1,850 for the fiscal year 2020/2021 for 25% of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer’s Annual Levy Report - Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas)
4. Draft Resolution C
5. Draft Resolution D
6. Engineer’s Annual Levy Report - Landscaping and Lighting District No. 02 – Woodridge (Las Lomas)

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02 (WOODRIDGE), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2020/2021

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2020/2021, said fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 02 (Woodridge), fiscal year 2020/2021" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2020/2021.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ____, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02
(WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.
- c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible

parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 02 (Woodridge), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer’s Report and the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

**Street and Storm Drain Maintenance
District No. 02 Las Lomas (Woodridge)**

May 2020

Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 02
Las Lomas (Woodridge)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
Fax – (805) 461-7612

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-048, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as the “California Constitution”), established the City of Atascadero Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge) (the “District”); and

WHEREAS, on May 12, 2020, the City Council, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2020/21:

FY 2020/21 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$19,930
Special Project	394,000
Capital Reserve Collection/(Uses)	114,270
Levy Adjustments	(435,270)
Balance to Levy	\$92,930
Fiscal Year 2020/21 Maximum Rate	\$788.91
Fiscal Year 2020/21 Proposed Applied Rate	\$401.00

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIID* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2020/21.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2525-1; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIID Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and

levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

The territory within the District consists of the lots, parcels and subdivisions of land within the residential subdivision known as the Las Lomas (Woodridge), Tract 2525-1, which encompasses an area of land totaling approximately one hundred twenty-two acres (121.65 acres).

This residential subdivision includes one hundred forty-three (143) single-family residential units; thirty-five (35) condominium/senior housing units; and a single, one hundred (100) unit multi-family residential project at build-out. Due to parcel splits the multi-family residential project is spread over three parcels. The planned subdivision is situated in the southeast portion of the City of Atascadero and is generally located:

- South and east of Halcon Road;
- East of Highway 101 and El Camino Real
- South and west of the Southern Pacific Railroad Tracks; and
- North of Salinas Road and Santa Cruz Road

3.2 Funding Authorized by The 1982 Act

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- 1) Drainage and Flood Control;
- 2) Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

3.3 Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2525-1 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition. The maintenance of the improvements and related activities shall be funded entirely or partially through the District assessments. Not

all improvements have been fully accepted by the City. It is anticipated that will occur within the next fiscal year at which time the costs of maintenance for those improvements will be charged to the district. The District improvements and services are generally described as:

- Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2525-1 and that have been dedicated to the City;
- Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters and storm drain pipes installed in connection with the development of properties of Tract 2525-1 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
- The appurtenant, equipment, materials and service contracts related to the aforementioned improvements and facilities;
- Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

3.3.1 STREET MAINTENANCE

The street maintenance program may include, but is not limited to: the repair of potholes, cracks or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically the street improvements for this District are identified as:

- Approximately 290,610 square feet of asphalt street surface located on the various interior streets identified as Calle Milano, Eliano Street, Via Cielo, Avion Road, Alcotan Lane, and Azor Lane;
- Approximately 13,750 linear feet of curb and gutter along Calle Milano, Eliano Street, Via Cielo, Avion Road, Alcotan Lane, and Azor Lane;
- Approximately 1,480 linear feet of curb and gutter in and around the median islands on Calle Milano and at Via Cielo;

- Approximately 145 driveway approaches, 45,264 square feet of sidewalks and various street signs within the District;
- Specifically not included as part of the street maintenance program are the costs associated with major replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt; and replacement of curbs, gutters driveway approaches and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities and services that may include, but are not limited to:

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-stripping of traffic lanes, bike lanes, street parking areas, crosswalks and intersections (typically in conjunction with slurry or overly activities);
- Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks and signage as needed;
- Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
- Annual inspection and minor repairs of curbs, gutters, driveway approaches and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
- Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
- Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities (within the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

- Approximately 175,550 square feet of drainage basin area;
- Twenty-four (24) inlets, outlets and manholes located throughout Tract 2525-1;
- Approximately 4,965 linear feet of storm drain pipe ranging from 18 inches to 36 inches in diameter.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities and services that may include, but are not limited to:

- Cleaning of storm drain inlets, catch basins, manholes and pipes as needed;
- Stencil maintenance and documentation of facilities as required by Federal, State or County regulations;
- Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain inlets, catch basins and outlets as needed;
- Street sweeping services necessary to control debris and water flow for the storm drain system; and,
- The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

Budget	2020/2021 Assessment
DIRECT COSTS	
Streets, Roads & Storm Drain Improvements	
Drainage Maintenance Services	\$7,100
Inspection & Operational Services- Roads, Drainage	7,200
Total Annual Direct Costs	\$14,300
SPECIAL PROJECT	\$394,000
ADMINISTRATION EXPENSES	
City Annual Administration	\$1,800
City Operational Services	200
Engineer's Report & Services	3,330
Public Noticing	300
Total Annual Administration Costs	\$5,630
TOTAL DIRECT & ADMINISTRATION COSTS	\$413,930
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	\$97,500
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	12,500
Collection for Debris Removal	1,250
Collection for Storm Drain Infrastructure	3,020
Total Annual Capital Reserve Collections/(Uses)	\$114,270
LEVY ADJUSTMENTS	
Interest Income- Improvement Fund	(\$5,793)
Interest Income- Operating Reserve Fund	(387)
Reserve Fund Collection (Use)	(429,090)
Total Levy Adjustments	(\$435,270)
BALANCE TO LEVY	\$92,930
DISTRICT STATISTICS	
Total Parcels	190
Parcels Levied	181
Total EBU ⁽¹⁾	231.75
Levy per EBU	\$401.00
Maximum Levy per EBU	\$788.91
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$12,870
Operational Reserve Interest	387
Surplus Transfer from Improvement Fund	434,968
Operational Reserve Collection (Use)	(435,270)
Ending Operating Reserve Balance	\$12,955
Beginning Improvement Fund Balance	\$508,970
Improvement Fund Interest	5,793
Surplus Transfer to Operations Fund	(434,968)
Improvement Fund Collection	114,270
Ending Improvement Fund Balance	\$194,065

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

5.1 General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as streets, roads and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such the ongoing operation, servicing and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess

water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels within the District and the absence of adequate maintenance and servicing of the District improvements could eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

5.3.1 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District EBU Application by Land Use:

- (1) Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit “EBU”).
- (2) Multi-family Residential** — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobilehome parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel’s total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases, the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.
- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times

involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).

