



CITY OF ATASCADERO CITY COUNCIL AGENDA

HYBRID MEETING INFORMATION:

The City Council meeting will be available via teleconference for those who wish to participate remotely. The City Council meeting will also be held in the City Council Chambers and in-person attendance will be available at that location.

HOW TO OBSERVE THE MEETING REMOTELY:

To participate remotely, residents can livestream the meeting on [Zoom](#), SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and listen live on KPRL Radio 1230AM and 99.3FM. 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 and on the City's YouTube Channel. To participate remotely using the Zoom platform please visit https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA.

HOW TO SUBMIT PUBLIC COMMENT:

Individuals who wish to provide public comment in-person may attend the meeting in the City Council Chambers. Individuals who wish to participate remotely may call **(669) 900-6833** (Meeting ID: 889 2347 9018) to listen and provide public comment via phone or via the [Zoom](#) platform using the link above.

If you wish to comment but not via a live platform, please email public comments to cityclerk@atascadero.org. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be forwarded to the City Council and made a part of the administrative record. ***To ensure distribution to the City Council prior to consideration of the agenda, the public is encouraged to submit comments no later than 12:00 p.m. the day of the meeting.*** Those comments, as well as any comments received after that time, but before the close of the item, will be distributed to the City Council, posted on the City's website, and will be made part of the official public record of the meeting. ***Please note, email comments 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/agendas.

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 made a part of 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 by appointment during City Hall business hours.



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, April 11, 2023

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

<u>City Council Regular Session:</u>	6:00 P.M.
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REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Dariz

ROLL CALL:
Mayor Moreno
Mayor Pro Tem Funk
Council Member Bourbeau
Council Member Dariz
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.

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 – March 28, 2023

- Recommendation: Council approve the March 28, 2023 Draft City Council Regular Meeting Minutes. [City Clerk]

2. Weed/Refuse Abatement Program

- Fiscal Impact: The City recovers costs for administering this program.

- Recommendation: Council adopt Draft Resolution, declaring vegetative growth and/or refuse a public nuisance, commencing proceedings for the abatement of said nuisances, and placing all abatement fees on the San Luis Obispo County Special Tax Assessment for the Fiscal Year 2023-2024 Tax Roll. [Fire Department]
- 3. General Plan & Housing Element Annual Progress Report 2022**
- Fiscal Impact: None.
 - Recommendation: Council review and accept the Annual General Plan and Housing Element Progress Reports for 2022. [Community Development]
- 4. Barrei Creek**
- Fiscal Impact: None.
 - Recommendation: Council:
 1. Adopt, on second reading, by title only, Draft Ordinance A, approving of a Zone Map Change modifying the zoning map designation of the Barrel Creek project from Residential Suburban (RS) to Residential Multi-Family 10 (RMF-10) and Commercial Park (CPK); and
 2. Adopt, on second reading, by title only, Draft Ordinance B, approving a Zoning Text Amendment to establish Planned Development Overlay Zone No. 38 (PD38) over the Barrel Creek project site. [Community Development]
- 5. Emergency Contract Award for Graves Creek Slope Stabilization Project at Del Rio Road Bridge**
- Fiscal Impact: \$244,756.
 - Recommendation: Council ratify, by review and determination, that there is a need to continue the Emergency Services Director's authorization to contract with Michael Frederick Paving Company, Yeh & Associates, and SWCA Environmental Consultants to complete emergency Graves Creek Slope Stabilization Project at the Del Rio Road Bridge, pursuant to the City's Purchasing Policy and Public Contract Code Section 22050. [Public Works]
- 6. Participation in Settlements with Teva, Allergan, Walgreens, Walmart, and CVS in the National Opioid Litigation**
- Fiscal Impact: \$244,756.
 - Recommendation: Council authorize the City Manager to execute the five California State Subdivision Agreements and any other required documents to participate in settlements with Teva, Allergan, Walgreens, Walmart, and CVS defendants in the National Opioid Litigation. [City Attorney]

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

1. Marketing Update

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. Comments will be allowed for the entire 30-minute period so if the final speaker has finished before the 30 minute period has ended and a member of

the public wishes to make a comment after the Council has commenced another item, the member should alert the Clerk within the 30 minute period of their desire to make a comment and the Council will take up that comment upon completion of the item which was commenced. 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: None

C. MANAGEMENT REPORTS:

1. Comprehensive Financial Strategy

- Fiscal Impact: None.
- Recommendation: Council review and file the Comprehensive Financial Strategy. [Administrative Services]

D. 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. Regional Economic Action Coalition (REACH)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

Council Member Bourbeau

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

Council Member Dariz

1. Air Pollution Control District
2. California Joint Powers Insurance Authority (CJPIA) Board
3. Community Action Partnership of San Luis Obispo (CAPSLO)
4. Visit SLO CAL Advisory Committee

Council Member Newsom

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. Design Review Committee
4. League of California Cities – Council Liaison

- E. 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
 - a. Council Member Bourbeau will ask Council to discuss and provide feedback regarding Integrated Waste Management Authority's (IWMA) upcoming consideration of the County's request to rejoin IWMA.
 2. City Clerk
 3. City Treasurer
 4. City Attorney
 5. City Manager

ADJOURNMENT



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, March 28, 2023

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

City Council Closed Session: 5:00 P.M.

City Council Regular Session: 6:00 P.M.

CITY COUNCIL CLOSED SESSION: 5:00 P.M.

Mayor Moreno called Closed Session to order at 5:00 p.m.

1. ROLL CALL

Present: Council Members Bourbeau, Dariz and Newsom (by Teleconference), Mayor Pro Tem Funk, and Mayor Moreno

Absent: None

Others Present: None

Staff Present: City Manager Rachelle Rickard, Attorney Karl Berger, Deputy City Manager/City Clerk Lara Christensen, and Deputy City Manager – IT Luke Knight

2. CLOSED SESSION -- PUBLIC COMMENT – None

3. COUNCIL LEAVES CHAMBERS TO BEGIN CLOSED SESSION

Deputy City Manager/City Clerk Christensen and Deputy City Manager – IT Knight did not attend this portion of the meeting.

4. CLOSED SESSION -- CALL TO ORDER

a. Conference regarding Public Employment (Govt. Code Sec. 54957)

Title: City Manager

b. Conference with Labor Negotiators (Govt. Code Sec. 54957.6)

Agency designated representatives: Rachelle 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

5. **CLOSED SESSION – ADJOURNMENT**
6. **COUNCIL RETURNS TO CHAMBERS**
7. **CLOSED SESSION – REPORT**

City Attorney Berger reported that there was no reportable action from Closed Session.

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

Mayor Moreno called the meeting to order at 6:01 p.m. and Council Member Bourbeau led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Bourbeau, Dariz, Mayor Pro Tem Funk, and Mayor Moreno

Absent: Council Member Newsom

Others Present: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, Acting Police Chief Bob Molle, Public Works Director Nick DeBar, City Attorney Karl Berger, Deputy City Manager/City Clerk Lara Christensen, Deputy City Manager – IT Luke Knight, and Senior Planner Kelly Gleason.

APPROVAL OF AGENDA:

MOTION: By Council Member Dariz and seconded by Council Member Bourbeau 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 4:0 by a roll-call vote. Newsom absent.

PRESENTATIONS:

1. Fire Department Commendation for Members of the Atascadero Pickleball Club

Fire Chief Casey Bryson and staff from the Fire Department recognized Frank and Barbara Clyburn, Gail Davidson, Janice Graham, Darla Hunt, Donna Martin, and Dave Mulvey for their lifesaving efforts on September 19, 2022.

A. CONSENT CALENDAR:

1. **City Council Draft Action Minutes – March 14, 2023 Emergency and Regular Meetings**
 - Recommendation: Council approve the March 14, 2023 Draft City Council Emergency and Regular Meeting Minutes. [City Clerk]
2. **February 2023 Accounts Payable and Payroll**
 - Fiscal Impact: \$2,063,480.54.
 - Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for February 2023. [Administrative Services]
3. **Via Avenue Over Atascadero Creek Bridge Replacement Project Construction Phase Award**
 - Fiscal Impact: \$3,310,568 in Highway Bridge Replacement and Rehabilitation Program grant funds and \$428,919 in Local Transportation Funds.
 - Recommendation: Council:
 1. Award a construction contract for \$3,146,629 to Souza Construction for the Via Avenue Bridge Replacement Project (City Project No. C2015B01, Federal Project No. BRLS-5423[032]);
 2. Approve a professional services contract for \$517,858 with Filippin Engineering, Inc. to provide construction engineering and inspection services for the Via Avenue Bridge Replacement Project; and
 3. Approve a professional services contract amendment for \$75,000 with Consor Engineers (previously Quincy Engineering) to provide construction design support services for the Via Avenue Bridge Replacement Project; and
 4. Authorize the Director of Administrative Services to appropriate an additional \$186,960 of Local Transportation Funds for the Via Avenue Bridge Replacement Project. [Public Works]

MOTION: By Council Member Bourbeau and seconded by Mayor Pro Tem Funk to approve the Consent Calendar Items. (#A-3: Ordinance Nos. 661 and 662)
Motion passed 4:0 by a roll-call vote. Newsom absent.

UPDATES FROM THE CITY MANAGER:

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

COMMUNITY FORUM:

The following persons spoke in-person by telephone or through the webinar: Geoff Auslen, Josh Cross, and Max Zappas.

B. PUBLIC HEARINGS:**1. Appeal Vesting Tentative Tract Map for 10850 El Camino Real**

- Fiscal Impact: None.
- Recommendation: Council:
 1. Adopt Draft Resolution A, affirming the Planning Commission's approval of a Vesting Tentative Tract Map (TR 3187) for a 32-lot subdivision with 43 airspace condominiums on Lot 31, located at APN 054-351-008, subject to findings and conditions of approval.

OR

2. Adopt Draft Resolution B, reversing the Planning Commission's action and denying a Vesting Tentative Tract Map (TR 3187) for a 32-lot subdivision with 43 airspace condominiums on Lot 31, located at APN 054-351-008, subject to findings. [Community Development]

Ex Parte:

All Council Members reported receiving public comment emails on the project.

Mayor Pro Tem Funk reported making a site visit and speaking with a neighbor.

Council Member Bourbeau also reported making a site visit.

Mayor Moreno reported being a part of the original map approval on the project in 2017.

Community Development Director Dunsmore gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following persons spoke on this item: John Belsher, Paula Ramsum, Robert Montoya (Exhibit A), Ann Gordon, John Carnesale, and Max Zappas

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Bourbeau and seconded by Council Member Dariz to adopt Resolution No. 2023-010, affirming the Planning Commission's approval of a Vesting Tentative Tract Map (TR 3187) for a 32-lot subdivision with 43 airspace condominiums on Lot 31, located at APN 054-351-008, subject to findings and conditions of approval.

Motion passed 4:0 by a roll-call vote. Newsom absent.

Mayor Moreno recessed the meeting at 7:30 p.m.

Mayor Moreno reconvened the meeting at 7:40 p.m. with all present.

2. Barrel Creek

- Fiscal Impact: None.
- Recommendation: The Planning Commission recommends Council:
 1. Adopt Draft Resolution A, certifying the Mitigated Negative Declaration prepared for the Barrel Creek Project; and
 2. Adopt Draft Resolution B, approving a General Plan Amendment modifying the General Plan Designation of the Barrel Creek Project site from

- Suburban Estates (SE) to Medium Density Residential (MDR) and Commercial Park (CPK), and moving the Urban Services Line to accommodate the project boundary; and
3. Introduce, for first reading, by title only, Draft Ordinance A, approving of a Zone Map Change modifying the zoning map designation of the Barrel Creek Project from Residential Suburban (RS) to Residential Multi-Family 10 (RMF-10) and Commercial Park (CPK); and
 4. Introduce, for first reading, by title only, Draft Ordinance B, approving a Zoning Text Amendment to establish Planned Development Overlay Zone No. 38 (PD38) over the Barrel Creek Project site; and
 5. Adopt Draft Resolution C, approving a Conditional Use Permit, establishing a Master Plan of Development, and Vesting Tentative Tract Map for Tract 3177, approving a commercial and residential subdivision for the Barrel Creek site with associated tree removal, master sign program, and height exceptions. [Community Development]

Ex Parte:

All Council Members reported receiving public comment emails on the project. Council Member Bourbeau reported speaking with Geoff Auslen.

Community Development Director Dunsmore and Senior Planner Gleason gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following persons spoke on this item: Geoff Auslen, Rick Franco, Don Hubert, Pedro Ramirez, Janice Petko, Matthew Garcia, Garrett Kruse, Zack, Marshawn Porter, Gunther Bashira, Josh Cross, Mary Ann Tardiff, Jennifer Chance, Heidi Grand, Max Zappas, Mike Dickey, JuLee Rocha, Paul Martinez, C. Lee, and Mark Rawlinson.

Mayor Moreno closed the Public Comment period.

Mayor Moreno recessed the meeting at 10:10 p.m.

Mayor Moreno reconvened the meeting at 10:21 p.m. with all present.

- MOTION:** By Council Member Bourbeau and seconded by Mayor Pro Tem Funk to:
1. Adopt Resolution No. 2023-011, certifying the Mitigated Negative Declaration prepared for the Barrel Creek Project.
 2. Adopt Resolution No. 2023-012 approving a General Plan Amendment modifying the General Plan Designation of the Barrel Creek Project site from Suburban Estates (SE) to Medium Density Residential (MDR) and Commercial Park (CPK), and moving the Urban Services Line to accommodate the project boundary.
 3. Introduce, for first reading, by title only, Draft Ordinance A, approving of a Zone Map Change modifying the zoning map designation of the Barrel Creek Project from Residential Suburban (RS) to Residential Multi-Family 10 (RMF-10) and Commercial Park (CPK).

4. Introduce, for first reading, by title only, Draft Ordinance B, approving a Zoning Text Amendment to establish Planned Development Overlay Zone No. 38 (PD38) over the Barrel Creek Project site with the following changes to Exhibit A (Establishment of Planned Development Overlay No. 38):
- Amend Section (c)(3) under Commercial Development to add – *Commercial signs facing west toward the parking lot between the commercial area and the apartments shall be dimmable and shall be dimmed between the hours of 10PM and 7AM.*
 - Amend Section (c)(7) under Commercial Development to add – *No hotel signage shall be permitted facing residential uses Lighting facing the freeway shall be externally illuminated with downward lighting. All lighting shall be set on a timer to turn off or dim between the hours of 10pm and 7am.*
 - Delete Section (e) under Commercial Development and reletter all remaining sections.
 - Amend new Section (e) to remove subsection 2 and renumber all remaining subsections.
 - Amend new Section (e)(2) to add – *xvi. Personal Services – Restricted.*
 - Add new Section (d) under Single-Family Parcels to read – *Short term rentals shall be permitted on owner occupied sites only.*
 - Reletter all remaining Sections under Single-Family Parcels.
 - Amend new Section (g) under Single-Family Parcels to change wording for Rear yard at second story setbacks to read – Rea
5. Adopt Resolution No. 2023-013, approving a Conditional Use Permit, establishing a Master Plan of Development, and Vesting Tentative Tract Map for Tract 3177, approving a commercial and residential subdivision for the Barrel Creek site with associated tree removal, master sign program, and height exceptions with the following changes to Exhibit A (Conditions of Approval):
- Amend Condition No. 16 to read – *Affordable Housing: The applicant shall submit a payment of 5% of the building valuation for each residential unit to be placed into the City's inclusionary housing fund. Payment shall be required prior to building permit issuance.*
 - Amend Condition No. 38 to read – *Rear yard fencing of lots adjacent to the Del Rio Road Frontage shall be setback a minimum of 3-feet from any retaining wall in excess of 3-feet.*
 - Add Condition No. 47 under Planning Department Conditions to read – *A deed covenant shall be recorded on each single-family parcel requiring owner occupancy of any parcel used for short-term rental.*

- **Renumber all remaining Conditions to reflect correct numbering.**

Deputy City Manager/City Clerk Christensen read the titles of the Ordinances:

Draft Ordinance A

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, MODIFYING THE OFFICIAL ZONING MAP CONVERTING APPROXIMATELY 15.2 ACRES FROM RESIDENTIAL SUBURBAN TO RESIDENTIAL MULTI-FAMILY – 10 AND COMMERCIAL PARK FOR THE BARREL CREEK PROJECT

Draft Ordinance B

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AMENDING TITLE 9 (PLANNING AND ZONING), CHAPTER 3 (ZONING DISTRICTS), ARTICLE 28 (PLANNED DEVELOPMENT OVERLAY ZONE) OF THE ATASCADERO MUNICIPAL CODE TO ESTABLISH PLANNED DEVELOPMENT NO. 38 (PD38) FOR THE BARREL CREEK PROJECT

Motion passed 4:0 by a roll-call vote. Newsom absent.

C. MANAGEMENT REPORTS:

1. Proposed Sewer Service Rate Increase

- Fiscal Impact: \$5,000 in Proposition 218 expenses; \$750,000 in revenue from additional sewer service charges if approved.
- Recommendation: Council:
 1. Direct staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners connected to the municipal sanitary sewer system; and
 2. Set a Public Hearing on May 23, 2023 for Council's consideration of the proposed wastewater rate increases. [Public Works]

Public Works Director DeBar gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following persons spoke on this item: None

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Bourbeau and seconded by Council Member Dariz to:

1. Direct staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners connected to the municipal sanitary sewer system.
2. Set a Public Hearing on May 23, 2023 for Council's consideration of the proposed wastewater rate increases.

Motion passed 4:0 by a roll-call vote. Newsom absent.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

Given the late hour, Council Members will report out at the next City Council Meeting.

Council Member Funk did note that the DRC has a meeting at 2:00 p.m. on Thursday, March 30, 2023.

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

Council Member Bourbeau reported that the SLO County Board of Supervisors sent a letter on March 21, 2023, to the SLO County Integrated Waste Management Authority (IWMA) requesting to rejoin the IWMA and their request is scheduled to go before the IWMA Board on April 12, 2023. He noted that he would like to receive collective feedback from the City Council on the County's request to rejoin the IWMA.

There was Council consensus to place Council Member Bourbeau's item on the April 11, 2023 City Council Agenda under Individual Determination.

F. ADJOURN

Mayor Moreno adjourned the meeting at 10:48 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

The following exhibit is available for review in the City Clerk's office:

- Exhibit A – Emailed Public Comment from Robert Montoya

APPROVED:

City Council Minutes Exhibit A

Date: 03/28/23

From: Rob Montoya <rob@civildesign-solutions.com>
Sent: Tuesday, March 28, 2023 4:42 PM
To: johnjbdevco.com
Cc: Paula Ramsum
Subject: Re: Atascadero appeal

Honorable Mayor and City Council:

Provide approved signed plans by the city engineer and Wallace engineer for the offsite portion of the project. Plans to be approved by the City of Atascadero Public Works Department signed by the City engineer and the developers engineer form Construction documents of and specify all products and materials to be installed on the off-site property, concrete details, compaction requirements, removal limits, full construction plan and details. Provide and separate engineered plan for all offsite improvements. Provide easement documents indicating right to drain to these facilities and show easement and offsite property lines on the plan and profile. Provide shared maintenance agreement for maintaining facilities and runoff from neighboring property. This protects both parties.

The 2-100 year flow is increased because its a point discharge in a pipe vs natural flow to the same pipe. verify hydraulics in existing pipe. Provide full topographic survey of easement and pipe. show outlet of 18" pipe.... where does it go???VERIFY location of existing 18" pipe (horizontal and vertical) where is it?? Provide FL elevations of neighboring properties in relation to flowline elevation of 18" pipe (survey). Provide spot elevations and or pipe profiles extending offsite show 18" existing pipe in profile view with hydraulic grade line to the end of the 18" pipe flowline elevation of existing concrete channel and proposed 18" pipe connection. Required modifications to the underlying approved project and lack of offsite improvement plans would need to be addressed prior to any modifications to said approved project. Upon receipt of these plans and documents we will provide a review of them and confirm if the information presented is acceptable to the property owner. Until such a time as this occurs the project motion and Planning Commission approval should be nullified and the project should be required to provide this information.

Thank You

Civil design solutions
Robert J Montoya PE



Atascadero City Council

Staff Report – Atascadero Fire & Emergency Services Department

Weed/Refuse Abatement Program

RECOMMENDATION:

Council adopt Draft Resolution, declaring vegetative growth and/or refuse a public nuisance, commencing proceedings for the abatement of said nuisances, and placing all abatement fees on the San Luis Obispo County Special Tax Assessment for the fiscal year 2023-2024 Tax Roll.

DISCUSSION:

The Municipal Code, Section 6-13.03, addresses the abatement of vegetative growth and/or refuse, which constitute a hazard. Adoption of the Draft Resolution is the first step in this annual program, which requires City Council action. Atascadero Fire & Emergency Services Department (AF) conducted its initial inspection mid-March 2023. There are approximately 11,169 parcels within the City. Notices are mailed to the recorded property owner of each parcel listed declaring that their parcel is an existing, future, or “potential” hazard. AFD advises that it considers a parcel a future or “potential” hazard if the parcel is not completely landscaped or irrigated and/or there is a potential for weed growth (6-13.01). The list of parcels identified to have vegetative growth and/or refuse, which are or may become a public nuisance, is available for review in the Office of the City Clerk and with AFD.

FISCAL IMPACT:

The City recovers costs for administering this program. Parcels not abated are charged the contractor fee for abatement, plus a flat fee of \$267, plus a charge equal to 166% of the contractor’s fee to abate. The total charge is placed on the San Luis Obispo County Special Tax Assessment for the fiscal year 2023-2024 Tax Roll.

ATTACHMENTS:

1. Draft Resolution
2. Vegetative Growth/Refuse Notice

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING VEGETATIVE GROWTH
(NOXIOUS WEEDS) AND/OR REFUSE A PUBLIC NUISANCE**

WHEREAS, the Atascadero Fire & Emergency Services Department (AFD) conducted parcel inspections throughout the City of Atascadero in mid-March 2023; and

WHEREAS, AFD considers a property, land, or lot a future or “potential” hazard if the property, land, or lot is not completely landscaped or irrigated and/or there is a potential for weed growth; and

WHEREAS, property, lands, or lots in the City were identified as having existing, future, or “potential” hazards that are considered to be a public nuisance; and

WHEREAS, AFD is commencing proceedings for the abatement of said nuisances; and

WHEREAS, abatement fees will be placed on the San Luis Obispo County Special Tax Assessment for the Fiscal Year 2023-2024 Tax Roll.

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

SECTION 1. That vegetative growth (noxious weeds) and/or refuse are, or may become, a hazard and hereby declared to be a public nuisance which should be abated for the reasons that vegetative growth may attain such a large growth as to become a fire menace and/or drainage restriction, when mature and said refuse may become a public nuisance, thereby creating a hazard to public health and safety.

The City Council of the City of Atascadero finds and declares that vegetative growth (noxious weeds) and/or refuse on specified parcels of property are seasonal and recurrent nuisances. Such seasonal and recurrent nuisances shall be abated in accordance with the provisions of City and State laws. No further hearings need to be held, and it shall be sufficient to mail a notice to the owner of the property as their address appears upon the current assessment roll.

SECTION 2. A description of the parcel of lots of private property upon which, or in front of which, said nuisances are or may become a hazard, according to the official Assessment Map of said City of Atascadero, shall be posted annually in the office of the City Clerk and referred to as Exhibit A, attached hereto and incorporated herein by this reference.

SECTION 3. The City Clerk or designee is hereby ordered and directed to mail written notices of the proposed abatement to all persons owning property described in accordance with Section 6-13.08 of the Atascadero Municipal Code.

SECTION 4. Pursuant to Section 6-13.10 of the Atascadero Municipal Code, the City Council shall hear and consider all objections or protests to the required removal of said vegetative

growth and/or refuse. The City Clerk shall post a copy of the public hearing notice in accordance with the Ralph M. Brown Act.

SECTION 5. Pursuant to Section 6-13.17 of the Atascadero Municipal Code, if the owner does not abate the hazard, it will be abated by the City contractor. The cost of the abatement plus a \$267 flat fee and 166% administrative fee and County fee will be assessed upon the County property tax bill, and constitute a lien upon such land until paid.

PASSED AND ADOPTED at a regular meeting of the City Council held on the __th day of April, 2023.

On motion by _____ and seconded by _____, 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

2023 Exhibit - A - Weeds

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-021-014 - SYCAMORE RD	028-042-045 - MIRAMON AVE	028-052-032 - ESTRADA AVE
028-021-015 - SYCAMORE RD	028-042-046 - MIRAMON AVE	028-052-033 - ESTRADA AVE
028-021-028 - SYCAMORE RD	028-042-047 - MIRAMON AVE	028-052-034 - ARIZONA AVE
028-032-001 - SYCAMORE RD	028-042-049 - MIRAMON AVE	028-052-037 - ARIZONA AVE
028-032-003 - SYCAMORE RD	028-042-051 - MIRAMON AVE	028-052-038 - ESTRADA AVE
028-032-006 - SYCAMORE RD	028-051-005 - SEPERADO AVE	028-061-002 - SEPERADO AVE
028-032-020 - HIDALGO AVE	028-051-016 - SAN ANSELMO RD	028-061-018 - ARIZONA AVE
028-032-034 - SYCAMORE RD	028-051-017 - SAN ANSELMO RD	028-061-019 - ARIZONA AVE
028-032-039 - SYCAMORE RD	028-051-018 - SAN ANSELMO RD	028-061-021 - ARIZONA AVE
028-032-040 - SYCAMORE RD	028-051-030 - ARIZONA AVE	028-061-022 - ARIZONA AVE
028-032-046 - SYCAMORE RD	028-051-036 - SAN ANSELMO RD	028-061-023 - ARIZONA AVE
028-032-047 - SYCAMORE RD	028-051-038 - SEPERADO AVE	028-061-033 - SEPERADO AVE
028-041-003 - SYCAMORE RD	028-051-039 - SEPERADO AVE	028-061-041 - SEPERADO AVE
028-041-005 - SYCAMORE RD	028-051-043 - ARIZONA AVE	028-061-045 - SEPERADO AVE
028-041-006 - SYCAMORE RD	028-051-044 - ARIZONA AVE	028-061-046 - SEPERADO AVE
028-041-011 - SYCAMORE RD	028-051-045 - ARIZONA AVE	028-061-047 - SEPERADO AVE
028-041-012 - SYCAMORE RD	028-051-050 - ARIZONA AVE	028-061-048 - SEPERADO AVE
028-042-001 - HIDALGO AVE	028-051-052 - ARIZONA AVE	028-061-049 - ARIZONA AVE
028-042-003 - HIDALGO AVE	028-051-053 - SEPERADO AVE	028-061-050 - ARIZONA AVE
028-042-015 - MIRAMON AVE	028-051-055 - SEPERADO AVE	028-061-051 - ARIZONA AVE
028-042-018 - MIRAMON AVE	028-051-058 - SEPERADO AVE	028-062-012 - ESTRADA AVE
028-042-022 - MIRAMON AVE	028-051-059 - SEPERADO AVE	028-062-015 - ESTRADA AVE
028-042-030 - HIDALGO AVE	028-052-013 - ESTRADA AVE	028-062-018 - ESTRADA AVE
028-042-031 - HIDALGO AVE	028-052-017 - ESTRADA AVE	028-062-020 - SAN JACINTO AVE
028-042-032 - MIRAMON AVE	028-052-018 - ESTRADA AVE	028-062-032 - ARIZONA AVE
028-042-043 - BUENA AVE	028-052-021 - ESTRADA AVE	028-062-033 - ARIZONA AVE
028-042-044 - MIRAMON AVE	028-052-031 - ESTRADA AVE	028-062-036 - ARIZONA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-062-038 - ARIZONA AVE	028-084-017 - LORENA ST	028-131-029 - SYCAMORE RD
028-062-039 - ARIZONA AVE	028-091-003 - SYCAMORE RD	028-131-030 - SYCAMORE RD
028-062-041 - ESTRADA AVE	028-091-004 - SYCAMORE RD	028-131-031 - SYCAMORE RD
028-062-042 - ARIZONA AVE	028-092-003 - SYCAMORE RD	028-131-032 - SYCAMORE RD
028-062-043 - ARIZONA AVE	028-092-009 - SYCAMORE RD	028-131-036 - SYCAMORE RD
028-071-001 - SAN JACINTO AVE	028-092-012 - SYCAMORE RD	028-131-037 - SYCAMORE RD
028-071-002 - TRAFFIC WAY	028-092-024 - SYCAMORE RD	028-132-001 - SYCAMORE RD
028-071-006 - DOLORES AVE	028-093-011 - MIRAMON AVE	028-132-018 - SYCAMORE RD
028-071-009 - DOLORES AVE	028-093-012 - MIRAMON AVE	028-132-019 - SYCAMORE RD
028-071-012 - SAN VICENTE AVE	028-093-013 - MIRAMON AVE	028-132-023 - SYCAMORE RD
028-071-032 - VISCANO AVE	028-093-026 - HIDALGO AVE	028-132-035 - SYCAMORE RD
028-071-033 - TRAFFIC WAY	028-093-035 - MIRAMON AVE	028-132-036 - SYCAMORE RD
028-071-035 - VISCANO AVE	028-093-037 - HIDALGO AVE	028-141-002 - ESTRADA AVE
028-071-037 - DOLORES AVE	028-093-040 - SYCAMORE RD	028-141-010 - ESTRADA AVE
028-071-047 - SAN JACINTO AVE	028-093-041 - SYCAMORE RD	028-141-011 - ESTRADA AVE
028-071-049 - VISCANO AVE	028-093-043 - BUENA AVE	028-141-019 - ARENA AVE
028-071-050 - SAN JACINTO AVE	028-093-044 - BUENA AVE	028-141-020 - YERBA AVE
028-071-052 - DOLORES AVE	028-093-045 - BUENA AVE	028-141-021 - ARENA AVE
028-071-053 - DOLORES AVE	028-101-001 - BUENA AVE	028-141-025 - SAN ANSELMO RD
028-072-002 - SAN JACINTO AVE	028-101-002 - MIRAMON AVE	028-141-029 - ESTRADA AVE
028-073-001 - TRAFFIC WAY	028-101-003 - MIRAMON AVE	028-141-031 - ARENA AVE
028-081-003 - MIRAMON AVE	028-103-009 - ALAMO AVE	028-141-032 - ESTRADA AVE
028-081-004 - SYCAMORE RD	028-103-011 - TRAFFIC WAY	028-141-033 - ESTRADA AVE
028-081-005 - MIRAMON AVE	028-103-012 - TRAFFIC WAY	028-141-034 - ARENA AVE
028-082-001 - TRAFFIC WAY	028-131-004 - SYCAMORE RD	028-151-006 - YERBA AVE
028-084-003 - DOLORES AVE	028-131-018 - ACACIA RD	028-151-026 - ESTRADA AVE
028-084-004 - DOLORES AVE	028-131-022 - SYCAMORE RD	028-151-031 - MANANITA AVE
028-084-014 - TERESA ST	028-131-028 - SYCAMORE RD	028-151-038 - MANANITA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-151-048 - YERBA AVE	028-162-014 - VISCANO AVE	028-172-032 - ALAMO AVE
028-151-061 - MANANITA AVE	028-162-015 - VISCANO AVE	028-181-001 - DOLORES AVE
028-151-062 - DOLORES AVE	028-162-016 - VISCANO AVE	028-181-003 - VALENTINA AVE
028-151-063 - YERBA AVE	028-162-021 - VISCANO AVE	028-181-008 - VALENTINA AVE
028-152-010 - MANANITA AVE	028-162-023 - SAN VICENTE AVE	028-181-009 - VALENTINA AVE
028-152-013 - ESTRADA AVE	028-162-025 - VISCANO AVE	028-181-012 - GANCHO AVE
028-152-015 - SAN JACINTO AVE	028-162-026 - VISCANO AVE	028-181-013 - SAN PEDRO AVE
028-152-020 - SAN JACINTO AVE	028-162-031 - VISCANO AVE	028-181-014 - SAN PEDRO AVE
028-152-040 - DOLORES AVE	028-162-032 - VISCANO AVE	028-181-015 - SAN PEDRO AVE
028-152-042 - SAN JACINTO AVE	028-162-034 - VISCANO AVE	028-181-018 - SAN PEDRO AVE
028-152-043 - MANANITA AVE	028-162-036 - VISCANO AVE	028-181-019 - SAN PEDRO AVE
028-152-044 - MANANITA AVE	028-162-037 - SAN VICENTE AVE	028-181-022 - ALAMO AVE
028-152-056 - SAN JACINTO AVE	028-162-038 - SAN VICENTE AVE	028-181-025 - VALENTINA AVE
028-152-059 - MANANITA AVE	028-171-002 - VISCANO AVE	028-181-026 - VALENTINA AVE
028-161-003 - SAN JACINTO AVE	028-171-004 - VISCANO AVE	028-181-030 - VALENTINA AVE
028-161-006 - SAN JACINTO AVE	028-171-005 - VISCANO AVE	028-182-002 - SAN PEDRO AVE
028-161-007 - SAN JACINTO AVE	028-171-007 - DOLORES AVE	028-182-005 - SAN PEDRO AVE
028-161-010 - SAN VICENTE AVE	028-171-008 - DOLORES AVE	028-182-009 - SAN PEDRO AVE
028-161-014 - SAN JACINTO AVE	028-171-009 - VISCANO AVE	028-182-010 - ARROYO AVE
028-161-015 - SAN VICENTE AVE	028-171-010 - DOLORES AVE	028-182-022 - SAN PEDRO AVE
028-161-024 - SAN VICENTE AVE	028-171-011 - VISCANO AVE	028-182-023 - SAN PEDRO AVE
028-161-031 - SAN VICENTE AVE	028-172-005 - DOLORES AVE	028-182-025 - ALAMO AVE
028-161-034 - SAN VICENTE AVE	028-172-012 - VALENTINA AVE	028-182-026 - ALAMO AVE
028-161-035 - SAN VICENTE AVE	028-172-014 - VALENTINA AVE	028-182-027 - SAN PEDRO AVE
028-162-006 - SAN VICENTE AVE	028-172-015 - VALENTINA AVE	028-182-028 - SAN PEDRO AVE
028-162-007 - SAN VICENTE AVE	028-172-026 - ALAMO AVE	028-182-030 - ARROYO AVE
028-162-008 - SAN VICENTE AVE	028-172-028 - DOLORES AVE	028-182-031 - ARROYO AVE
028-162-013 - VISCANO AVE	028-172-031 - DOLORES AVE	028-191-023 - TRAFFIC WAY