(5) Vacant Residential — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use.

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel’s EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU’s) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU’s of the parcels benefiting from the improvements. This Rate is then applied back to each parcel’s individual EBU to determine the parcel’s proportionate benefit and assessment obligation for the improvements.

$$\begin{aligned} \text{Total Balance to Levy} / \text{Total EBU} &= \text{Levy per EBU} \\ \text{Levy per EBU} \times \text{Parcel EBU} &= \text{Parcel Levy Amount} \end{aligned}$$

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area from February to February.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

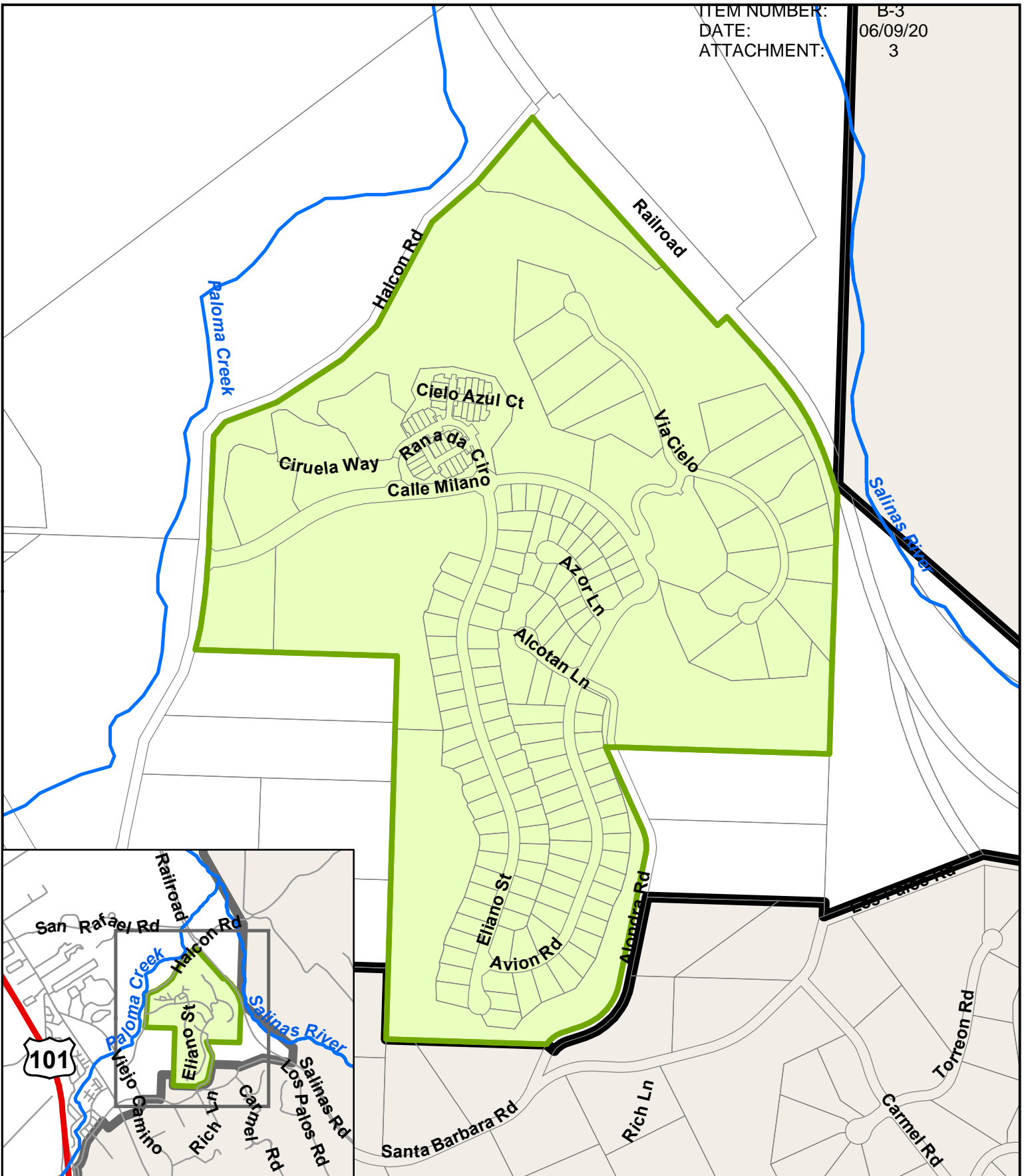
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications is permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIIIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 2
(Las Lomas)

Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-311-006	0	\$0.00	\$0.00
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	14,018.98	7,125.94
045-311-015	24.83	19,588.70	9,957.06
045-311-016	19.9	15,699.36	7,980.08
045-312-001	1	788.91	401.00
045-312-002	1	788.91	401.00
045-312-003	1	788.91	401.00
045-312-004	1	788.91	401.00
045-312-005	1	788.91	401.00
045-312-006	1	788.91	401.00
045-312-007	1	788.91	401.00
045-312-008	1	788.91	401.00
045-312-009	1	788.91	401.00
045-312-010	1	788.91	401.00
045-312-011	1	788.91	401.00
045-312-012	1	788.91	401.00
045-312-013	1	788.91	401.00
045-312-014	1	788.91	401.00
045-312-015	1	788.91	401.00
045-312-016	1	788.91	401.00
045-312-017	1	788.91	401.00
045-312-018	1	788.91	401.00
045-312-019	1	788.91	401.00
045-312-020	1	788.91	401.00
045-312-021	1	788.91	401.00
045-312-022	1	788.91	401.00
045-312-023	1	788.91	401.00
045-312-024	1	788.91	401.00
045-312-025	1	788.91	401.00
045-312-026	1	788.91	401.00
045-312-027	1	788.91	401.00
045-312-028	1	788.91	401.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-312-029	1	788.91	401.00
045-312-030	1	788.91	401.00
045-312-031	1	788.91	401.00
045-312-032	1	788.91	401.00
045-312-033	1	788.91	401.00
045-312-034	1	788.91	401.00
045-312-035	1	788.91	401.00
045-312-036	1	788.91	401.00
045-312-037	1	788.91	401.00
045-312-038	1	788.91	401.00
045-312-039	1	788.91	401.00
045-312-040	1	788.91	401.00
045-312-041	1	788.91	401.00
045-312-042	1	788.91	401.00
045-312-043	1	788.91	401.00
045-312-044	1	788.91	401.00
045-312-045	1	788.91	401.00
045-312-046	1	788.91	401.00
045-312-047	1	788.91	401.00
045-312-048	1	788.91	401.00
045-312-049	1	788.91	401.00
045-312-050	1	788.91	401.00
045-312-051	1	788.91	401.00
045-312-052	1	788.91	401.00
045-312-053	1	788.91	401.00
045-312-054	1	788.91	401.00
045-312-055	1	788.91	401.00
045-312-056	1	788.91	401.00
045-313-001	1	788.91	401.00
045-313-002	1	788.91	401.00
045-313-003	1	788.91	401.00
045-313-004	1	788.91	401.00
045-313-005	1	788.91	401.00
045-313-006	1	788.91	401.00
045-313-007	1	788.91	401.00
045-313-008	1	788.91	401.00
045-313-009	1	788.91	401.00
045-313-010	1	788.91	401.00
045-313-011	1	788.91	401.00
045-313-012	1	788.91	401.00
045-313-013	1	788.91	401.00
045-313-014	1	788.91	401.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-313-015	1	788.91	401.00
045-313-018	1	788.91	401.00
045-313-019	1	788.91	401.00
045-313-020	1	788.91	401.00
045-313-021	1	788.91	401.00
045-313-026	1	788.91	401.00
045-313-027	1	788.91	401.00
045-314-001	1	788.91	401.00
045-314-002	1	788.91	401.00
045-314-003	1	788.91	401.00
045-314-004	1	788.91	401.00
045-314-005	1	788.91	401.00
045-314-006	1	788.91	401.00
045-314-007	1	788.91	401.00
045-314-008	1	788.91	401.00
045-314-009	1	788.91	401.00
045-314-010	1	788.91	401.00
045-314-011	1	788.91	401.00
045-314-012	1	788.91	401.00
045-314-013	1	788.91	401.00
045-314-014	1	788.91	401.00
045-314-015	1	788.91	401.00
045-314-016	1	788.91	401.00
045-314-017	1	788.91	401.00
045-314-018	1	788.91	401.00
045-314-019	1	788.91	401.00
045-314-020	1	788.91	401.00
045-314-021	1	788.91	401.00
045-314-022	1	788.91	401.00
045-314-023	1	788.91	401.00
045-314-024	1	788.91	401.00
045-314-025	1	788.91	401.00
045-314-026	1	788.91	401.00
045-314-027	1	788.91	401.00
045-314-028	1	788.91	401.00
045-314-029	1	788.91	401.00
045-314-030	1	788.91	401.00
045-314-031	1	788.91	401.00
045-314-032	1	788.91	401.00
045-314-033	1	788.91	401.00
045-315-001	1	788.91	401.00
045-315-002	1	788.91	401.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-315-003	1	788.91	401.00
045-315-004	1	788.91	401.00
045-315-005	1	788.91	401.00
045-315-006	1	788.91	401.00
045-315-007	1	788.91	401.00
045-315-008	1	788.91	401.00
045-315-009	1	788.91	401.00
045-315-010	1	788.91	401.00
045-315-011	1	788.91	401.00
045-315-012	1	788.91	401.00
045-315-013	1	788.91	401.00
045-315-014	1	788.91	401.00
045-315-015	1	788.91	401.00
045-315-016	1	788.91	401.00
045-315-017	1	788.91	401.00
045-315-018	1	788.91	401.00
045-315-019	1	788.91	401.00
045-315-020	1	788.91	401.00
045-315-021	1	788.91	401.00
045-315-022	1	788.91	401.00
045-315-023	1	788.91	401.00
045-315-024	1	788.91	401.00
045-315-025	1	788.91	401.00
045-315-026	1	788.91	401.00
045-315-027	1	788.91	401.00
045-315-028	1	788.91	401.00
045-315-029	1	788.91	401.00
045-315-030	1	788.91	401.00
045-315-031	1	788.91	401.00
045-315-032	1	788.91	401.00
045-315-033	1	788.91	401.00
045-316-040	0	-	-
045-316-041	0.75	591.68	300.76
045-316-042	0.75	591.68	300.76
045-316-043	0.75	591.68	300.76
045-316-044	0.75	591.68	300.76
045-316-045	0.75	591.68	300.76
045-316-046	0.75	591.68	300.76
045-316-047	0.75	591.68	300.76
045-316-048	0.75	591.68	300.76
045-316-049	0.75	591.68	300.76
045-316-050	0.75	591.68	300.76



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-316-051	0.75	591.68	300.76
045-316-052	0.75	591.68	300.76
045-316-053	0.75	591.68	300.76
045-316-054	0.75	591.68	300.76
045-316-055	0.75	591.68	300.76
045-316-056	0.75	591.68	300.76
045-316-057	0.75	591.68	300.76
045-316-058	0.75	591.68	300.76
045-316-059	0.75	591.68	300.76
045-316-060	0.75	591.68	300.76
045-316-061	0.75	591.68	300.76
045-316-062	0.75	591.68	300.76
045-316-063	0.75	591.68	300.76
045-316-064	0.75	591.68	300.76
045-316-065	0.75	591.68	300.76
045-316-066	0.75	591.68	300.76
045-316-067	0.75	591.68	300.76
045-316-068	0.75	591.68	300.76
045-316-069	0.75	591.68	300.76
045-316-070	0.75	591.68	300.76
045-316-071	0.75	591.68	300.76
045-316-072	0.75	591.68	300.76
045-316-073	0.75	591.68	300.76
045-316-074	0.75	591.68	300.76
045-316-075	0.75	591.68	300.76
045-316-076	0	-	-
045-316-077	0	-	-
Total	231.75	\$ 182,830.52	\$ 92,932.68

¹ Slight variance in charge or total budget are due to rounding for placement on the tax rolls.



DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 02 (WOODRIDGE); AND THE LEVY AND COLLECTION
OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2020/2021**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 02 (Woodridge), fiscal year 2020/2021" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2020/2021.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of June, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020/2021 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 02 (WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") for fiscal year 2020/2021, said fiscal year commencing July 1, 2020 and ending June 30, 2021; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 02 (Woodridge), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2020.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Landscaping and Lighting District

District No. 02 Las Lomas (Woodridge)

May 2020

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 02
Las Lomas (Woodridge)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
Fax – (805) 461-7612

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-051, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 02 Las Lomas (Woodridge) (the “District”); and

WHEREAS, on May 12, 2020 the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of 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 of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2020/21:

FY 2020/21 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$78,460	\$1,578	\$76,882			
Special Project	4,000	0	4,000			
Administration	6,180	0	6,180			
Capital Reserve Collections/(Use)	14,567	250	14,317			
Levy Adjustments	(37,158)	(1,828)	(35,330)			
Total	\$66,049	\$0	\$66,049	231.75	\$1,959.08	\$285.00

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, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 02 Las Lomas (Woodridge)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2525-1; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the residential subdivision known as the Las Lomas (Woodridge), Tract 2525-1, which encompasses an area of land totaling approximately one hundred twenty-two acres (121.65 acres).

This residential subdivision includes one hundred forty-four (144) single-family residential units; thirty-five (35) condominium/senior housing units; and a single one hundred (100) unit multi-family residential project at build-out. Due to parcel splits the multi-family residential project is spread over three parcels. The planned subdivision is situated in the southeast portion of the City of Atascadero and is generally located:

- South and east of Halcon Road;
- East of Highway 101 and El Camino Real
- South and west of the Southern Pacific Railroad Tracks; and
- North of Salinas Road and Santa Cruz Road

3.2 Improvements and Services Authorized by the 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls,

- sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
- c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
 - d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increased assessment.

3.3 Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2525-1). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2525-1 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2525-1;
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas

- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

3.3.1 LANDSCAPE IMPROVEMENTS

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

- Approximately 34,420 square feet of streetscape landscaping and trees within the public right-of-ways along or adjacent to Halcon Road, Calle Milano, Via Cielo and Eliano Street including but not limited to approximately 27,200 square feet of parkway landscaping and 7,220 square feet of median landscaping;
- Approximately 220,850 square feet (5.07 acres) of landscaped slope areas within the District boundaries and adjacent to the residential properties, open space areas, drainage basins and streets of Tract 2525-1;
- Approximately 175,550 square feet (4.03 acres) of landscaped area in and around the two (2) drainage basins within Tract 2525-1;
- Approximately 106,460 square feet of non-irrigated open space area within the District;
- Approximately 1,981,980 square feet of non-irrigated open space area within the boundaries of the District associated with the development of the residential properties within Tract 2525-1;
- Approximately 225 street trees located within the public right-of-ways of the streets within Tract 2525-1 including but not limited to Calle Milano, Via Cielo, Eliano Street, Avion Road, Azor Lane and Alcotan Lane;
- Approximately 1,910 square feet of paths and trails, 45,265 square feet sidewalks and 6,100 linear feet of fencing within and adjacent to the various landscape improvement areas.

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

The lighting improvements may include but are not limited to the cost of providing electrical energy and servicing of lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with:

- There are five (5) public streetlights currently planned for Tract 2525-1. These streetlights are located on Calle Milano between Halcon Road and Eliano Street (The entryway to the residential properties within the District);

- Lighting facilities may also include but are not limited to safety lights, security lights or ornamental lights located within the various landscape improvement areas installed as part of the District's landscape improvements.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2020/2021 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$54,680	(\$1,578)	\$53,102
Landscape Supplies	1,080	0	1,080
Landscape Utilities	4,800	0	4,800
City Landscape Services	12,510	0	12,510
Other Maintenance Services	5,390	0	5,390
Total Annual Direct Costs	\$78,460	(\$1,578)	\$76,882
CAPITAL EXPENDITURES			
Special Projects	4,000	-	4,000
Total Annual Special Projects	4,000	-	4,000
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$1,360	\$0	\$1,360
Engineer's Report & Services	4,320	0	4,320
Public Noticing	500	0	500
Total Administration	\$6,180	\$0	\$6,180
TOTAL DIRECT & ADMINISTRATION COSTS	\$88,640	(\$1,578)	\$87,062
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$3,128	\$0	\$3,128
Median Rehabilitation/Replacement	138	0	138
Open Space Rehabilitation/Replacement	1,000	(250)	750
Tree Rehabilitation/Replacement	5,806	0	5,806
Slope Rehabilitation/Replacement	3,754	0	3,754
Other Rehabilitation/Replacement	741	0	741
Total Annual Capital Reserve Collections/(Uses)	\$14,567	(\$250)	\$14,317
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$1,573)	\$0	(\$1,573)
Interest Income- Operating Reserve Fund	(977)	0	(977)
Reserve Collection/(Use)	(32,780)	0	(32,780)
Contribution from Other Sources	(1,828)	(1,828)	0
Total Levy Adjustments	(\$37,158)	(\$1,828)	(\$35,330)
BALANCE TO LEVY	\$66,049		\$66,049
DISTRICT STATISTICS			
Total Parcels			190
Parcels Levied			181
Total EBU ⁽¹⁾			231.75
Levy per EBU			\$285.00
Maximum Levy per EBU			\$1,959.08
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$51,467
Operational Reserve Interest			977
Surplus Transfer from Improvement Fund			32,102
Operational Reserve Collection (Use)			(32,780)
Estimated Ending Operating Reserve Balance			\$51,766
Beginning Improvement Fund Balance			\$101,854
Improvement Fund Interest			1,573
Surplus Transfer to Operations Fund			(32,102)
Improvement Fund Collection/(Use)			12,016
Estimated Ending Improvement Fund Balance			\$83,341

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

5.1 General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“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 benefits to be received by each such lot or parcel from the improvements.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIID. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

5.2 Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIID. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

5.2.1 SPECIAL BENEFIT

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties.