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-192-001 - TRAFFIC WAY	028-214-002 - MAGDALENA AVE	028-242-005 - CURBARIL AVE
028-192-006 - TRAFFIC WAY	028-214-012 - MAGDALENA AVE	028-242-006 - CURBARIL AVE
028-192-007 - TRAFFIC WAY	028-214-013 - MAGDALENA AVE	028-242-008 - CURBARIL AVE
028-192-014 - ALAMO AVE	028-214-022 - MERCEDES AVE	028-251-001 - ARENA AVE
028-192-015 - TRAFFIC WAY	028-214-023 - MERCEDES AVE	028-251-007 - SAN ARDO AVE
028-192-021 - ROSARIO AVE	028-214-024 - MERCEDES AVE	028-251-008 - DOLORES AVE
028-192-024 - ALAMO AVE	028-214-025 - MERCEDES AVE	028-251-009 - SAN ARDO AVE
028-192-032 - ALAMO AVE	028-214-026 - MERCEDES AVE	028-251-014 - SAN ANSELMO RD
028-192-035 - TRAFFIC WAY	028-215-016 - MERCEDES AVE	028-251-018 - SAN ANSELMO RD
028-192-047 - ALAMO AVE	028-215-017 - MERCEDES AVE	028-251-019 - SAN ANSELMO RD
028-192-048 - HONDA AVE	028-215-021 - CEMETERY RD	028-251-020 - SAN ANSELMO RD
028-192-050 - TRAFFIC WAY	028-215-023 - RAILROAD	028-251-021 - SAN ANSELMO RD
028-192-053 - ALAMO AVE	028-217-003 - MERCEDES AVE	028-251-023 - ARENA AVE
028-192-054 - ALAMO AVE	028-217-005 - CAPISTRANO AVE	028-251-024 - SAN ARDO AVE
028-192-055 - ALAMO AVE	028-217-006 - MERCEDES AVE	028-251-025 - SAN ARDO AVE
028-192-056 - ALAMO AVE	028-217-007 - CAPISTRANO AVE	028-251-026 - SAN ARDO AVE
028-192-058 - TRAFFIC WAY	028-221-004 - CEMETERY RD	028-251-029 - SAN ARDO AVE
028-192-059 - TRAFFIC WAY	028-221-006 - SERENA CT	028-251-030 - SAN ARDO AVE
028-192-062 - TRAFFIC WAY	028-221-008 - CEMETERY RD	028-251-031 - SAN ARDO AVE
028-192-064 - ALAMO AVE	028-231-002 - CEMETERY RD	028-261-009 - SAN ARDO AVE
028-192-065 - ALAMO AVE	028-241-008 - CORTEZ AVE	028-261-010 - SAN ARDO AVE
028-201-004 - VIA AVE	028-241-013 - CORTEZ AVE	028-261-011 - SAN ARDO AVE
028-201-011 - VIA AVE	028-241-014 - CORTEZ AVE	028-261-016 - SAN ARDO AVE
028-213-003 - CABRILLO AVE	028-241-015 - CORTEZ AVE	028-261-019 - ARENA AVE
028-213-008 - CABRILLO AVE	028-241-016 - CORTEZ AVE	028-261-020 - ARENA AVE
028-213-011 - MAGDALENA AVE	028-241-018 - CORTEZ AVE	028-261-023 - DOLORES AVE
028-213-012 - MERCEDES AVE	028-241-019 - CORTEZ AVE	028-261-026 - YERBA AVE
028-214-001 - MAGDALENA AVE	028-241-020 - CORTEZ AVE	028-261-029 - YERBA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-261-031 - DOLORES AVE	028-282-015 - DOLORES AVE	028-301-025 - SAN JACINTO AVE
028-261-032 - YERBA AVE	028-282-020 - NOGALES AVE	028-301-026 - DOLORES AVE
028-261-033 - ARENA AVE	028-282-025 - EL VERANO AVE	028-301-028 - DOLORES AVE
028-261-034 - YERBA AVE	028-282-026 - NOGALES AVE	028-301-029 - DOLORES AVE
028-271-006 - SAN ANSELMO RD	028-282-027 - EL VERANO AVE	028-301-031 - DULZURA AVE
028-271-007 - DOLORES AVE	028-291-001 - DOLORES AVE	028-301-032 - DULZURA AVE
028-271-008 - SAN ANSELMO RD	028-291-002 - DOLORES AVE	028-301-035 - DOLORES AVE
028-271-009 - DOLORES AVE	028-291-003 - DOLORES AVE	028-301-043 - DULZURA AVE
028-271-013 - DOLORES AVE	028-291-004 - CURVADO CIR	028-301-044 - SAN JACINTO AVE
028-271-014 - DOLORES AVE	028-291-007 - CURVADO CIR	028-311-008 - ROSARIO AVE
028-271-018 - DOLORES AVE	028-291-009 - CURVADO CIR	028-311-009 - ROSARIO AVE
028-271-023 - SAN ANSELMO RD	028-291-010 - CURVADO CIR	028-311-013 - DULZURA AVE
028-271-024 - SAN ANSELMO RD	028-292-001 - DOLORES AVE	028-311-018 - DULZURA AVE
028-271-025 - SAN ANSELMO RD	028-292-005 - SAN JACINTO AVE	028-311-026 - DULZURA AVE
028-271-026 - SAN ANSELMO RD	028-292-006 - NAVIDAD AVE	028-311-028 - DULZURA AVE
028-271-033 - DOLORES AVE	028-292-009 - NAVIDAD AVE	028-311-029 - DULZURA AVE
028-271-034 - DOLORES AVE	028-292-010 - NAVIDAD AVE	028-311-032 - GANCHO AVE
028-281-001 - DOLORES AVE	028-292-011 - SAN JACINTO AVE	028-311-033 - GANCHO AVE
028-281-002 - CURVADO CIR	028-292-013 - NAVIDAD AVE	028-311-036 - ROSARIO AVE
028-281-005 - EL VERANO AVE	028-292-015 - DOLORES AVE	028-311-043 - BAJADA AVE
028-281-010 - EL VERANO AVE	028-292-016 - CURVADO CIR	028-311-044 - BAJADA AVE
028-281-012 - EL VERANO AVE	028-292-017 - NAVIDAD AVE	028-311-045 - BAJADA AVE
028-281-015 - EL VERANO AVE	028-292-018 - SAN JACINTO AVE	028-321-003 - GANCHO AVE
028-282-002 - EL VERANO AVE	028-301-007 - DULZURA AVE	028-321-015 - ARROYO AVE
028-282-004 - EL VERANO AVE	028-301-010 - DULZURA AVE	028-321-017 - ROSARIO AVE
028-282-007 - DOLORES AVE	028-301-017 - SAN JACINTO AVE	028-321-018 - ROSARIO AVE
028-282-012 - NOGALES AVE	028-301-020 - DOLORES AVE	028-321-020 - GANCHO AVE
028-282-013 - NOGALES AVE	028-301-022 - SAN JACINTO AVE	028-321-025 - ROSARIO AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-321-030 - ARROYO AVE	028-331-020 - HONDA AVE	028-353-003 - CABRILLO AVE
028-321-034 - ARROYO AVE	028-332-001 - BARRENDA AVE	028-353-006 - CABRILLO AVE
028-321-035 - ARROYO AVE	028-332-002 - BARRENDA AVE	028-353-007 - MAGDALENA AVE
028-322-003 - BARRENDA AVE	028-332-003 - BARRENDA AVE	028-354-011 - MAGDALENA AVE
028-322-008 - ROSARIO AVE	028-332-004 - BARRENDA AVE	028-354-013 - MAGDALENA AVE
028-322-014 - ALAMO AVE	028-332-008 - JUAREZ AVE	028-355-008 - MERCEDES AVE
028-322-015 - ALAMO AVE	028-332-009 - JUAREZ AVE	028-355-010 - MERCEDES AVE
028-322-021 - ALAMO AVE	028-332-017 - HONDA AVE	028-355-013 - MERCEDES AVE
028-322-024 - BARRENDA AVE	028-332-019 - JUAREZ AVE	028-355-015 - MERCEDES AVE
028-322-025 - BARRENDA AVE	028-332-020 - ALAMO AVE	028-361-008 - ENSENADA AVE
028-322-030 - ALAMO AVE	028-332-021 - ALAMO AVE	028-361-034 - ENSENADA AVE
028-322-031 - BARRENDA AVE	028-332-025 - HONDA AVE	028-361-035 - ENSENADA AVE
028-322-032 - ALAMO AVE	028-332-031 - BARRENDA AVE	028-361-036 - ENSENADA AVE
028-322-033 - ROSARIO AVE	028-332-032 - BARRENDA AVE	028-371-002 - ENSENADA AVE
028-322-034 - ALAMO AVE	028-332-038 - BARRENDA AVE	028-371-003 - ENSENADA AVE
028-322-035 - ALAMO AVE	028-332-039 - BARRENDA AVE	028-371-005 - ENSENADA AVE
028-322-036 - ALAMO AVE	028-332-040 - BARRENDA AVE	028-371-006 - ENSENADA AVE
028-322-037 - ALAMO AVE	028-341-011 - ENSENADA AVE	028-371-009 - CAPISTRANO AVE
028-322-039 - ALAMO AVE	028-341-018 - VIA AVE	028-371-010 - CAPISTRANO AVE
028-322-040 - ROSARIO AVE	028-341-023 - ENSENADA AVE	028-371-011 - CAPISTRANO AVE
028-322-041 - BARRENDA AVE	028-351-005 - CABRILLO AVE	028-371-021 - CABRILLO AVE
028-331-003 - ROSARIO AVE	028-351-011 - CABRILLO AVE	028-371-030 - ENSENADA AVE
028-331-004 - ROSARIO AVE	028-351-012 - CAPISTRANO AVE	028-372-006 - CAPISTRANO AVE
028-331-005 - ROSARIO AVE	028-351-014 - CAPISTRANO AVE	028-372-011 - MAGNOLIA AVE
028-331-006 - ROSARIO AVE	028-351-016 - CAPISTRANO AVE	028-372-015 - MAGNOLIA AVE
028-331-009 - BARRENDA AVE	028-351-017 - CAPISTRANO AVE	028-372-023 - CAPISTRANO AVE
028-331-015 - ROSARIO AVE	028-352-004 - CAPISTRANO AVE	028-372-024 - CABRILLO AVE
028-331-017 - BAJADA AVE	028-353-001 - CABRILLO AVE	028-381-017 - MAGNOLIA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

028-381-023 - MAGNOLIA AVE	028-411-011 - GABARDA RD	029-011-008 - NOGALES AVE
028-381-026 - MAGNOLIA AVE	028-411-012 - GABARDA RD	029-011-012 - TRANQUILLA AVE
028-381-029 - MAGNOLIA AVE	028-411-013 - CURBARIL AVE	029-011-025 - SAN ANSELMO RD
028-381-030 - MAGNOLIA AVE	028-411-015 - CURBARIL AVE	029-012-003 - ROSITA AVE
028-382-005 - MERCEDES AVE	028-411-018 - GABARDA RD	029-012-005 - TRANQUILLA AVE
028-382-006 - MERCEDES AVE	028-411-021 - GABARDA RD	029-012-009 - TRANQUILLA AVE
028-382-012 - MERCEDES AVE	028-411-022 - GABARDA RD	029-012-011 - ROSITA AVE
028-382-013 - MERCEDES AVE	028-411-027 - CURBARIL AVE	029-012-012 - ROSITA AVE
028-382-014 - MERCEDES AVE	028-411-028 - CURBARIL AVE	029-012-017 - SAN ANSELMO RD
028-391-001 - DOLORES AVE	028-412-001 - TAMPICO RD	029-012-020 - ROSITA AVE
028-391-002 - DOLORES AVE	028-412-002 - AURORA RD	029-012-021 - ROSITA AVE
028-391-003 - DOLORES AVE	028-412-004 - AURORA RD	029-012-022 - TRANQUILLA AVE
028-391-005 - DOLORES AVE	028-412-005 - AURORA RD	029-012-024 - TRANQUILLA AVE
028-401-001 - RIVER PARCEL #	028-412-006 - AURORA RD	029-012-025 - TRANQUILLA AVE
028-401-002 - TAMPICO RD	028-412-009 - AURORA RD	029-012-026 - TRANQUILLA AVE
028-401-005 - TAMPICO RD	028-412-010 - GABARDA RD	029-021-001 - CAYUCOS AVE
028-401-009 - VERNALIS RD	028-412-011 - GABARDA RD	029-021-003 - CAYUCOS AVE
028-401-010 - TAMPICO RD	028-412-014 - GABARDA RD	029-022-003 - LOBOS AVE
028-401-011 - ARAGON RD	028-412-015 - TAMPICO RD	029-022-017 - LOBOS AVE
028-401-015 - ARAGON RD	028-412-016 - GABARDA RD	029-022-019 - ROSITA AVE
028-401-016 - AURORA RD	028-412-017 - GABARDA RD	029-022-025 - ROSITA AVE
028-401-018 - AURORA RD	028-412-018 - GABARDA RD	029-022-028 - ROSITA AVE
028-401-019 - AURORA RD	028-412-019 - GABARDA RD	029-022-029 - ROSITA AVE
028-401-020 - AURORA RD	028-413-001 - GABARDA RD	029-023-001 - ROSITA AVE
028-401-023 - TAMPICO RD	028-413-003 - CORTEZ AVE	029-023-006 - TRANQUILLA AVE
028-401-024 - AURORA RD	028-413-010 - CURBARIL AVE	029-023-007 - ROSITA AVE
028-411-001 - CURBARIL AVE	028-413-011 - CURBARIL AVE	029-023-010 - ROSITA AVE
028-411-010 - GABARDA RD	028-413-012 - CURBARIL AVE	029-023-011 - TRANQUILLA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-023-012 - TRANQUILLA AVE	029-041-015 - SAN JACINTO AVE	029-061-019 - HONDA AVE
029-024-001 - TRANQUILLA AVE	029-041-016 - SAN JACINTO AVE	029-061-025 - HONDA AVE
029-024-003 - TRANQUILLA AVE	029-041-018 - VIDA AVE	029-061-029 - BARRENDA AVE
029-024-005 - NOGALES AVE	029-041-023 - SAN JACINTO AVE	029-061-030 - BARRENDA AVE
029-024-009 - NOGALES AVE	029-041-024 - SAN JACINTO AVE	029-061-037 - HONDA AVE
029-024-013 - TRANQUILLA AVE	029-041-026 - SAN JACINTO AVE	029-061-040 - BARRENDA AVE
029-024-018 - ROSITA AVE	029-041-030 - VIDA AVE	029-061-042 - TRAFFIC WAY
029-024-021 - NOGALES AVE	029-042-001 - VIDA AVE	029-061-043 - TRAFFIC WAY
029-024-023 - NOGALES AVE	029-042-003 - VIDA AVE	029-061-045 - TRAFFIC WAY
029-031-002 - EL VERANO AVE	029-042-004 - EL VERANO AVE	029-061-059 - HONDA AVE
029-031-005 - EL VERANO AVE	029-042-006 - EL VERANO AVE	029-062-001 - HONDA AVE
029-031-006 - NOGALES AVE	029-042-007 - VIDA AVE	029-062-002 - HONDA AVE
029-031-007 - EL VERANO AVE	029-042-014 - VIDA AVE	029-062-011 - BARRENDA AVE
029-031-008 - EL VERANO AVE	029-042-015 - EL VERANO AVE	029-062-012 - TRAFFIC WAY
029-031-010 - EL VERANO AVE	029-051-007 - DULZURA AVE	029-062-022 - TRAFFIC WAY
029-031-011 - VIDA AVE	029-051-008 - DULZURA AVE	029-062-023 - BAJADA AVE
029-032-001 - EL VERANO AVE	029-051-009 - NOGALES AVE	029-062-044 - BARRENDA AVE
029-032-006 - VIDA AVE	029-051-013 - SAN JACINTO AVE	029-071-001 - FRESNO AVE
029-032-007 - NAVIDAD AVE	029-051-014 - SAN JACINTO AVE	029-071-003 - FRESNO AVE
029-032-009 - EL VERANO AVE	029-051-017 - SAN JACINTO AVE	029-071-010 - DULZURA AVE
029-032-010 - VIDA AVE	029-051-022 - SAN JACINTO AVE	029-071-011 - DULZURA AVE
029-032-013 - EL VERANO AVE	029-051-032 - DULZURA AVE	029-071-022 - FRESNO AVE
029-032-014 - EL VERANO AVE	029-051-033 - DULZURA AVE	029-071-024 - ROSARIO AVE
029-041-002 - VIDA AVE	029-051-034 - SAN JACINTO AVE	029-071-027 - BAJADA AVE
029-041-004 - VIDA AVE	029-061-002 - HONDA AVE	029-071-032 - ROSARIO AVE
029-041-010 - SAN JACINTO AVE	029-061-003 - HONDA AVE	029-071-033 - ROSARIO AVE
029-041-012 - SAN JACINTO AVE	029-061-016 - TRAFFIC WAY	029-071-034 - ROSARIO AVE
029-041-013 - SAN JACINTO AVE	029-061-018 - HONDA AVE	029-071-035 - ROSARIO AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-071-038 - BAJADA AVE	029-105-035 - SERENA CT	029-131-027 - CASTANO AVE
029-071-039 - BAJADA AVE	029-105-036 - SERENA CT	029-131-028 - CASTANO AVE
029-081-005 - TUNITAS AVE	029-105-037 - SERENA CT	029-131-033 - CASTANO AVE
029-081-006 - TUNITAS AVE	029-105-038 - SERENA CT	029-132-012 - CORTEZ AVE
029-081-007 - TUNITAS AVE	029-105-042 - VALLE AVE	029-132-013 - CORTEZ AVE
029-081-009 - ROSARIO AVE	029-105-045 - SERENA CT	029-132-018 - CASTANO AVE
029-081-011 - TUNITAS AVE	029-106-004 - CAPISTRANO AVE	029-141-004 - PINAL AVE
029-081-015 - TUNITAS AVE	029-106-006 - CAPISTRANO AVE	029-141-005 - PINAL AVE
029-081-016 - TUNITAS AVE	029-111-002 - PINAL AVE	029-141-006 - CASTANO AVE
029-081-021 - BAJADA AVE	029-111-003 - PINAL AVE	029-141-007 - CASTANO AVE
029-081-022 - TUNITAS AVE	029-111-004 - PINAL AVE	029-141-008 - CASTANO AVE
029-082-002 - BAJADA AVE	029-111-005 - PINAL AVE	029-141-009 - CASTANO AVE
029-082-008 - TRAFFIC WAY	029-111-006 - PINAL AVE	029-141-010 - CURBARIL AVE
029-082-016 - BAJADA AVE	029-121-002 - PINAL AVE	029-141-012 - PINAL AVE
029-082-025 - BAJADA AVE	029-121-003 - PINAL AVE	029-141-014 - CURBARIL AVE
029-082-039 - TUNITAS AVE	029-121-005 - MALEZA AVE	029-141-015 - CASTANO AVE
029-082-053 - TUNITAS AVE #COM	029-121-007 - MALEZA AVE	029-141-018 - CASTANO AVE
029-091-005 - ATAS CREEK RES #A-C	029-121-008 - MALEZA AVE	029-141-021 - PINAL AVE
029-101-014 - MAGNOLIA AVE	029-121-009 - MALEZA AVE	029-141-022 - CURBARIL AVE
029-101-015 - COUNTRY CLUB DR	029-121-010 - MALEZA AVE	029-141-023 - PINAL AVE
029-101-066 - CAPISTRANO AVE	029-121-019 - MALEZA AVE	029-142-005 - CASTANO AVE
029-104-004 - CAPISTRANO AVE	029-121-020 - MALEZA AVE	029-142-015 - CASTANO AVE
029-104-011 - CAPISTRANO AVE #	029-121-021 - MALEZA AVE	029-142-019 - CURBARIL AVE
029-104-023 - CAPISTRANO AVE #CC	029-121-022 - MALEZA AVE	029-142-021 - CURBARIL AVE
029-105-007 - SERENA CT	029-131-002 - MALEZA AVE	029-142-026 - CASTANO AVE
029-105-014 - CAPISTRANO AVE	029-131-019 - PINAL AVE	029-142-027 - CASTANO AVE
029-105-023 - SERENA CT	029-131-023 - MALEZA AVE	029-142-028 - CASTANO AVE
029-105-027 - VALLE AVE	029-131-026 - MALEZA AVE	029-142-030 - CORTEZ AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-142-031 - CURBARIL AVE	029-153-002 - CASTANO AVE	029-181-008 - CORTINA AVE
029-142-032 - CURBARIL AVE	029-153-004 - CASTANO AVE	029-181-016 - SONORA AVE
029-142-034 - CORTEZ AVE	029-153-020 - CORTEZ AVE	029-181-020 - SONORA AVE
029-151-003 - CURBARIL AVE	029-153-032 - CASTANO AVE	029-181-022 - SONORA AVE
029-151-004 - YESAL AVE	029-153-033 - CORTEZ AVE	029-181-024 - SONORA AVE
029-151-005 - YESAL AVE	029-153-034 - CORTEZ AVE	029-181-027 - VALLE AVE
029-151-020 - YESAL AVE	029-153-035 - CORTEZ AVE	029-181-028 - VALLE AVE
029-151-022 - YESAL AVE	029-161-007 - ESCARPA AVE	029-181-029 - VALLE AVE
029-151-023 - YESAL AVE	029-161-009 - SONORA AVE	029-181-041 - PINAL AVE
029-151-026 - YESAL AVE	029-161-010 - ESCARPA AVE	029-181-043 - CORTINA AVE
029-151-029 - VALLE AVE	029-161-011 - ESCARPA AVE	029-181-045 - SONORA AVE
029-151-030 - VALLE AVE	029-161-012 - ESCARPA AVE	029-181-046 - PINAL AVE
029-152-004 - CURBARIL AVE	029-171-001 - SONORA AVE	029-181-049 - VALLE AVE
029-152-005 - CURBARIL AVE	029-171-002 - SONORA AVE	029-181-052 - SONORA AVE
029-152-009 - CURBARIL AVE	029-171-003 - SONORA AVE	029-191-002 - PINAL AVE
029-152-010 - CASTANO AVE	029-171-006 - SONORA AVE	029-191-003 - PINAL AVE
029-152-012 - CASTANO AVE	029-171-007 - VALLE AVE	029-191-004 - PINAL AVE
029-152-013 - CASTANO AVE	029-171-008 - VALLE AVE	029-191-007 - PINAL AVE
029-152-018 - YESAL AVE	029-171-010 - VALLE AVE	029-191-017 - CORTINA AVE
029-152-019 - YESAL AVE	029-171-011 - VALLE AVE	029-191-026 - CORTINA AVE
029-152-022 - CASTANO AVE	029-171-013 - VALLE AVE	029-191-038 - CORTINA AVE
029-152-023 - YESAL AVE	029-171-014 - VALLE AVE	029-191-045 - PINAL AVE
029-152-025 - CURBARIL AVE	029-171-015 - VALLE AVE	029-191-046 - PINAL AVE
029-152-026 - YESAL AVE	029-171-016 - VALLE AVE	029-191-047 - PINAL AVE
029-152-027 - YESAL AVE	029-171-017 - SONORA AVE	029-201-008 - CASTANO AVE
029-152-031 - CURBARIL AVE	029-171-018 - VALLE AVE	029-201-015 - CASTANO AVE
029-152-032 - CURBARIL AVE	029-171-020 - SONORA AVE	029-201-016 - CASTANO AVE
029-153-001 - CASTANO AVE	029-181-007 - PINAL AVE	029-201-019 - YESAL AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-201-020 - CASTANO AVE	029-222-010 - CAYUCOS AVE	029-233-016 - VIDA AVE
029-201-021 - YESAL AVE	029-222-011 - CAYUCOS AVE	029-233-017 - NOGALES AVE
029-201-025 - CASTANO AVE	029-222-019 - LOBOS LN	029-233-019 - NOGALES AVE
029-201-026 - PALOMAR AVE	029-222-021 - LOBOS LN	029-233-021 - NOGALES AVE
029-202-007 - CORTEZ AVE	029-222-026 - LOBOS LN	029-233-023 - VIDA AVE
029-202-016 - CASTANO AVE	029-222-027 - NOGALES AVE	029-233-024 - VIDA AVE
029-202-017 - CASTANO AVE	029-222-031 - HERMOSILLA AVE	029-233-025 - NOGALES AVE
029-211-001 - SAN ANSELMO RD	029-222-032 - HERMOSILLA AVE	029-241-011 - NOGALES AVE
029-211-002 - ROSITA AVE	029-222-034 - HERMOSILLA AVE	029-241-015 - SAN JACINTO AVE
029-211-004 - ROSITA AVE	029-222-040 - LOBOS AVE	029-241-022 - NOGALES AVE
029-211-007 - ROSITA AVE	029-223-008 - LOBOS AVE	029-241-028 - FRESNO AVE
029-211-009 - LOBOS AVE	029-223-009 - NOGALES AVE	029-241-029 - FRESNO AVE
029-211-015 - LOBOS AVE	029-223-011 - NOGALES AVE	029-241-032 - FRESNO AVE
029-211-025 - LOBOS AVE	029-223-018 - LOBOS AVE	029-241-034 - NOGALES AVE
029-211-029 - ROSITA AVE	029-223-021 - LOBOS AVE	029-241-035 - NOGALES AVE
029-211-032 - ROSITA AVE	029-231-001 - LOBOS LN	029-241-037 - SAN JACINTO AVE
029-211-033 - LOBOS AVE	029-231-008 - SAN JACINTO AVE	029-241-039 - FRESNO AVE
029-212-007 - CAYUCOS AVE	029-231-009 - NOGALES AVE	029-241-040 - FRESNO AVE
029-212-008 - SAN ANSELMO RD	029-231-010 - SAN JACINTO AVE	029-251-004 - OLMEDA AVE
029-212-009 - SAN ANSELMO RD	029-231-012 - NOGALES AVE	029-252-001 - ROSARIO AVE
029-212-011 - CAYUCOS AVE	029-231-014 - NOGALES AVE	029-252-026 - ROSARIO AVE
029-212-012 - CAYUCOS AVE	029-231-015 - LOBOS LN	029-253-003 - TRAFFIC WAY
029-212-021 - SAN ANSELMO RD	029-231-016 - LOBOS LN	029-253-008 - TUNITAS AVE
029-212-023 - CAYUCOS AVE	029-232-001 - VIDA AVE	029-253-015 - TUNITAS AVE
029-212-025 - LOBOS AVE	029-233-004 - SAN JACINTO AVE	029-253-024 - OLMEDA AVE
029-221-002 - CAYUCOS AVE	029-233-005 - SAN JACINTO AVE	029-253-030 - TUNITAS AVE
029-221-013 - LOBOS AVE	029-233-007 - SAN JACINTO AVE	029-253-031 - TUNITAS AVE
029-222-002 - HERMOSILLA AVE	029-233-014 - VIDA AVE	029-254-003 - TUNITAS AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-254-013 - TRAFFIC WAY	029-274-032 - GRAN PASEO WAY #B	029-292-004 - OLMEDA AVE
029-254-014 - TUNITAS AVE	029-281-013 - SAN JACINTO AVE	029-292-013 - OLMEDA AVE
029-261-014 - SAN ANSELMO RD	029-281-020 - OLMEDA AVE	029-292-020 - OLMEDA AVE
029-261-017 - CAYUCOS AVE	029-281-030 - FRESNO AVE	029-292-022 - OLMEDA AVE
029-261-025 - EL CAMINO REAL	029-281-031 - FRESNO AVE	029-292-023 - OLMEDA AVE
029-262-001 - CAYUCOS AVE	029-281-032 - FRESNO AVE	029-292-030 - ROSARIO AVE
029-262-014 - HERMOSILLA AVE	029-281-033 - FRESNO AVE	029-292-034 - MARIQUITA AVE
029-262-019 - EL CAMINO REAL	029-281-036 - FRESNO AVE	029-301-010 - OLMEDA AVE
029-262-023 - HERMOSILLA AVE	029-281-038 - FRESNO AVE	029-301-016 - PALMA AVE
029-262-034 - HERMOSILLA AVE	029-281-041 - FRESNO AVE	029-301-018 - PALMA AVE
029-262-043 - EL CAMINO REAL	029-281-043 - MARIQUITA AVE	029-301-029 - OLMEDA AVE
029-262-047 - EL CAMINO REAL	029-281-044 - MARIQUITA AVE	029-301-030 - OLMEDA AVE
029-262-055 - EL CAMINO REAL #I	029-281-048 - FRESNO AVE	029-301-047 - PALMA AVE
029-262-057 - EL CAMINO REAL	029-281-049 - FRESNO AVE	029-301-048 - PALMA AVE
029-271-007 - SAN JACINTO AVE	029-291-009 - MARIQUITA AVE	029-301-055 - OLMEDA AVE
029-271-021 - HERMOSILLA AVE	029-291-011 - ROSARIO AVE	029-302-014 - PALMA AVE
029-271-023 - HERMOSILLA AVE	029-291-013 - MARIQUITA AVE	029-302-017 - EL CAMINO REAL
029-272-003 - HERMOSILLA AVE	029-291-024 - FRESNO AVE	029-302-033 - PALMA AVE
029-272-012 - SAN JACINTO AVE	029-291-025 - FRESNO AVE	029-302-034 - PALMA AVE
029-272-016 - LOBOS LN	029-291-026 - FRESNO AVE	029-302-039 - PALMA AVE
029-272-017 - SAN JACINTO AVE	029-291-029 - FRESNO AVE	029-302-041 - PALMA AVE
029-272-022 - HERMOSILLA AVE	029-291-030 - FRESNO AVE	029-302-049 - EL CAMINO REAL
029-272-023 - LOBOS LN	029-291-031 - ROSARIO AVE	029-302-052 - EL CAMINO REAL
029-272-024 - LOBOS LN	029-291-032 - MARIQUITA AVE	029-302-053 - EL CAMINO REAL
029-272-025 - HERMOSILLA AVE	029-291-033 - MARIQUITA AVE	029-302-063 - PALMA AVE
029-272-027 - HERMOSILLA AVE	029-291-034 - MARIQUITA AVE	029-311-009 - OLMEDA AVE
029-274-024 - GRAN PASEO WAY	029-292-002 - MARIQUITA AVE	029-311-012 - PALMA AVE
029-274-030 - EL CAMINO REAL	029-292-003 - OLMEDA AVE	029-311-019 - PALMA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