The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area and properties.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping

- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Enhanced quality of life through well-maintained green space and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads, streets and public areas.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

5.2.2 GENERAL BENEFIT

In reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing and constructing such improvements, it is evident that the improvements are solely the result of developing properties within the District and the ongoing maintenance and operation of these improvements will directly effect the properties within the District. Although the improvements include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the construction and installation of these improvements (except portions of the open space areas) were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside

the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. With respect to the open space areas, these areas are an integral part of property development within the District and clearly provide a direct and special benefit those properties. However, it is also recognized that the majority of this open space area is located on the perimeter of the District and is directly accessible from surrounding properties and the public at large. Therefore it has been determined that up to twenty-five percent (25%) of the costs to maintain this area shall be allocated as general benefit and not assessed as part of the District's special benefit assessments

5.3 Assessment Methodology

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development.

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

5.3.1 EQUIVALENT BENEFIT UNITS:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

(1) Single-family Residential — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit (i.e. Equivalent Benefit Unit "EBU").

(2) Multi-family Residential — This land use is defined as a fully subdivided residential parcel that has

more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town-homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to an APN. (There is no adjustment for parcels with more than five units).
- (4) Planned-Residential Development** — This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the District. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionately for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units to be developed).
- (5) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special

benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels' current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of Equivalent Benefit Units (EBU's) is the sum of the individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures,

which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.00% for fiscal year 2020/21.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District’s annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties in the State of California. This CPI has and will be used in all subsequent reports or until such time there is a revision per the BLS and approval from the City Council.