029-311-044 - ROSARIO AVE #	029-352-002 - VALLE AVE	029-381-001 - VALLE AVE
029-311-047 - ROSARIO AVE #	029-352-003 - VALLE AVE	029-382-004 - VALLE AVE
029-311-048 - OLMEDA AVE	029-353-001 - ESCARPA AVE	029-382-006 - ENCINAL AVE
029-312-005 - PALMA AVE	029-353-003 - VALLE AVE	029-382-007 - VALLE AVE
029-312-024 - EL CAMINO REAL	029-353-004 - VALLE AVE	029-382-008 - VALLE AVE
029-312-025 - PALMA AVE	029-361-013 - SOMBRILLA AVE	029-382-019 - VALLE AVE
029-312-028 - ROSARIO AVE	029-361-023 - CAPISTRANO AVE	029-382-021 - VALLE AVE
029-312-031 - PALMA AVE	029-361-044 - EL CAMINO REAL	029-382-023 - VALLE AVE
029-312-033 - PALMA AVE	029-363-046 - CAPISTRANO AVE #CC	029-382-025 - VALLE AVE
029-312-037 - EL CAMINO REAL	029-363-048 - CAPISTRANO AVE	029-382-027 - VALLE AVE
029-312-038 - EL CAMINO REAL	029-363-049 - CAPISTRANO AVE	029-382-028 - VALLE AVE
029-312-041 - EL CAMINO REAL #COI	029-363-050 - CAPISTRANO AVE	029-382-029 - VALLE AVE
029-321-023 - ROSARIO AVE	029-371-010 - SOMBRILLA AVE	029-382-030 - VALLE AVE
029-321-024 - ROSARIO AVE	029-371-014 - SOMBRILLA AVE	029-382-031 - VALLE AVE
029-321-025 - ROSARIO AVE	029-371-016 - SOMBRILLA AVE	029-382-032 - VALLE AVE
029-322-006 - RIDGEWAY CT	029-371-017 - SOMBRILLA AVE	029-382-033 - ENCINAL AVE
029-322-009 - TRAFFIC WAY	029-371-018 - SOMBRILLA AVE	029-382-034 - VALLE AVE
029-322-014 - RIDGEWAY CT	029-371-019 - SOMBRILLA AVE	029-391-058 - SANTA YSABEL AVE
029-322-017 - PALMA AVE	029-371-020 - VALLE AVE	029-391-059 - QUAIL RIDGE DR #COM
029-322-019 - RIDGEWAY CT	029-371-021 - SOMBRILLA AVE	030-011-004 - SANTA YSABEL AVE
029-322-020 - ROSARIO AVE	029-371-022 - VALLE AVE	030-011-016 - SANTA YSABEL AVE
029-322-022 - RIDGEWAY CT	029-371-023 - SOMBRILLA AVE	030-011-024 - SOMBRILLA AVE
029-322-023 - ROSARIO AVE	029-371-027 - SOMBRILLA AVE	030-011-029 - SOMBRILLA AVE
029-322-024 - ROSARIO AVE	029-371-028 - VALLE AVE	030-011-030 - SANTA YSABEL AVE
029-323-016 - EL CAMINO REAL	029-371-029 - SOMBRILLA AVE	030-011-033 - ROBLES AVE
029-323-017 - EL CAMINO REAL	029-371-030 - VALLE AVE	030-011-044 - SANTA YSABEL AVE
029-331-003 - OLMEDA AVE	029-371-031 - VALLE AVE	030-021-005 - SOMBRILLA AVE
029-351-001 - VALLE AVE	029-371-032 - VALLE AVE	030-021-006 - SOMBRILLA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-021-007 - SOMBRILLA AVE	030-051-004 - VALLE AVE	030-061-038 - JUNIPERO AVE
030-021-008 - SOMBRILLA AVE	030-051-011 - JUNIPERO AVE	030-061-042 - CURBARIL AVE
030-021-017 - ENCINAL AVE	030-051-018 - JUNIPERO AVE	030-061-044 - CURBARIL AVE
030-021-019 - SOMBRILLA AVE	030-051-019 - PALOMAR AVE	030-061-046 - CURBARIL AVE
030-021-021 - ENCINAL AVE	030-051-020 - PALOMAR AVE	030-061-049 - CURBARIL AVE
030-021-022 - ENCINAL AVE	030-051-021 - JUNIPERO AVE	030-061-050 - VALLE AVE
030-031-002 - ENCINAL AVE	030-051-030 - VALLE AVE	030-061-051 - VALLE AVE
030-031-003 - ENCINAL AVE	030-051-032 - VALLE AVE	030-061-054 - JUNIPERO AVE
030-031-007 - VALLE AVE	030-051-035 - VALLE AVE	030-061-055 - JUNIPERO AVE
030-031-009 - CURBARIL AVE	030-051-036 - PALOMAR AVE	030-061-057 - JUNIPERO AVE
030-031-012 - CURBARIL AVE	030-051-037 - PALOMAR AVE	030-061-058 - CURBARIL AVE
030-031-015 - ENCINAL AVE	030-051-038 - JUNIPERO AVE	030-071-001 - JUNIPERO AVE
030-031-016 - ENCINAL AVE	030-051-039 - PALOMAR AVE	030-071-006 - JUNIPERO AVE
030-031-017 - ENCINAL AVE	030-051-040 - VALLE AVE	030-071-016 - JUNIPERO AVE
030-031-018 - ENCINAL AVE	030-051-043 - JUNIPERO AVE	030-071-029 - JUNIPERO AVE
030-031-019 - VALLE AVE	030-051-044 - JUNIPERO AVE	030-071-030 - PALOMAR AVE
030-041-005 - SOMBRILLA AVE	030-051-048 - VALLE AVE	030-071-031 - JUNIPERO AVE
030-041-006 - CURBARIL AVE	030-051-049 - JUNIPERO AVE	030-071-034 - PALOMAR AVE
030-041-007 - SOMBRILLA AVE	030-061-003 - CURBARIL AVE	030-071-036 - PALOMAR AVE
030-041-008 - SOMBRILLA AVE	030-061-005 - CURBARIL AVE	030-071-037 - PALOMAR AVE
030-041-009 - SOMBRILLA AVE	030-061-011 - CURBARIL AVE	030-071-040 - JUNIPERO AVE
030-041-014 - SOMBRILLA AVE	030-061-018 - JUNIPERO AVE	030-071-044 - JUNIPERO AVE
030-041-016 - SOMBRILLA AVE	030-061-019 - JUNIPERO AVE	030-071-058 - JUNIPERO AVE
030-041-017 - SOMBRILLA AVE	030-061-020 - JUNIPERO AVE	030-071-061 - JUNIPERO AVE
030-041-018 - SOMBRILLA AVE	030-061-030 - CURBARIL AVE	030-071-062 - JUNIPERO AVE
030-041-021 - SOMBRILLA AVE	030-061-031 - CURBARIL AVE	030-091-002 - SOMBRILLA AVE
030-041-022 - SOMBRILLA AVE	030-061-032 - CURBARIL AVE	030-091-005 - SOMBRILLA AVE
030-051-003 - VALLE AVE	030-061-033 - CURBARIL AVE	030-091-010 - SOMBRILLA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-091-026 - ROBLES AVE	030-111-044 - JUNIPERO AVE	030-141-021 - CURBARIL AVE
030-091-032 - SANTA YSABEL AVE	030-111-045 - PALOMAR AVE	030-141-028 - CURBARIL AVE
030-091-034 - ROBLES AVE	030-111-046 - PALOMAR AVE	030-141-029 - CURBARIL AVE
030-091-046 - PUEBLO AVE	030-111-047 - PALOMAR AVE	030-141-030 - CURBARIL AVE
030-091-048 - ROBLES AVE	030-111-048 - PALOMAR AVE	030-141-037 - CURBARIL AVE
030-091-049 - SANTA YSABEL AVE	030-121-028 - SANTA YSABEL AVE	030-141-038 - CURBARIL AVE
030-101-003 - SOMBRILLA AVE	030-122-003 - SANTA YSABEL AVE #C	030-141-053 - JUNIPERO AVE
030-101-004 - SOMBRILLA AVE	030-122-004 - SANTA YSABEL AVE #C	030-141-068 - CURBARIL AVE
030-101-005 - CURBARIL AVE	030-122-005 - SANTA YSABEL AVE #B	030-141-069 - CURBARIL AVE
030-101-006 - CURBARIL AVE	030-122-007 - SANTA YSABEL AVE #C	030-141-079 - JUNIPERO AVE
030-101-010 - SANTA YSABEL AVE	030-131-001 - SANTA YSABEL AVE	030-151-006 - JUNIPERO AVE
030-101-011 - SANTA YSABEL AVE	030-131-019 - SINALOA AVE	030-151-010 - JUNIPERO AVE
030-101-026 - CURBARIL AVE	030-131-027 - SINALOA AVE	030-151-011 - JUNIPERO AVE
030-101-027 - CURBARIL AVE	030-131-034 - SANTA YSABEL AVE	030-151-020 - PALOMAR AVE
030-101-028 - SANTA YSABEL AVE	030-131-048 - SINALOA AVE	030-151-021 - PALOMAR AVE
030-101-030 - SANTA YSABEL AVE	030-131-049 - SANTA YSABEL AVE	030-151-022 - PALOMAR AVE
030-101-036 - CURBARIL AVE	030-132-002 - SINALOA AVE	030-151-024 - PALOMAR AVE
030-101-045 - PUEBLO AVE	030-132-019 - EL CAMINO REAL	030-151-025 - PALOMAR AVE
030-101-052 - PUEBLO AVE	030-132-032 - EL CAMINO REAL	030-151-026 - PALOMAR AVE
030-101-055 - CURBARIL AVE	030-132-038 - SINALOA AVE	030-152-008 - PALOMAR AVE
030-111-001 - JUNIPERO AVE	030-132-043 - SINALOA AVE	030-152-024 - PALOMAR AVE
030-111-002 - JUNIPERO AVE	030-134-007 - SINALOA #COM	030-152-032 - PALOMAR AVE
030-111-010 - JUNIPERO AVE	030-134-008 - SINALOA	030-161-002 - VEGA AVE
030-111-012 - PALOMAR AVE	030-134-009 - SINALOA	030-161-003 - SAN PALO RD
030-111-024 - PALOMAR AVE	030-141-010 - JUNIPERO AVE	030-161-006 - SAN PALO RD
030-111-025 - PALOMAR AVE	030-141-013 - JUNIPERO AVE	030-161-008 - SAN PALO RD
030-111-029 - PALOMAR AVE	030-141-016 - JUNIPERO AVE	030-171-014 - VEGA AVE
030-111-038 - PALOMAR AVE	030-141-020 - CURBARIL AVE	030-171-015 - VEGA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-171-016 - VEGA AVE	030-221-026 - MARCHANT AVE	030-251-021 - ARDILLA RD
030-171-017 - VEGA AVE	030-221-027 - ALCANTARA AVE	030-251-022 - VENADO AVE
030-171-020 - VEGA AVE	030-221-031 - MARCHANT AVE	030-251-023 - ARDILLA RD
030-172-001 - ARDILLA RD	030-221-032 - MARCHANT AVE	030-251-024 - VENADO AVE
030-172-006 - ARDILLA RD	030-221-033 - ALCANTARA AVE	030-251-025 - ARDILLA RD
030-172-016 - ARDILLA RD	030-222-032 - MARCHANT AVE	030-251-026 - VENADO AVE
030-172-017 - ARDILLA RD	030-232-018 - MARCHANT AVE	030-251-027 - ARDILLA RD
030-172-018 - VEGA AVE	030-232-021 - MARCHANT AVE	030-251-030 - VENADO AVE
030-172-019 - VEGA AVE	030-232-026 - MARCHANT AVE	030-251-031 - VENADO AVE
030-172-020 - ARDILLA RD	030-232-027 - MARCHANT AVE	030-251-033 - ARDILLA RD
030-172-022 - ARDILLA RD	030-232-029 - MARCHANT AVE	030-251-034 - VENADO AVE
030-181-061 - VEGA AVE	030-233-004 - MARCHANT AVE	030-251-036 - VENADO AVE
030-181-062 - VEGA AVE	030-233-008 - MARCHANT AVE	030-261-004 - VENADO AVE
030-181-063 - VEGA AVE #X	030-233-009 - MARCHANT AVE	030-261-006 - VENADO AVE
030-182-003 - ARDILLA RD	030-241-011 - EL CAMINO REAL	030-261-011 - ARDILLA RD
030-182-004 - ARDILLA RD	030-241-020 - SAN LUIS AVE	030-261-013 - ARDILLA RD
030-182-005 - ARDILLA RD	030-241-059 - SAN LUIS AVE	030-261-014 - VENADO AVE
030-191-011 - ATASCADERO AVE	030-241-062 - SAN LUIS AVE	030-261-016 - VENADO AVE
030-191-040 - SANTA LUCIA RD	030-241-063 - SAN LUIS AVE	030-261-018 - VENADO AVE
030-191-041 - SANTA LUCIA RD	030-242-025 - MARCHANT AVE	030-261-019 - ARDILLA RD
030-201-006 - SANTA YNEZ AVE	030-242-034 - CONSTANCIA ST #X	030-261-020 - ARDILLA RD
030-201-007 - SANTA YNEZ AVE	030-242-036 - CONSTANCIA ST	030-261-021 - VENADO AVE
030-201-026 - EL CAMINO REAL	030-242-037 - CONSTANCIA ST	030-261-022 - ARDILLA RD
030-213-015 - TECORIDA AVE #COM	030-242-039 - MARCHANT AVE	030-261-023 - ARDILLA RD
030-213-024 - TECORIDA AVE #COM	030-251-008 - ARDILLA RD	030-271-003 - ARDILLA RD
030-221-009 - ALCANTARA AVE	030-251-018 - ARDILLA RD	030-271-006 - ARDILLA RD
030-221-022 - ALCANTARA AVE	030-251-019 - ARDILLA RD	030-271-012 - SANTA LUCIA RD
030-221-023 - ALCANTARA AVE	030-251-020 - ARDILLA RD	030-271-013 - SANTA LUCIA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-271-015 - ARDILLA RD	030-291-028 - ATASCADERO AVE	030-301-055 - MARCHANT AVE
030-271-016 - VENADO AVE	030-292-009 - ALCANTARA AVE	030-301-056 - MARCHANT AVE
030-271-018 - ARDILLA RD	030-292-010 - ALCANTARA AVE	030-311-001 - VENADO AVE
030-271-019 - ARDILLA RD	030-292-011 - ALCANTARA AVE	030-311-002 - CHAUPLIN AVE
030-271-022 - VENADO AVE	030-292-017 - MARCHANT AVE	030-311-004 - AGUILA AVE
030-271-024 - VENADO AVE	030-292-021 - SAN ANDRES AVE	030-311-005 - CHAUPLIN AVE
030-271-025 - VENADO AVE	030-292-023 - SAN ANDRES AVE	030-311-009 - AGUILA AVE
030-271-027 - VENADO AVE	030-292-038 - MARCHANT AVE	030-311-010 - AGUILA AVE
030-281-006 - SANTA YNEZ AVE	030-292-067 - SAN ANDRES AVE	030-311-011 - CHAUPLIN AVE
030-281-011 - ATASCADERO AVE	030-292-068 - SAN ANDRES AVE	030-311-012 - CHAUPLIN AVE
030-281-019 - SANTA YNEZ AVE	030-292-077 - ALCANTARA AVE	030-321-001 - VENADO AVE
030-281-020 - SANTA YNEZ AVE	030-301-009 - CRISTOBAL AVE	030-321-004 - PESCADO CT
030-281-022 - SANTA YNEZ AVE	030-301-017 - CRISTOBAL AVE	030-321-007 - VENADO AVE
030-281-023 - SANTA YNEZ AVE	030-301-018 - CRISTOBAL AVE	030-321-008 - PESCADO CT
030-281-024 - SANTA YNEZ AVE	030-301-022 - CRISTOBAL AVE	030-321-010 - AGUILA AVE
030-281-025 - SANTA YNEZ AVE	030-301-023 - CRISTOBAL AVE	030-321-011 - PESCADO CT
030-281-036 - SANTA YNEZ AVE	030-301-029 - CRISTOBAL AVE	030-321-012 - PESCADO CT
030-282-003 - MORRO RD	030-301-032 - SAN ANDRES AVE	030-321-013 - PESCADO CT
030-282-014 - NAVAJOA AVE	030-301-033 - SAN ANDRES AVE	030-321-014 - AGUILA AVE
030-282-021 - NAVAJOA AVE	030-301-034 - CRISTOBAL AVE	030-321-015 - PESCADO CT
030-282-022 - NAVAJOA AVE	030-301-035 - CRISTOBAL AVE	030-321-024 - PESCADO CT
030-282-024 - MORRO RD	030-301-037 - CRISTOBAL AVE	030-321-025 - PESCADO CT
030-282-028 - MORRO RD	030-301-040 - CRISTOBAL AVE	030-321-026 - PESCADO CT
030-282-029 - MORRO RD	030-301-043 - CRISTOBAL AVE	030-321-027 - PESCADO CT
030-282-038 - MORRO RD #D	030-301-044 - SAN ANDRES AVE	030-321-028 - PESCADO CT
030-282-045 - MORRO RD	030-301-045 - CRISTOBAL AVE	030-331-001 - VENADO AVE
030-291-026 - SAN ANDRES AVE	030-301-053 - MARCHANT AVE	030-331-003 - VENADO AVE
030-291-027 - MORRO RD	030-301-054 - MARCHANT AVE	030-331-006 - AGUILA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-331-007 - PESCADO CT	030-341-018 - SANTA LUCIA RD	030-361-002 - HIGH SCHOOL HILL
030-331-008 - VENADO AVE	030-341-019 - SANTA LUCIA RD	030-371-001 - ATASCADERO AVE
030-331-009 - PESCADO CT	030-341-020 - NACIMIENTO AVE	030-371-003 - ATASCADERO AVE
030-331-010 - PESCADO CT	030-341-022 - NACIMIENTO AVE	030-371-015 - SANTA YNEZ AVE
030-331-011 - PESCADO CT	030-341-023 - NACIMIENTO AVE	030-372-011 - SERRA AVE
030-332-002 - AGUILA AVE	030-341-024 - NACIMIENTO AVE	030-372-013 - SERRA AVE
030-332-003 - AGUILA AVE	030-341-025 - NACIMIENTO AVE	030-372-018 - SERRA AVE
030-332-004 - VIOLETA AVE	030-341-026 - NACIMIENTO AVE	030-372-020 - SANTA YNEZ AVE
030-332-005 - VIOLETA AVE	030-341-027 - SANTA LUCIA RD	030-372-025 - SANTA YNEZ AVE
030-332-010 - VENADO AVE	030-341-028 - SANTA LUCIA RD	030-372-026 - SAN ANDRES AVE
030-332-011 - VENADO AVE	030-341-029 - SANTA LUCIA RD	030-372-028 - SERRA AVE
030-332-012 - SANTA LUCIA RD	030-341-030 - SANTA LUCIA RD	030-373-008 - ATASCADERO AVE
030-332-014 - SANTA LUCIA RD	030-341-036 - SANTA LUCIA RD #COM	030-373-021 - SERRA AVE
030-332-015 - SANTA LUCIA RD	030-351-005 - CRISTOBAL AVE	030-373-027 - SERRA AVE
030-332-018 - SANTA LUCIA RD	030-351-011 - CRISTOBAL AVE	030-373-028 - SERRA AVE
030-332-019 - AGUILA AVE	030-351-015 - TECORIDA AVE	030-373-029 - NAVAJOA AVE
030-332-020 - AGUILA AVE	030-351-017 - TECORIDA AVE	030-381-001 - PALOMAR AVE
030-332-023 - AGUILA AVE	030-351-027 - SAN ANDRES AVE	030-381-002 - PALOMAR AVE
030-332-024 - AGUILA AVE	030-351-028 - SAN ANDRES AVE	030-381-003 - PALOMAR AVE
030-332-025 - AGUILA AVE	030-351-035 - TECORIDA AVE	030-381-004 - PALOMAR AVE
030-332-026 - AGUILA AVE	030-351-036 - CRISTOBAL AVE	030-381-005 - PALOMAR AVE
030-332-027 - AGUILA AVE	030-352-002 - TECORIDA AVE	030-381-006 - PALOMAR AVE
030-341-003 - SANTA LUCIA RD	030-352-003 - TECORIDA AVE	030-391-001 - ARCADE RD
030-341-004 - SANTA LUCIA RD	030-352-004 - TECORIDA AVE	030-391-002 - EL CORTE RD
030-341-005 - SANTA LUCIA RD	030-352-025 - ATASCADERO AVE	030-400-047 - PASEO DE VACA
030-341-006 - SANTA LUCIA RD	030-352-027 - TECORIDA AVE	030-400-048 - EL CORTE RD #ROW
030-341-015 - SANTA LUCIA RD	030-352-030 - SAN ANDRES AVE	030-401-033 - PASEO DE VACA
030-341-017 - SANTA LUCIA RD	030-352-032 - SAN ANDRES AVE	030-401-034 - PASEO DE CABALLO