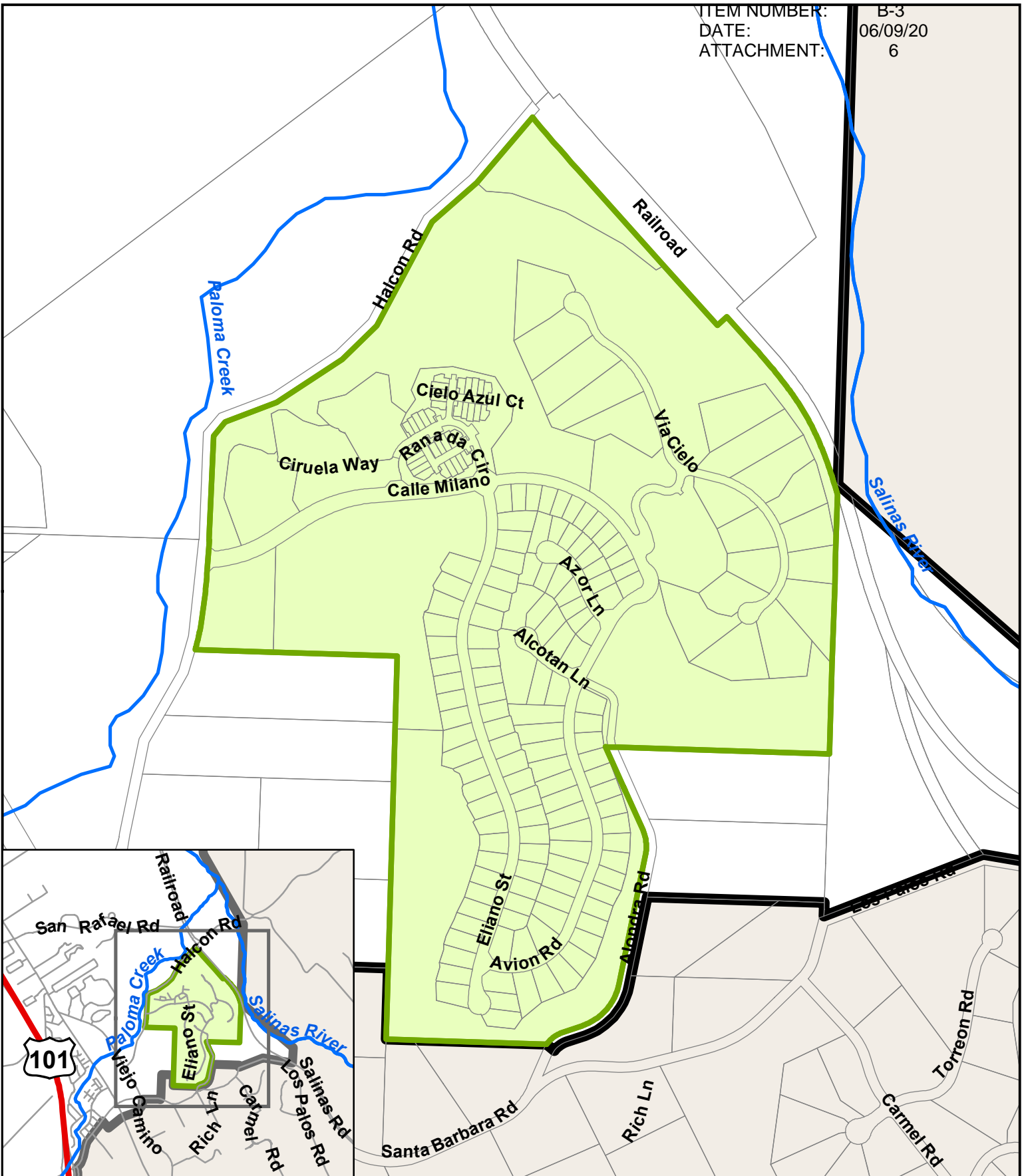
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the planned residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new 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.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 02
(Las Lomas)
 Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-311-006	0	\$0.00	\$0.00
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	34,812.94	5,064.46
045-311-015	24.83	48,644.08	7,076.58
045-311-016	19.90	38,985.79	5,671.52
045-312-001	1	1,959.08	285.00
045-312-002	1	1,959.08	285.00
045-312-003	1	1,959.08	285.00
045-312-004	1	1,959.08	285.00
045-312-005	1	1,959.08	285.00
045-312-006	1	1,959.08	285.00
045-312-007	1	1,959.08	285.00
045-312-008	1	1,959.08	285.00
045-312-009	1	1,959.08	285.00
045-312-010	1	1,959.08	285.00
045-312-011	1	1,959.08	285.00
045-312-012	1	1,959.08	285.00
045-312-013	1	1,959.08	285.00
045-312-014	1	1,959.08	285.00
045-312-015	1	1,959.08	285.00
045-312-016	1	1,959.08	285.00
045-312-017	1	1,959.08	285.00
045-312-018	1	1,959.08	285.00
045-312-019	1	1,959.08	285.00
045-312-020	1	1,959.08	285.00
045-312-021	1	1,959.08	285.00
045-312-022	1	1,959.08	285.00
045-312-023	1	1,959.08	285.00
045-312-024	1	1,959.08	285.00
045-312-025	1	1,959.08	285.00
045-312-026	1	1,959.08	285.00
045-312-027	1	1,959.08	285.00
045-312-028	1	1,959.08	285.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-312-029	1	1,959.08	285.00
045-312-030	1	1,959.08	285.00
045-312-031	1	1,959.08	285.00
045-312-032	1	1,959.08	285.00
045-312-033	1	1,959.08	285.00
045-312-034	1	1,959.08	285.00
045-312-035	1	1,959.08	285.00
045-312-036	1	1,959.08	285.00
045-312-037	1	1,959.08	285.00
045-312-038	1	1,959.08	285.00
045-312-039	1	1,959.08	285.00
045-312-040	1	1,959.08	285.00
045-312-041	1	1,959.08	285.00
045-312-042	1	1,959.08	285.00
045-312-043	1	1,959.08	285.00
045-312-044	1	1,959.08	285.00
045-312-045	1	1,959.08	285.00
045-312-046	1	1,959.08	285.00
045-312-047	1	1,959.08	285.00
045-312-048	1	1,959.08	285.00
045-312-049	1	1,959.08	285.00
045-312-050	1	1,959.08	285.00
045-312-051	1	1,959.08	285.00
045-312-052	1	1,959.08	285.00
045-312-053	1	1,959.08	285.00
045-312-054	1	1,959.08	285.00
045-312-055	1	1,959.08	285.00
045-312-056	1	1,959.08	285.00
045-313-001	1	1,959.08	285.00
045-313-002	1	1,959.08	285.00
045-313-003	1	1,959.08	285.00
045-313-004	1	1,959.08	285.00
045-313-005	1	1,959.08	285.00
045-313-006	1	1,959.08	285.00
045-313-007	1	1,959.08	285.00
045-313-008	1	1,959.08	285.00
045-313-009	1	1,959.08	285.00
045-313-010	1	1,959.08	285.00
045-313-011	1	1,959.08	285.00
045-313-012	1	1,959.08	285.00
045-313-013	1	1,959.08	285.00
045-313-014	1	1,959.08	285.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-313-015	1	1,959.08	285.00
045-313-018	1	1,959.08	285.00
045-313-019	1	1,959.08	285.00
045-313-020	1	1,959.08	285.00
045-313-021	1	1,959.08	285.00
045-313-026	1	1,959.08	285.00
045-313-027	1	1,959.08	285.00
045-314-001	1	1,959.08	285.00
045-314-002	1	1,959.08	285.00
045-314-003	1	1,959.08	285.00
045-314-004	1	1,959.08	285.00
045-314-005	1	1,959.08	285.00
045-314-006	1	1,959.08	285.00
045-314-007	1	1,959.08	285.00
045-314-008	1	1,959.08	285.00
045-314-009	1	1,959.08	285.00
045-314-010	1	1,959.08	285.00
045-314-011	1	1,959.08	285.00
045-314-012	1	1,959.08	285.00
045-314-013	1	1,959.08	285.00
045-314-014	1	1,959.08	285.00
045-314-015	1	1,959.08	285.00
045-314-016	1	1,959.08	285.00
045-314-017	1	1,959.08	285.00
045-314-018	1	1,959.08	285.00
045-314-019	1	1,959.08	285.00
045-314-020	1	1,959.08	285.00
045-314-021	1	1,959.08	285.00
045-314-022	1	1,959.08	285.00
045-314-023	1	1,959.08	285.00
045-314-024	1	1,959.08	285.00
045-314-025	1	1,959.08	285.00
045-314-026	1	1,959.08	285.00
045-314-027	1	1,959.08	285.00
045-314-028	1	1,959.08	285.00
045-314-029	1	1,959.08	285.00
045-314-030	1	1,959.08	285.00
045-314-031	1	1,959.08	285.00
045-314-032	1	1,959.08	285.00
045-314-033	1	1,959.08	285.00
045-315-001	1	1,959.08	285.00
045-315-002	1	1,959.08	285.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-315-003	1	1,959.08	285.00
045-315-004	1	1,959.08	285.00
045-315-005	1	1,959.08	285.00
045-315-006	1	1,959.08	285.00
045-315-007	1	1,959.08	285.00
045-315-008	1	1,959.08	285.00
045-315-009	1	1,959.08	285.00
045-315-010	1	1,959.08	285.00
045-315-011	1	1,959.08	285.00
045-315-012	1	1,959.08	285.00
045-315-013	1	1,959.08	285.00
045-315-014	1	1,959.08	285.00
045-315-015	1	1,959.08	285.00
045-315-016	1	1,959.08	285.00
045-315-017	1	1,959.08	285.00
045-315-018	1	1,959.08	285.00
045-315-019	1	1,959.08	285.00
045-315-020	1	1,959.08	285.00
045-315-021	1	1,959.08	285.00
045-315-022	1	1,959.08	285.00
045-315-023	1	1,959.08	285.00
045-315-024	1	1,959.08	285.00
045-315-025	1	1,959.08	285.00
045-315-026	1	1,959.08	285.00
045-315-027	1	1,959.08	285.00
045-315-028	1	1,959.08	285.00
045-315-029	1	1,959.08	285.00
045-315-030	1	1,959.08	285.00
045-315-031	1	1,959.08	285.00
045-315-032	1	1,959.08	285.00
045-315-033	1	1,959.08	285.00
045-316-040	0	-	-
045-316-041	0.75	1,469.31	213.74
045-316-042	0.75	1,469.31	213.74
045-316-043	0.75	1,469.31	213.74
045-316-044	0.75	1,469.31	213.74
045-316-045	0.75	1,469.31	213.74
045-316-046	0.75	1,469.31	213.74
045-316-047	0.75	1,469.31	213.74
045-316-048	0.75	1,469.31	213.74
045-316-049	0.75	1,469.31	213.74
045-316-050	0.75	1,469.31	213.74



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ¹
045-316-051	0.75	1,469.31	213.74
045-316-052	0.75	1,469.31	213.74
045-316-053	0.75	1,469.31	213.74
045-316-054	0.75	1,469.31	213.74
045-316-055	0.75	1,469.31	213.74
045-316-056	0.75	1,469.31	213.74
045-316-057	0.75	1,469.31	213.74
045-316-058	0.75	1,469.31	213.74
045-316-059	0.75	1,469.31	213.74
045-316-060	0.75	1,469.31	213.74
045-316-061	0.75	1,469.31	213.74
045-316-062	0.75	1,469.31	213.74
045-316-063	0.75	1,469.31	213.74
045-316-064	0.75	1,469.31	213.74
045-316-065	0.75	1,469.31	213.74
045-316-066	0.75	1,469.31	213.74
045-316-067	0.75	1,469.31	213.74
045-316-068	0.75	1,469.31	213.74
045-316-069	0.75	1,469.31	213.74
045-316-070	0.75	1,469.31	213.74
045-316-071	0.75	1,469.31	213.74
045-316-072	0.75	1,469.31	213.74
045-316-073	0.75	1,469.31	213.74
045-316-074	0.75	1,469.31	213.74
045-316-075	0.75	1,469.31	213.74
045-316-076	-	-	-
045-316-077	-	-	-
Total	231.75	\$ 454,017.10	\$ 66,048.46

¹ Slight variance in charge or total budget are due to rounding for placement on the tax rolls.





Atascadero City Council

Staff Report - Community Development Department

Authorization for the Use of Inclusionary Housing Funds for Del Rio Ridge Affordable Housing Project (Peoples' Self-Help Housing)

RECOMMENDATIONS:

Council:

1. Direct the Director of Administrative Services to appropriate \$400,000 of In Lieu Low/Moderate Income Housing Funds for the Peoples' Self-Help Housing Del Rio Ridge Affordable Housing Project Loan.
2. Direct staff to bring back a loan agreement for Council approval at a future date.
3. Authorize the City Manager to sign a letter of support or other necessary documentation in support of the Peoples' Self-Help Housing funding application.

DISCUSSION:

Background

Peoples' Self-Help Housing (PSHH) owns the property at 2455 El Camino Real (APN 049-151-056) and is requesting a commitment of up to \$400,000 in inclusionary housing funds from the City to assist in developing an affordable housing project on the site. The site is identified in the City's General Plan Housing Element (Appendix 1, Table V-45) as a designated site for "by-right" development that could be developed without discretionary approval, subject to design review. PSHH is proposing to develop a 42-unit apartment project on the site. This project was reviewed by the Design Review Committee on September 25, 2019 and was approved to proceed with construction permits. The applicant team is in the process of completing construction documents for permit submittal along with securing grant funding to complete the project. A commitment by the City to allocate affordable housing funds will help the applicant team in securing grant funding to develop the apartment project. The units would be deed restricted as a 100% affordable project available to low, very low and extremely low income households.

The City's affordable housing fund had an available balance of \$908,000 as of June 30, 2019. Affordable housing in-lieu fees from approved market rate residential projects make up this fund as well as profit sharing from the sale of moderate income units.

The City can use these funds to support affordable housing projects, rehabilitate existing affordable housing units, and support administering the City’s affordable housing programs.

Analysis

The 1.95-acre site is proposed to be developed with forty-two (42) apartments, all of which will be deed restricted for qualifying affordable households. The development will incorporate a mix of one, two and three bedroom apartments. The anticipated unit mix and income levels are as follows:

Unit Type	30% AMI (Extremely low- Income)	45% AMI	50% AMI (Very-Low Income)	60% AMI	Total
1 Bedroom	6	0	0	0	6
2 Bedroom	6	6	7	5	24
3 Bedroom	2	3	4	2	11
Manager’s Unit					1
Total Units	14	9	11	7	42

* Low-income is defined as 80% of AMI. Units listed above at 60% of AMI will count as low-income units for the city’s RHNA.

The project will include many amenities including a clubhouse, a centralized courtyard with play equipment, and enhanced energy efficiency. PSHH will be managing the Del Rio property and the Resident Services Coordinator will provide case management services. PSHH is the largest nonprofit affordable housing developer on the Central Coast and was established in 1970.

PSHH is requesting \$400,000 in local Affordable Housing Funds. Early commitment of funds from the City will allow PSHH to apply for and leverage additional affordable housing resources from Federal, State, and other private entities to fully realize the project budget. An early commitment of local funding will increase the project’s score in the competitive grant funding processes. PSHH is requesting the allocation of funds to be in the form of a soft loan requiring annual residual receipts payments, for a term of 55 years at 3% simple interest. The request represents approximately \$9,524 per unit.

Regional Housing Needs Allocation

When constructed, this affordable housing project will increase the City’s affordable housing inventory and promote General Plan policies related to housing. Increasing affordable housing will advance the City’s goals with regard to the General Plan Housing Element Regional Housing Needs Assessment (RHNA), pursuant to state policy.