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-411-001 - ARCADE RD	030-422-007 - PINO SOLO AVE	030-462-020 - BIENVENIDA CT
030-411-002 - ARCADE RD	030-422-009 - LA LINIA AVE	030-462-021 - BIENVENIDA CT
030-411-006 - ARCADE RD	030-422-010 - PINO SOLO AVE	030-462-022 - BIENVENIDA CT
030-411-009 - ARCADE RD	030-422-011 - LA LINIA AVE	030-462-023 - BIENVENIDA CT
030-412-006 - ARCADE RD	030-431-005 - PINO SOLO AVE	030-462-024 - BIENVENIDA CT
030-412-015 - ARCADE RD	030-431-006 - LAS LOMAS AVE	030-462-025 - BIENVENIDA CT
030-412-022 - SANTA FE RD	030-431-007 - PINO SOLO AVE	030-462-026 - BIENVENIDA CT
030-412-029 - EL DORADO RD	030-431-009 - PINO SOLO AVE	030-464-004 - MOCHUELO CT
030-413-001 - EL CORTE RD	030-431-017 - LAS LOMAS AVE	030-464-010 - MUSSELMAN DR
030-413-002 - EL CORTE RD	030-431-018 - PINO SOLO AVE	030-466-024 - EL BORDO AVE
030-413-003 - EL DORADO RD	030-441-012 - LA QUINTA CT #ROW	030-466-028 - EL BORDO AVE #COM
030-413-004 - EL DORADO RD	030-441-016 - VISTA BONITA AVE	030-471-001 - EL BORDO AVE
030-413-008 - EL DORADO RD	030-441-022 - EL BORDO AVE	030-471-002 - EL BORDO AVE
030-413-012 - EL DORADO RD	030-441-023 - VISTA BONITA AVE	030-471-005 - LAS LOMAS AVE
030-413-018 - SANTA FE RD	030-441-025 - VISTA BONITA AVE	030-471-006 - LAS LOMAS AVE
030-413-027 - EL DORADO RD	030-441-026 - VISTA BONITA AVE	030-471-007 - LAS LOMAS AVE
030-413-028 - SANTA FE RD	030-442-005 - EL BORDO AVE	030-471-008 - LAS LOMAS AVE
030-421-003 - LA LINIA AVE	030-442-008 - EL BORDO AVE	030-471-010 - EL BORDO AVE
030-421-006 - EL DORADO RD	030-442-009 - EL BORDO AVE	030-481-003 - EL CAMINO REAL
030-421-007 - ERIKA CT	030-442-010 - EL BORDO AVE	030-481-004 - EL CAMINO REAL
030-421-010 - ERIKA CT	030-442-011 - EL BORDO AVE	030-481-013 - EL CAMINO REAL
030-421-011 - ERIKA CT	030-451-001 - LAS LOMAS AVE	030-482-001 - LAS LOMAS AVE
030-421-012 - ERIKA CT	030-451-002 - LAS LOMAS AVE	030-483-001 - LAS LOMAS AVE
030-421-013 - ERIKA CT	030-451-003 - LAS LOMAS AVE	030-483-002 - LAS LOMAS AVE
030-422-002 - PINO SOLO AVE	030-451-006 - LAS LOMAS AVE	030-483-003 - LAS LOMAS AVE
030-422-003 - PINO SOLO AVE	030-461-012 - EL CAMINO REAL	030-483-004 - LAS LOMAS AVE
030-422-005 - PINO SOLO AVE	030-461-042 - MUSSELMAN DR	030-483-005 - LAS LOMAS AVE
030-422-006 - PINO SOLO AVE	030-462-019 - BIENVENIDA CT	030-483-006 - LAS LOMAS AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

030-491-004 - PINO SOLO AVE	030-522-020 - EL CENTRO RD	031-021-005 - SANTA LUCIA RD
030-491-005 - PINO SOLO AVE	030-522-021 - EL CENTRO RD	031-021-007 - CHAUPLIN AVE
030-491-008 - PINO SOLO AVE	030-522-022 - EL CENTRO RD	031-021-010 - CHAUPLIN AVE
030-491-009 - PINO SOLO AVE	030-522-025 - ARCADE RD	031-021-011 - SANTA LUCIA RD
030-491-021 - PINO SOLO AVE	030-522-027 - EL DORADO RD	031-023-005 - CORTA AVE
030-491-023 - PRINCIPAL AVE	030-522-028 - EL DORADO RD	031-023-006 - SANTA LUCIA RD
030-501-003 - SOLANO RD	030-522-029 - EL DORADO RD	031-023-010 - SANTA LUCIA RD
030-501-005 - EL CAMINO REAL	030-523-002 - EL DORADO RD	031-023-011 - SANTA LUCIA RD
030-501-006 - LA LINIA AVE	030-523-010 - LA LINIA AVE	031-023-012 - SANTA LUCIA RD
030-502-011 - LA LINIA AVE	031-012-004 - AGUILA AVE	031-023-013 - VIOLETA AVE
030-502-015 - LA LINIA AVE	031-012-007 - VIOLETA AVE	031-023-014 - SANTA LUCIA RD
030-502-016 - LA LINIA AVE	031-012-009 - CORTA AVE	031-023-015 - SANTA LUCIA RD
030-502-018 - LA LINIA AVE	031-012-010 - VIOLETA AVE	031-023-016 - SANTA LUCIA RD
030-511-001 - ARCADE RD	031-012-011 - CORTA AVE	031-023-017 - SANTA LUCIA RD
030-512-002 - CASCADA RD	031-012-016 - AGUILA AVE	031-023-018 - SANTA LUCIA RD
030-512-003 - EL CAMINO REAL	031-012-017 - AGUILA AVE	031-023-024 - SANTA LUCIA RD
030-512-011 - CASCADA RD	031-012-018 - CORTA AVE	031-023-025 - SANTA LUCIA RD
030-512-012 - EL CENTRO RD	031-012-019 - CORTA AVE	031-041-015 - SAN MARCOS RD
030-512-013 - EL CENTRO RD	031-012-020 - AGUILA AVE	031-041-016 - SAN MARCOS RD
030-513-004 - EL CENTRO RD	031-012-022 - CHAUPLIN AVE	031-041-019 - SAN ANDRES AVE
030-521-010 - ARCADE RD	031-012-023 - CHAUPLIN AVE	031-041-020 - SAN ANDRES AVE
030-522-001 - EL DORADO RD	031-012-024 - CHAUPLIN AVE	031-041-021 - SAN MARCOS RD
030-522-002 - EL DORADO RD	031-012-025 - CHAUPLIN AVE	031-041-022 - SAN MARCOS RD
030-522-005 - EL DORADO RD	031-013-005 - AGUILA AVE	031-041-023 - CARMELITA AVE
030-522-010 - ARCADE RD	031-013-027 - VIOLETA AVE	031-041-024 - CARMELITA AVE
030-522-016 - ARCADE RD	031-013-028 - VIOLETA AVE	031-041-026 - CARMELITA AVE
030-522-018 - EL DORADO RD	031-013-029 - VIOLETA AVE	031-041-028 - CARMELITA AVE
030-522-019 - EL CENTRO RD	031-021-001 - CHAUPLIN AVE	031-041-030 - CARMELITA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-042-003 - CARMELITA AVE	031-051-059 - NAVAJOA AVE	031-061-046 - TECORIDA AVE
031-042-004 - CARMELITA AVE	031-051-068 - NAVAJOA AVE	031-062-002 - ATASCADERO AVE
031-042-005 - SANTA YNEZ AVE	031-052-011 - ATASCADERO AVE	031-062-006 - ATASCADERO AVE
031-042-012 - CARMELITA AVE	031-052-020 - MORRO RD	031-062-008 - ATASCADERO AVE
031-042-013 - CARMELITA AVE	031-052-027 - ATASCADERO AVE	031-062-009 - ATASCADERO AVE
031-042-014 - CARMELITA AVE	031-052-028 - ATASCADERO AVE	031-062-010 - ATASCADERO AVE
031-042-017 - SANTA YNEZ AVE	031-052-035 - ATASCADERO AVE	031-062-011 - CURBARIL AVE
031-043-014 - NAVAJOA AVE	031-052-043 - ATASCADERO AVE	031-062-016 - CURBARIL AVE
031-043-015 - SANTA YNEZ AVE	031-052-044 - MORRO RD	031-062-017 - CURBARIL AVE
031-043-023 - NAVAJOA AVE	031-052-046 - MORRO RD	031-062-021 - ATASCADERO AVE
031-043-024 - SAN ANDRES AVE	031-052-047 - MORRO RD	031-062-022 - ATASCADERO AVE
031-043-027 - SANTA YNEZ AVE	031-053-008 - MORRO RD	031-071-017 - CRISTOBAL AVE
031-043-028 - SAN ANDRES AVE	031-061-005 - CRISTOBAL AVE	031-071-018 - CRISTOBAL AVE
031-043-029 - SAN ANDRES AVE	031-061-006 - CRISTOBAL AVE	031-071-019 - CRISTOBAL AVE
031-043-030 - NAVAJOA AVE	031-061-010 - TECORIDA AVE	031-071-021 - MARCHANT AVE
031-051-007 - NAVAJOA AVE	031-061-013 - TECORIDA AVE	031-071-023 - CRISTOBAL AVE
031-051-018 - NAVAJOA AVE	031-061-014 - TECORIDA AVE	031-071-025 - CRISTOBAL AVE
031-051-021 - NAVAJOA AVE	031-061-015 - TECORIDA AVE	031-071-029 - MARCHANT AVE
031-051-022 - NAVAJOA AVE	031-061-023 - CRISTOBAL AVE	031-071-030 - MARCHANT AVE
031-051-023 - SAN ANDRES AVE	031-061-031 - CRISTOBAL AVE	031-071-031 - MARCHANT AVE
031-051-024 - SAN ANDRES AVE	031-061-032 - CRISTOBAL AVE	031-071-033 - CRISTOBAL AVE
031-051-032 - NAVAJOA AVE	031-061-034 - CRISTOBAL AVE	031-071-035 - MARCHANT AVE
031-051-033 - NAVAJOA AVE	031-061-036 - TECORIDA AVE	031-081-003 - MARCHANT AVE
031-051-038 - MORRO RD	031-061-037 - TECORIDA AVE	031-081-007 - CURBARIL AVE
031-051-042 - MORRO RD	031-061-038 - CRISTOBAL AVE	031-081-013 - CURBARIL AVE
031-051-043 - MORRO RD	031-061-039 - TECORIDA AVE	031-081-019 - MARCHANT AVE
031-051-044 - MORRO RD	031-061-042 - CURBARIL AVE	031-081-020 - CURBARIL AVE
031-051-058 - SAN ANDRES AVE	031-061-043 - CRISTOBAL AVE	031-081-021 - CURBARIL AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-081-023 - CURBARIL AVE	031-092-005 - ENCINO AVE	031-104-036 - SANTA LUCIA RD
031-081-026 - CURBARIL AVE	031-092-011 - ALLEMANDE LN	031-111-001 - EL RETIRO ST
031-081-028 - COROMAR AVE	031-092-012 - ALLEMANDE LN	031-111-002 - EL RETIRO ST
031-081-029 - MARCHANT AVE	031-092-014 - ALLEMANDE LN	031-111-003 - MIRA FLORES AVE
031-081-030 - MARCHANT AVE	031-092-021 - ENCINO AVE	031-111-010 - MIRA FLORES AVE
031-082-020 - MARCHANT AVE	031-101-001 - ENCINO AVE	031-111-011 - EL RETIRO ST
031-082-024 - CONSTANCIA ST	031-101-002 - ENCINO AVE	031-111-014 - EL RETIRO ST
031-082-025 - CONSTANCIA ST	031-101-003 - ENCINO AVE	031-111-015 - EL RETIRO ST
031-082-027 - MARCHANT AVE	031-101-004 - ENCINO AVE	031-111-017 - MIRA FLORES AVE
031-082-028 - MARCHANT AVE	031-101-006 - ENCINO AVE	031-111-018 - EL RETIRO ST
031-082-029 - MARCHANT AVE	031-101-008 - CHAULPIN AVE	031-112-001 - EL RETIRO ST
031-082-030 - COROMAR AVE	031-101-011 - CHAULPIN AVE	031-112-002 - EL RETIRO ST
031-082-032 - COROMAR AVE	031-101-012 - ENCINO AVE	031-112-004 - LINDA VISTA AVE
031-082-034 - CURBARIL AVE	031-102-001 - ENCINO AVE	031-112-005 - LINDA VISTA AVE
031-082-035 - CURBARIL AVE	031-102-002 - ENCINO AVE	031-112-006 - ALTA VISTA AVE
031-082-036 - COROMAR AVE	031-102-013 - ENCINO AVE	031-112-007 - LINDA VISTA AVE
031-082-040 - CONSTANCIA ST #X	031-102-014 - ENCINO AVE	031-112-009 - ALTA VISTA AVE
031-091-004 - ATAJO AVE	031-102-016 - ENCINO AVE	031-112-010 - LINDA VISTA AVE
031-091-010 - CHAULPIN AVE	031-102-017 - ENCINO AVE	031-112-011 - ALTA VISTA AVE
031-091-011 - CHAULPIN AVE	031-103-001 - NAVARETTE AVE	031-112-012 - ALTA VISTA AVE
031-091-013 - ENCINO AVE	031-104-001 - NAVARETTE AVE	031-112-013 - EL RETIRO ST
031-091-020 - ENCINO AVE	031-104-008 - SANTA LUCIA RD	031-112-014 - EL RETIRO ST
031-091-021 - ENCINO AVE	031-104-009 - SANTA LUCIA RD	031-113-001 - NAVARETTE AVE
031-091-022 - ATAJO AVE	031-104-010 - SANTA LUCIA RD	031-113-002 - ALTA VISTA AVE
031-091-025 - ENCINO AVE	031-104-025 - MIRA FLORES AVE	031-113-003 - ALTA VISTA AVE
031-091-026 - ENCINO AVE	031-104-026 - MIRA FLORES AVE	031-113-006 - ALTA VISTA AVE
031-091-027 - ENCINO AVE	031-104-032 - SANTA LUCIA RD	031-113-007 - ALTA VISTA AVE
031-091-031 - ENCINO AVE	031-104-035 - MIRA FLORES AVE	031-113-008 - ALTA VISTA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-113-010 - ALTA VISTA AVE	031-124-011 - LARGA AVE	031-133-012 - LARGA AVE
031-113-011 - ALTA VISTA AVE	031-124-013 - LARGA AVE	031-133-013 - EL DESCANSO AVE
031-113-012 - ALTA VISTA AVE	031-124-014 - LARGA AVE	031-133-014 - LARGA AVE
031-114-001 - ALTA VISTA AVE	031-125-001 - NAVARETTE AVE	031-134-003 - SAN CLEMENTE AVE
031-114-002 - ALTA VISTA AVE	031-125-002 - SAN MARCOS RD	031-134-004 - SAN CLEMENTE AVE
031-114-004 - LINDA VISTA AVE	031-125-003 - SAN MARCOS RD	031-134-005 - SAN CLEMENTE AVE
031-114-005 - LINDA VISTA AVE	031-131-001 - SAN CLEMENTE AVE	031-134-006 - SAN CLEMENTE AVE
031-115-001 - EL RETIRO ST	031-131-002 - SAN CLEMENTE AVE	031-134-007 - SAN CLEMENTE AVE
031-115-002 - EL RETIRO ST	031-131-003 - LARGA AVE	031-134-008 - SAN MARCOS RD
031-115-003 - SAN ANDRES AVE	031-131-004 - LARGA AVE	031-134-009 - EL DESCANSO AVE
031-115-006 - SAN ANDRES AVE	031-131-006 - PEQUENIA AVE	031-134-010 - EL DESCANSO AVE
031-115-007 - SAN ANDRES AVE	031-131-007 - HERMOSA AVE	031-134-011 - SAN MARCOS RD
031-115-008 - SAN ANDRES AVE	031-131-010 - NAVARETTE AVE	031-134-017 - SAN CLEMENTE AVE
031-121-001 - LINDA VISTA AVE	031-131-011 - LARGA AVE	031-134-020 - SAN CLEMENTE AVE
031-121-002 - LINDA VISTA AVE	031-131-012 - LARGA AVE	031-134-021 - SAN CLEMENTE AVE
031-122-005 - LOS CERRITOS AVE	031-132-002 - LARGA AVE	031-134-022 - SAN CLEMENTE AVE
031-122-006 - LOS CERRITOS AVE	031-132-004 - LARGA AVE	031-134-024 - SAN MARCOS RD
031-122-007 - LOS CERRITOS AVE	031-132-006 - LARGA AVE	031-141-003 - CURBARIL AVE
031-123-001 - SAN ANDRES AVE	031-132-007 - LARGA AVE	031-141-004 - CURBARIL AVE
031-123-002 - SAN ANDRES AVE	031-132-008 - PEQUENIA AVE	031-141-005 - CURBARIL AVE
031-123-003 - LOS CERRITOS AVE	031-132-009 - PEQUENIA AVE	031-141-006 - CARMELITA AVE
031-123-006 - SAN ANDRES AVE	031-132-011 - PEQUENIA AVE	031-141-007 - SAN MARCOS RD
031-123-010 - NAVARETTE AVE	031-133-002 - LARGA AVE	031-141-010 - SAN MARCOS RD
031-123-011 - LOS CERRITOS AVE	031-133-003 - LARGA AVE	031-141-013 - SAN MARCOS RD
031-123-012 - LOS CERRITOS AVE	031-133-004 - LARGA AVE	031-141-014 - SAN MARCOS RD
031-124-001 - NAVARETTE AVE	031-133-005 - LARGA AVE	031-141-016 - SAN MARCOS RD
031-124-003 - NAVARETTE AVE	031-133-006 - LARGA AVE	031-141-019 - CARMELITA AVE
031-124-009 - NAVARETTE AVE	031-133-009 - EL DESCANSO AVE	031-141-021 - CARMELITA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-141-022 - CARMELITA AVE	031-152-012 - SANTA YNEZ AVE	031-171-007 - MARCHANT AVE
031-141-030 - CURBARIL AVE	031-152-020 - SANTA YNEZ AVE	031-171-020 - ATASCADERO AVE
031-141-033 - SAN MARCOS RD	031-152-021 - SANTA YNEZ AVE	031-171-029 - CURBARIL AVE
031-141-034 - CARMELITA AVE	031-152-023 - SANTA YNEZ AVE	031-171-031 - MARCHANT AVE
031-141-040 - CURBARIL AVE	031-152-025 - NAVAJOA AVE	031-181-001 - SANTA YNEZ AVE
031-141-045 - SAN MARCOS RD	031-152-026 - SANTA YNEZ AVE	031-181-008 - CURBARIL AVE
031-141-048 - SAN MARCOS RD	031-152-027 - NAVAJOA AVE	031-181-009 - CURBARIL AVE
031-141-049 - SAN MARCOS RD	031-153-011 - NAVAJOA AVE	031-181-023 - SANTA YNEZ AVE
031-141-050 - SAN MARCOS RD	031-161-007 - CURBARIL AVE	031-181-030 - SANTA YNEZ AVE
031-141-051 - SAN MARCOS RD	031-161-008 - ATASCADERO AVE	031-181-031 - SANTA YNEZ AVE
031-142-013 - CARMELITA AVE	031-161-019 - MORRO RD	031-182-005 - NAVAJOA AVE
031-142-014 - CARMELITA AVE	031-161-030 - CURBARIL AVE	031-182-007 - NAVAJOA AVE
031-142-024 - CARMELITA AVE	031-161-033 - MORRO RD	031-182-018 - SANTA YNEZ AVE
031-142-026 - CARMELITA AVE	031-161-035 - ATASCADERO AVE	031-182-029 - SANTA YNEZ AVE
031-142-027 - CARMELITA AVE	031-161-038 - ATASCADERO AVE	031-182-030 - SANTA YNEZ AVE
031-142-028 - CARMELITA AVE	031-161-039 - ATASCADERO AVE	031-182-033 - NAVAJOA AVE
031-142-032 - CARMELITA AVE	031-161-042 - ATASCADERO AVE	031-182-034 - CURBARIL AVE
031-142-034 - CURBARIL AVE	031-161-044 - CURBARIL AVE	031-182-035 - NAVAJOA AVE
031-151-007 - SANTA YNEZ AVE	031-161-045 - CURBARIL AVE	031-183-028 - MORRO RD
031-151-021 - CARMELITA AVE	031-161-046 - CURBARIL AVE	031-183-031 - NAVAJOA AVE
031-151-022 - CARMELITA AVE	031-161-047 - CURBARIL AVE	031-183-032 - NAVAJOA AVE
031-151-024 - CARMELITA AVE	031-161-048 - CURBARIL AVE	031-183-042 - MORRO RD
031-151-028 - SANTA YNEZ AVE	031-161-049 - CURBARIL AVE	031-183-043 - MORRO RD
031-151-030 - SANTA YNEZ AVE	031-161-050 - CURBARIL AVE	031-191-002 - NAVARETTE AVE
031-151-031 - SANTA YNEZ AVE	031-161-051 - CURBARIL AVE	031-191-003 - NAVARETTE AVE
031-151-033 - SANTA YNEZ AVE	031-161-052 - MORRO RD	031-191-004 - NAVARETTE AVE
031-151-034 - SANTA YNEZ AVE	031-171-001 - MARCHANT AVE	031-191-005 - NAVARETTE AVE
031-151-035 - CARMELITA AVE	031-171-004 - MARCHANT AVE	031-191-007 - NAVARETTE AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-191-008 - NAVARETTE AVE	031-211-009 - SAN MARCOS RD	031-231-037 - SANTA YNEZ AVE
031-191-009 - NAVARETTE AVE	031-211-010 - CURBARIL AVE	031-231-039 - SANTA YNEZ AVE
031-191-010 - NAVARETTE AVE	031-211-011 - CARMELITA AVE	031-231-040 - SANTA YNEZ AVE
031-192-012 - HERMOSA AVE	031-221-005 - PIEDRAS ALTOS AVE	031-242-020 - MORRO RD
031-192-014 - HERMOSA AVE	031-221-009 - CARMELITA AVE	031-243-021 - AMAPOA AVE
031-192-015 - HERMOSA AVE	031-221-010 - CARMELITA AVE	031-243-022 - AMAPOA AVE
031-192-017 - NAVARETTE AVE	031-221-014 - PIEDRAS ALTOS AVE	031-243-023 - AMAPOA AVE
031-192-019 - NAVARETTE AVE	031-221-015 - PIEDRAS ALTOS AVE	031-243-024 - AMAPOA AVE
031-192-020 - SAN CLEMENTE AVE	031-221-018 - PIEDRAS ALTOS AVE	031-243-027 - AMAPOA AVE #COM
031-201-002 - SAN CLEMENTE AVE	031-221-019 - PIEDRAS ALTOS AVE	031-251-008 - ATASCADERO AVE
031-202-004 - SAN CLEMENTE AVE	031-221-021 - PIEDRAS ALTOS AVE	031-251-011 - SAN FRANCISCO AVE
031-202-005 - SAN MARCOS RD	031-221-022 - PIEDRAS ALTOS AVE	031-251-026 - AZUCENA AVE
031-202-006 - SAN MARCOS RD	031-221-023 - PIEDRAS ALTOS AVE	031-251-027 - AZUCENA AVE
031-202-008 - SAN MARCOS RD	031-221-026 - CARMELITA AVE	031-251-028 - AZUCENA AVE
031-202-017 - SAN MARCOS RD	031-222-001 - CURBARIL AVE	031-251-029 - AZUCENA AVE
031-202-018 - SAN MARCOS RD	031-222-002 - CURBARIL AVE	031-251-038 - ATASCADERO AVE
031-202-019 - SAN MARCOS RD	031-222-003 - SANTA YNEZ AVE	031-251-045 - AZUCENA AVE
031-202-020 - SAN CLEMENTE AVE	031-222-012 - SANTA YNEZ AVE	031-251-047 - SAN FRANCISCO AVE
031-202-022 - SAN MARCOS RD	031-222-013 - SANTA YNEZ AVE	031-251-050 - SAN FRANCISCO AVE
031-202-023 - SAN CLEMENTE AVE	031-222-016 - SANTA YNEZ AVE	031-251-052 - ATASCADERO AVE
031-202-024 - SAN CLEMENTE AVE	031-222-017 - SANTA YNEZ AVE	031-251-053 - ATASCADERO AVE
031-202-025 - SAN CLEMENTE AVE	031-222-018 - SANTA YNEZ AVE	031-261-002 - SAN FRANCISCO AVE
031-202-026 - SAN MARCOS RD	031-222-019 - SANTA YNEZ AVE	031-261-003 - SAN FRANCISCO AVE
031-202-027 - SAN MARCOS RD	031-231-002 - CURBARIL AVE	031-261-004 - SAN FRANCISCO AVE
031-202-028 - SAN CLEMENTE AVE	031-231-004 - CURBARIL AVE	031-261-005 - SAN FRANCISCO AVE
031-211-004 - CURBARIL AVE	031-231-025 - MORRO RD	031-261-006 - AZUCENA AVE
031-211-007 - SAN MARCOS RD	031-231-028 - MORRO RD	031-261-010 - MARCHANT AVE
031-211-008 - SAN MARCOS RD	031-231-034 - SANTA YNEZ AVE	031-261-015 - MARCHANT AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-261-019 - MARCHANT AVE	031-281-011 - CARMELITA AVE	031-291-040 - SANTA YNEZ AVE
031-261-023 - SAN FRANCISCO AVE	031-281-012 - CARMELITA AVE	031-301-003 - AZUCENA AVE
031-261-026 - MARCHANT AVE	031-281-013 - PORTOLA RD	031-301-020 - AZUCENA AVE
031-261-028 - SAN FRANCISCO AVE	031-281-014 - PORTOLA RD	031-301-021 - AZUCENA AVE
031-261-029 - MARCHANT AVE	031-281-016 - CARMELITA AVE	031-301-029 - AZUCENA AVE
031-261-031 - SAN FRANCISCO AVE	031-281-022 - CARMELITA AVE	031-302-037 - MORRO RD
031-261-032 - MARCHANT AVE	031-281-023 - PIEDRAS ALTOS AVE	031-311-001 - AZUCENA AVE
031-271-009 - CARMELITA AVE	031-281-024 - PIEDRAS ALTOS AVE	031-311-002 - AZUCENA AVE
031-271-010 - CARMELITA AVE	031-281-025 - PIEDRAS ALTOS AVE	031-311-003 - AZUCENA AVE
031-271-011 - CARMELITA AVE	031-281-029 - CARMELITA AVE	031-311-005 - AZUCENA AVE
031-271-013 - CARMELITA AVE	031-291-002 - SANTA YNEZ AVE	031-311-007 - AZUCENA AVE
031-271-024 - CARMELITA AVE	031-291-012 - ATAS CREEK RES #-B	031-311-016 - MARCHANT AVE
031-271-026 - CARMELITA AVE	031-291-019 - PORTOLA RD	031-311-017 - MARCHANT AVE
031-271-027 - CARMELITA AVE	031-291-020 - PORTOLA RD	031-311-023 - MARCHANT AVE
031-271-032 - CARMELITA AVE	031-291-022 - MORRO RD	031-321-001 - PORTOLA RD
031-271-033 - CARMELITA AVE	031-291-023 - MORRO RD	031-321-002 - PORTOLA RD
031-271-037 - PORTOLA RD	031-291-028 - MORRO RD	031-321-003 - PORTOLA RD
031-271-038 - PORTOLA RD	031-291-029 - SANTA YNEZ AVE	031-321-004 - PORTOLA RD
031-271-039 - CARMELITA AVE	031-291-030 - MORRO RD	031-321-007 - CARMELITA AVE
031-271-041 - CARMELITA AVE	031-291-031 - MORRO RD	031-321-008 - CARMELITA AVE
031-271-042 - CARMELITA AVE	031-291-032 - MORRO RD	031-321-009 - BELLA VISTA RD
031-271-043 - CARMELITA AVE	031-291-033 - MORRO RD	031-321-015 - CARMELITA AVE
031-271-044 - CARMELITA AVE	031-291-034 - MORRO RD	031-321-016 - BELLA VISTA RD
031-271-046 - CARMELITA AVE	031-291-035 - MORRO RD	031-321-017 - BELLA VISTA RD
031-271-047 - CARMELITA AVE	031-291-036 - MORRO RD	031-331-010 - CARMELITA AVE
031-271-048 - CARMELITA AVE	031-291-037 - MORRO RD	031-331-012 - CARMELITA AVE
031-281-004 - PIEDRAS ALTOS AVE	031-291-038 - MORRO RD	031-331-017 - CARMELITA AVE
031-281-005 - PIEDRAS ALTOS AVE	031-291-039 - SANTA YNEZ AVE	031-331-018 - CARMELITA AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

031-331-019 - BELLA VISTA RD	031-381-035 - MARCHANT WAY	045-302-009 - ORTEGA RD
031-331-020 - BELLA VISTA RD	031-381-036 - SANTA ROSA RD	045-302-010 - ORTEGA RD
031-341-006 - CARMELITA AVE	031-381-041 - SANTA ROSA RD	045-302-011 - ATASCADERO AVE
031-341-007 - CARMELITA AVE	031-381-043 - MARCHANT WAY	045-302-012 - ATASCADERO AVE
031-341-014 - PORTOLA RD	031-381-044 - SANTA ROSA RD	045-302-013 - ATASCADERO AVE
031-341-016 - CARMELITA AVE	031-381-046 - MARCHANT WAY	045-311-006 - CALLE MILANO
031-341-017 - PORTOLA RD	031-381-051 - MARCHANT WAY	045-311-007 - ELIANO ST
031-341-019 - CARMELITA AVE	031-381-052 - MARCHANT WAY	045-311-008 - AVION RD
031-341-020 - CARMELITA AVE	031-381-055 - SANTA ROSA RD	045-311-009 - CALLE MILANO
031-341-021 - CARMELITA AVE	031-381-056 - SANTA ROSA RD	045-311-013 - ELIANO ST
031-341-022 - CARMELITA AVE	031-381-065 - MARCHANT WAY	045-311-017 - SANTA BARBARA RD
031-341-023 - CARMELITA AVE	031-381-066 - PISMO AVE	045-312-014 - ELIANO ST
031-341-024 - CARMELITA AVE	031-381-068 - MARCHANT WAY	045-312-055 - ALCOTAN LN
031-341-025 - CARMELITA AVE	031-381-069 - MARCHANT WAY	045-312-056 - ALCOTAN LN
031-341-027 - PORTOLA RD	031-381-070 - AVENAL AVE	045-313-001 - MONTE VERDE DR
031-351-005 - PORTOLA RD	031-381-071 - AVENAL AVE	045-313-002 - VIA CIELO
031-351-006 - PORTOLA RD	045-301-001 - ORTEGA RD	045-313-006 - VIA CIELO
031-351-008 - PORTOLA RD	045-301-002 - ORTEGA RD	045-313-021 - MONTE VERDE DR
031-371-014 - MORRO RD	045-301-005 - SAN DIEGO RD	045-321-005 - EL CAMINO REAL
031-371-016 - MORRO RD	045-301-006 - ORTEGA RD	045-321-011 - JORNADA LN
031-371-020 - EL PARQUE AVE	045-301-007 - ORTEGA RD	045-321-012 - JORNADA LN
031-373-004 - PISMO AVE	045-302-001 - ATASCADERO AVE	045-321-013 - EL CAMINO REAL
031-373-008 - SANTA ROSA RD	045-302-003 - ORTEGA RD	045-321-014 - JORNADA LN
031-373-011 - AVENAL AVE	045-302-004 - ORTEGA RD	045-321-015 - EL CAMINO REAL
031-381-001 - PISMO AVE	045-302-005 - ORTEGA RD	045-321-016 - VIEJO CAMINO #
031-381-020 - MARCHANT WAY	045-302-006 - ORTEGA RD	045-321-017 - VIEJO CAMINO #
031-381-027 - AVENAL AVE	045-302-007 - ORTEGA RD	045-321-018 - VIEJO CAMINO #
031-381-032 - MARCHANT WAY	045-302-008 - ORTEGA RD	045-321-019 - VIEJO CAMINO #