For the next cycle (2019-2028), the City has a remaining RHNA of 266 units: 171 extremely low/very low-income units and 95 low-income units. All of the moderate and above moderate have been credited based on recently issued permits and approved entitlements. The proposed project will provide 42 new units, 31 of which will count toward the extremely low/very-low housing allocation and 10 of which will count toward the low-income allocation.

FISCAL IMPACT:

PSHH is requesting the allocation of \$400,000 from In Lieu Low/Moderate Income Housing Funds in the form of a soft loan. The soft loan requested would require annual residual receipts payments, a term of 55 years, and a simple interest rate of 3%. Allocation of these funds for the Del Rio Ridge project will leave a remaining fund balance sufficient to cover on-going costs associated with the administration of the City's affordable housing program.

ALTERNATIVES:

1. Recommend alternative amount and/or terms of agreement.
2. Request additional information and continue the item to a later meeting.
3. Deny the use of inclusionary funds for People's Self-Help Housing for the Del Rio Ridge project.

ATTACHMENT:

Funding request letter from PSHH

May 12, 2020

Phil Dunsmore
Community Development Director
6500 Palma Ave
Atascadero, CA 93422

Subject: 2455 El Camino Real Affordable Housing Funds Allocation

Dear Mr. Dunsmore,

Peoples' Self-Help Housing (PSHH) purchased the property at 2455 El Camino Real (APN 049-151-056) in June 2019. The 1.95-acre site will be developed with forty-two (42) apartments for qualifying households at or below 60% of San Luis Obispo County's area medium income (AMI). The proposed 42-unit development will incorporate a mix of one, two and three bedroom apartments. Currently we anticipate a mix of six (6) one bedroom, twenty-four (24) two bedroom and twelve (12) three bedroom apartments.

PSHH requests consideration of an allocation for \$400,000 in local Affordable Housing Funds to assist in the construction of this project. This request represents approximately \$9,524 per unit. This local commitment of funding will serve as a basis for PSHH to apply for and leverage additional affordable housing resources from state, federal and private entities to complement the overall projected development budget. By utilizing local Affordable Housing Funds, it will strengthen competitiveness of a future application to the State of California Tax Credit Allocation Committee (TCAC), and possibly, the California Debt Limit Allocation Committee (CDLAC).

Allocating Affordable Housing Funds for the proposed apartment units will increase the City of Atascadero's affordable housing inventory and promote General Plan policies related to housing. Production of this housing will align with and advance city planning goals with regard to General Plan Housing Element Regional Housing Needs Assessment (RHNA), pursuant to state policy.

The City of Atascadero's 2014-2019 Housing Element, demonstrates a RHNA allocation in the aggregate production of 160 new units for Very Low and Low income housing. As the proposed affordable development provides 42 new units, this represents new production of approximately 26% of the RHNA need for Very Low and Low income categories. On a general level, housing needs in higher cost coastal areas of the state are growing, and this is particularly acute for affordable rentals to lower-income households. Atascadero will benefit greatly from this development to help meet local housing needs. Our anticipated unit mix and income levels are as follows:



Unit Type	30% AMI	45% AMI	50% AMI	60% AMI	Total
1 Bedroom	6	0	0	0	6
2 Bedroom	6	6	7	5	24
3 Bedroom	2	3	4	2	11
Manager's Unit					1
Total Units	14	9	11	7	42

Early commitment of local affordable housing funds provide basis for attracting additional funding sources as they demonstrate local support and commitment to the development as well as in addressing local affordable housing needs. Along with other forms of subsidies such as, the Federal Home Loan Bank's Affordable Housing Program (AHP), federal HOME and CDBG funds, and other potential resources, they serve as leverage for significant sources such as tax credit financing.

Since most tax credit funding applications score maximum points according to project scoring criteria, the ultimate tie-breaker for receiving a tax credit award is based on the amount of commitment of additional financing from other resources. Tax credit financing often represents 60% or more of overall project financing and the amount of tax credits awarded a project is underwritten in the context of the "gap" between committed funds and total development costs. Using local Affordable Housing Funds to leverage the amount of tax credit funding is a great benefit to the community, and has the potential to result in a 1-to-10 ratio between local funds and other project financing resources.

In order to leverage the use of Affordable Housing Funds, we request the allocation of funds to be in the form of a soft loan requiring annual residual receipts payments, for a term of 55 years at 3% simple interest.

PSHH was founded in 1970 and is the largest nonprofit affordable housing developer on the central coast. Along with building and managing beautiful and accessible neighborhoods, we provide a wide range of resident services. The project will include a community room/clubhouse containing a lounge, kitchen, library/computer room, and office space for educational and supportive services. Other amenities will include a centralized courtyard with play equipment in the middle of each building. For green development features, affordable housing funding sources typically require LEED or equivalent certification and/or enhanced energy efficiency above building code requirements. We will determine green building features in the future as new funding sources are secured.





The site is well suited for the proposed development and is identified for up to 46 high-density residential units in the City's Housing Element. An allocation of funds will help achieve the goal of the City's affordable housing funds policies by providing quality housing for its residents at various income levels over the long term.

In addition to our funding request, PSHH also understands that the City may be working with adjacent property owners to construct a new road in the future that may affect a small portion of the rear of the parking lot at the Del Rio Ridge project. The new road would serve adjacent multi-family properties and would not impact the Del Rio Ridge apartment buildings but may necessitate a modification to the rear parking lot. PSHH agrees to working with the City should the new road be developed.

Lastly, PSHH will be managing the Del Rio Ridge property through our Property Management Department, which manages all of our properties. In addition to service provided through the Property Management Department, a Resident Services Coordinator would be providing case management, benefits counseling and advocacy, and mental health care services. Enhanced services will also be provided, these services include educational, employment, outpatient, life skills training, representative payee, legal, parenting, social and recreational, transportation, financial counseling, domestic violence support, and meal support services. PSHH is also committed to working with the City on the Police Department's Crime-Free Housing Program.

If you have, any questions please feel free to contact Steven Orozco at 805-234-9504 or by email at steveno@pshhc.org.

Sincerely,

John Fowler
Chief Executive Officer