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

045-321-023 - BUENA FORTUNA CIR	045-333-008 - VEREDA VERDE LN	045-353-008 - WEST FRONT RD
045-322-004 - LA PALOMA CT	045-333-009 - RANUNCULO CT	045-353-009 - WEST FRONT RD
045-322-005 - LA PALOMA CT	045-333-010 - ARBOL DEL ROSAL WA	045-353-010 - SAN DIEGO RD
045-322-010 - LA PALOMA CT	045-333-011 - ARBOL DEL ROSAL WA	045-353-011 - SAN DIEGO RD
045-322-014 - LA PALOMA CT	045-333-012 - VEREDA VERDE LN #R	045-353-012 - SAN DIEGO RD
045-322-015 - LA PALOMA CT	045-333-036 - CUMBRE CT #ROW	045-353-013 - SAN DIEGO RD
045-331-003 - SANTA BARBARA RD	045-334-001 - CUERVO WAY	045-353-018 - SAN DIEGO RD
045-331-005 - CUERVO WAY	045-334-002 - CUERVO WAY	045-353-019 - SAN DIEGO RD
045-331-006 - CUERVO WAY	045-334-003 - CUERVO WAY	045-353-020 - SAN RAFAEL RD
045-331-007 - CUERVO WAY	045-336-002 - GORRION WAY	045-353-021 - SAN RAFAEL RD
045-331-008 - AGUA MANANTIAL LN	045-338-001 - WICKSON WAY	045-353-022 - SAN RAFAEL RD
045-331-009 - WICKSON WAY	045-341-001 - SAN DIEGO RD	045-353-023 - SAN RAFAEL RD
045-331-011 - AGUA MANANTIAL LN	045-341-002 - SAN DIEGO RD	045-356-034 - EL CAMINO REAL #
045-331-012 - ARBOL DEL ROSAL WA	045-341-003 - SAN DIEGO RD	045-358-007 - LA COSTA CT
045-331-014 - EL CAMINO REAL	045-341-005 - SAN DIEGO RD	045-358-026 - LA COSTA CT
045-332-001 - VIEJO CAMINO	045-342-006 - EL CAMINO REAL	045-359-005 - CALLE CYNTHIA
045-332-003 - VIEJO CAMINO	045-342-007 - EL CAMINO REAL	045-359-009 - CALLE CYNTHIA
045-332-004 - VIEJO CAMINO	045-342-008 - EL CAMINO REAL	045-359-017 - CALLE CYNTHIA
045-332-005 - SANTA BARBARA RD	045-342-009 - VIEJO CAMINO	045-359-018 - CALLE CYNTHIA
045-332-006 - SANTA BARBARA RD	045-342-010 - EL CAMINO REAL	045-359-019 - CALLE CYNTHIA
045-332-010 - VIEJO CAMINO	045-342-011 - VIEJO CAMINO	045-359-023 - CALLE CYNTHIA
045-332-011 - VIEJO CAMINO	045-342-012 - EL CAMINO REAL	045-361-001 - CUESTA CT
045-332-012 - VIEJO CAMINO	045-342-014 - VIEJO CAMINO	045-361-002 - CUESTA CT
045-333-002 - ARBOL DEL ROSAL WA	045-351-015 - SAN DIEGO WAY	045-361-003 - CUESTA CT
045-333-003 - ARBOL DEL ROSAL WA	045-352-008 - SAN DIEGO WAY	045-361-004 - CUESTA CT
045-333-004 - AGUA MANANTIAL LN	045-353-004 - SAN DIEGO RD	045-361-005 - CUESTA CT
045-333-006 - ARBOL DEL ROSAL WA	045-353-006 - WEST FRONT RD	045-361-006 - CUESTA CT
045-333-007 - ARBOL DEL ROSAL WA	045-353-007 - WEST FRONT RD	045-361-013 - CUESTA CT

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

045-361-015 - CUESTA CT	045-401-013 - HALCON RD	045-431-008 - SAN DIEGO RD
045-361-018 - CUESTA CT	045-401-017 - HALCON RD	045-431-009 - SAN DIEGO RD
045-371-001 - SANTA BARBARA RD	045-401-018 - HALCON RD	045-431-010 - SAN DIEGO RD
045-371-002 - LA PAZ RD	045-402-007 - VIA CORDOBA	045-431-011 - SAN DIEGO RD
045-371-003 - LA PAZ RD	045-402-008 - VIA CORDOBA	045-431-012 - LA PAZ RD
045-371-004 - LA PAZ RD	045-402-009 - VIA CASTILLO	045-441-007 - SAN RAFAEL RD
045-371-005 - ATASCADERO AVE	045-402-010 - VIA CASTILLO	045-441-008 - SAN RAFAEL RD
045-371-006 - ATASCADERO AVE	045-402-017 - VIA MARBELLA	045-441-009 - COLORADO RD
045-371-007 - ATASCADERO AVE	045-402-018 -	045-441-010 - COLORADO RD
045-371-010 - SANTA BARBARA RD	045-402-019 -	045-441-011 - COLORADO RD
045-371-011 - SANTA BARBARA RD	045-402-020 - HALCON RD	045-441-012 - COLORADO RD
045-371-012 - SANTA BARBARA RD	045-411-002 - ALONDRA RD	045-441-013 - COLORADO RD
045-371-013 - SANTA BARBARA RD	045-411-003 - ALONDRA RD	045-441-014 - COLORADO RD
045-381-001 - LA PAZ RD	045-421-001 - SAN DIEGO RD	045-441-015 - COLORADO RD
045-381-003 - LA PAZ RD	045-421-002 - SAN DIEGO RD	045-441-016 - COLORADO RD
045-381-005 - LA PAZ RD	045-421-003 - SAN DIEGO RD	045-441-017 - COLORADO RD
045-381-006 - LA PAZ RD	045-421-004 - ATASCADERO AVE	045-441-018 - COLORADO RD
045-381-011 - LA PAZ RD	045-421-005 - ATASCADERO AVE	045-441-019 - COLORADO RD
045-381-012 - LA PAZ RD	045-421-006 - ATASCADERO AVE	045-441-020 - COLORADO RD
045-381-013 - LA PAZ RD	045-421-007 - ATASCADERO AVE	045-441-021 - COLORADO RD
045-381-014 - LA PAZ RD	045-421-008 - ATASCADERO AVE	045-441-022 - COLORADO RD
045-391-002 - ATASCADERO RD	045-421-009 - ATASCADERO AVE	045-441-023 - COLORADO RD
045-391-012 - EAGLE CREEK CT	045-421-010 - ATASCADERO AVE	045-441-024 - COLORADO RD
045-391-019 - EAGLE CREEK CT	045-421-011 - ATASCADERO AVE	045-441-025 - COLORADO RD
045-391-033 - ATASCADERO RD	045-421-012 - LA PAZ RD	045-441-027 - COLORADO RD
045-391-037 - ATASCADERO RD	045-431-005 - SAN DIEGO RD	045-441-028 - COLORADO RD
045-401-009 - HALCON RD	045-431-006 - LA PAZ RD	045-441-029 - COLORADO RD
045-401-010 - HALCON RD	045-431-007 - LA PAZ RD	045-441-030 - SAN DIEGO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

045-441-031 - COLORADO RD	045-451-019 - COLORADO RD	049-012-012 - FERROCARRIL RD
045-441-032 - COLORADO RD	045-451-020 - COLORADO RD	049-012-013 - N FERROCARRIL RD
045-441-033 - SAN RAFAEL RD	045-451-021 - COLORADO RD	049-012-018 - N FERROCARRIL RD
045-441-034 - SAN RAFAEL RD	045-451-022 - COLORADO RD	049-012-021 - N FERROCARRIL RD
045-441-036 - SAN DIEGO RD	045-451-023 - COLORADO RD	049-012-022 - N FERROCARRIL RD
045-441-037 - SAN DIEGO RD	045-451-024 - COLORADO RD	049-012-023 - N FERROCARRIL RD
045-441-038 - SAN DIEGO RD	045-451-025 - COLORADO RD	049-012-024 - N FERROCARRIL RD
045-441-039 - SAN DIEGO RD	045-451-026 - COLORADO RD	049-012-025 - N FERROCARRIL RD
045-441-040 - SAN DIEGO RD	045-451-027 - COLORADO RD	049-012-028 - N FERROCARRIL RD
045-441-041 - SAN DIEGO RD	045-451-028 - COLORADO RD	049-012-029 - N FERROCARRIL RD
045-441-042 - SAN DIEGO RD	045-451-029 - COLORADO RD	049-012-030 - N FERROCARRIL RD
045-441-043 - SAN DIEGO RD	045-451-030 - COLORADO RD	049-012-032 - N FERROCARRIL RD
045-441-044 - SAN DIEGO RD	045-451-031 - SAN DIEGO RD	049-022-012 - FERROCARRIL RD
045-441-046 - SAN DIEGO RD	045-451-032 - SAN DIEGO RD	049-022-013 - FERROCARRIL RD
045-451-001 - COLORADO RD	045-451-033 - SAN DIEGO RD	049-022-019 - FERROCARRIL RD
045-451-002 - COLORADO RD	045-451-034 - ATASCADERO AVE	049-022-026 - FERROCARRIL RD
045-451-003 - SAN RAFAEL RD	045-451-035 - ATASCADERO AVE	049-022-028 - FERROCARRIL RD
045-451-004 - SAN RAFAEL RD	045-451-036 - ATASCADERO AVE	049-022-029 - FERROCARRIL RD
045-451-005 - SAN RAFAEL RD	045-451-037 - ATASCADERO AVE	049-022-031 - PASEO DEL LAGO
045-451-006 - SAN RAFAEL RD	045-451-040 - ATASCADERO AVE	049-022-032 - PASEO DEL LAGO
045-451-007 - SAN RAFAEL RD	045-451-041 - ATASCADERO AVE	049-022-034 - CHICO RD
045-451-008 - SAN RAFAEL RD	045-451-043 - ATASCADERO AVE	049-022-035 - CHICO RD
045-451-009 - COLORADO RD	045-451-045 - ATASCADERO AVE	049-022-036 - CHICO RD
045-451-010 - COLORADO RD	045-451-047 - ATASCADERO AVE	049-023-008 - FERROCARRIL RD
045-451-011 - COLORADO RD	049-012-001 - FERROCARRIL RD	049-023-017 - FERROCARRIL RD
045-451-014 - COLORADO RD	049-012-002 - FERROCARRIL RD	049-023-018 - FERROCARRIL RD
045-451-015 - COLORADO RD	049-012-006 - FERROCARRIL RD	049-023-019 - FERROCARRIL RD
045-451-017 - COLORADO RD	049-012-007 - CHICO RD	049-023-020 - FERROCARRIL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-023-021 - FERROCARRIL RD	049-033-008 - TRAFFIC WAY	049-041-015 - SANTA CRUZ RD
049-023-022 - FERROCARRIL RD	049-033-009 - TRAFFIC WAY	049-041-016 - SANTA CRUZ RD
049-023-026 - FERROCARRIL RD	049-033-010 - SEPERADO AVE	049-041-017 - SANTA CRUZ RD
049-023-027 - FERROCARRIL RD	049-033-011 - TRAFFIC WAY	049-041-018 - SANTA CRUZ RD
049-023-029 - FERROCARRIL RD	049-033-012 - TRAFFIC WAY	049-042-006 - SANTA CRUZ RD
049-031-011 - VIA DEL SUENO	049-033-013 - TRAFFIC WAY	049-042-007 - SANTA CRUZ RD
049-031-012 - VIA DEL SUENO	049-033-014 - TRAFFIC WAY	049-042-011 - EL CAMINO REAL
049-031-013 - VIA DEL SUENO	049-033-015 - TRAFFIC WAY	049-042-013 - EL CAMINO REAL
049-031-019 - VIA DEL SUENO	049-033-016 - TRAFFIC WAY	049-042-019 - EL CAMINO REAL
049-031-028 - VIA DEL SUENO	049-033-027 - ORINDA CT	049-042-020 - SANTA CRUZ RD #
049-031-029 - VIA DEL SUENO	049-033-030 - ORINDA CT	049-042-023 - SANTA CRUZ RD
049-031-037 - PASEO DEL LAGO	049-033-032 - ORILLAS WAY	049-042-024 - SANTA CRUZ RD
049-031-047 - VIA DEL SUENO	049-033-033 - ORILLAS WAY	049-042-025 - EL CAMINO REAL
049-031-061 - VIA ANZUELO	049-033-034 - ORILLAS WAY	049-042-026 - EL CAMINO REAL
049-031-066 - RANCHO VIEJO	049-033-035 - ORILLAS WAY	049-043-003 - N FERROCARRIL RD
049-031-067 - RIO LADO	049-033-040 - ORILLAS WAY	049-043-004 - N FERROCARRIL RD #
049-031-070 - PASEO DEL LAGO	049-033-041 - ORILLAS WAY	049-044-013 - N FERROCARRIL RD
049-032-001 - PASEO DEL LAGO	049-033-042 - ORILLAS WAY	049-044-019 - N FERROCARRIL RD
049-032-024 - FUENTE DEL ORO	049-033-043 - ORILLAS WAY	049-044-020 - N FERROCARRIL RD
049-032-026 - AVENIDA DEL SOL	049-033-051 - ORILLAS WAY	049-044-026 - DE ANZA CT
049-032-031 - AVENIDA DEL SOL	049-033-052 - ORILLAS WAY	049-044-033 - N FERROCARRIL RD
049-032-035 - TIERRA MESA	049-033-060 - TRAFFIC WAY	049-045-001 - EL CAMINO REAL
049-032-057 - AVENIDA DEL SOL	049-034-018 - TRAFFIC WAY #COM	049-045-010 - EL CAMINO REAL
049-033-001 - DEL RIO RD	049-041-005 - SANTA CRUZ RD	049-045-013 - EL CAMINO REAL
049-033-002 - DEL RIO RD	049-041-009 - SANTA CRUZ RD	049-045-021 - EL CAMINO REAL
049-033-005 - TRAFFIC WAY	049-041-012 - SANTA CRUZ RD	049-045-032 - EL CAMINO REAL
049-033-006 - TRAFFIC WAY	049-041-013 - SANTA CRUZ RD	049-045-033 - EL CAMINO REAL
049-033-007 - TRAFFIC WAY	049-041-014 - SANTA CRUZ RD	049-045-034 - EL CAMINO REAL

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-045-035 - EL CAMINO REAL	049-052-038 - OBISPO RD	049-071-024 - SAN BENITO RD
049-045-036 - EL CAMINO REAL	049-052-039 - OBISPO RD	049-071-026 - TRAFFIC WAY
049-045-037 - EL CAMINO REAL	049-052-040 - OBISPO RD	049-071-029 - TRAFFIC WAY
049-051-004 - CARRIZO RD	049-052-041 - OBISPO RD	049-071-031 - TRAFFIC WAY
049-051-007 - CARRIZO RD	049-052-042 - OBISPO RD	049-071-032 - TRAFFIC WAY
049-051-012 - CARRIZO RD	049-052-043 - OBISPO RD	049-071-033 - DEL RIO RD
049-051-014 - SANTA CRUZ RD	049-061-004 - POTRERO RD	049-071-034 - DEL RIO RD
049-051-017 - SANTA CRUZ RD	049-061-006 - POTRERO RD	049-072-006 - CHICO RD
049-051-018 - CARRIZO RD	049-061-008 - POTRERO RD	049-072-007 - DEL RIO RD
049-051-021 - SANTA CRUZ RD	049-061-010 - TRAFFIC WAY	049-072-011 - TRAFFIC WAY
049-051-024 - SANTA CRUZ RD	049-061-011 - POTRERO RD	049-072-014 - CHICO RD
049-051-025 - SANTA CRUZ RD	049-061-012 - POTRERO RD	049-072-017 - TRAFFIC WAY
049-052-001 - CARRIZO RD	049-061-014 - POTRERO RD	049-073-006 - DEL RIO RD
049-052-002 - CARRIZO RD	049-061-015 - TRAFFIC WAY	049-073-009 - DEL RIO RD
049-052-003 - CARRIZO RD	049-061-021 - TRAFFIC WAY	049-073-015 - LA LUZ RD
049-052-005 - CARRIZO RD	049-061-022 - TRAFFIC WAY	049-073-016 - LA LUZ RD
049-052-014 - CARRIZO RD	049-061-023 - TRAFFIC WAY	049-073-019 - ARENA RD
049-052-019 - CARRIZO RD	049-061-026 - TRAFFIC WAY	049-073-020 - ARENA RD
049-052-021 - TRAFFIC WAY	049-061-028 - TRAFFIC WAY	049-073-022 - DEL RIO RD
049-052-027 - TRAFFIC WAY	049-061-029 - TRAFFIC WAY	049-073-025 - DEL RIO RD
049-052-029 - CARRIZO RD	049-061-030 - TRAFFIC WAY	049-073-031 - DEL RIO RD
049-052-030 - CARRIZO RD	049-063-001 - TRAFFIC WAY	049-073-034 - SAN ANSELMO RD
049-052-031 - OBISPO RD	049-071-006 - CHICO RD	049-073-035 - DEL RIO RD
049-052-032 - OBISPO RD	049-071-014 - DEL RIO RD	049-073-036 - SAN ANSELMO RD
049-052-033 - OBISPO RD	049-071-017 - TRAFFIC WAY	049-073-037 - DEL RIO RD
049-052-034 - OBISPO RD	049-071-019 - TRAFFIC WAY	049-073-040 - DEL RIO RD
049-052-035 - TRAFFIC WAY	049-071-021 - SAN BENITO RD	049-073-046 - LA LUZ RD
049-052-037 - OBISPO RD	049-071-023 - SAN BENITO RD	049-073-047 - LA LUZ RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-073-049 - DEL RIO RD	049-081-028 - SAN RAMON RD	049-092-032 - GARCIA RD
049-073-051 - ARENA RD	049-081-040 - GARCIA RD	049-092-033 - GARCIA RD
049-073-053 - LA LUZ RD	049-081-041 - GARCIA RD	049-092-034 - GARCIA RD
049-073-054 - LA LUZ RD	049-081-042 - GARCIA RD	049-092-036 - SAN RAMON RD #A
049-073-055 - ARENA RD	049-082-008 - SAN RAMON RD	049-092-037 - GARCIA RD
049-073-056 - SAN ANSELMO RD	049-082-012 - SAN RAMON RD	049-092-038 - GARCIA RD
049-073-057 - LA LUZ RD	049-082-014 - GARCIA RD	049-092-041 - SAN RAMON RD
049-073-058 - LA LUZ RD	049-082-015 - SANTA CRUZ RD	049-092-042 - SAN RAMON RD #B
049-073-060 - DEL RIO RD	049-082-016 - SANTA CRUZ RD	049-092-044 - GARCIA RD
049-073-061 - LA LUZ RD	049-082-017 - SANTA CRUZ RD	049-092-045 - SANTA CRUZ RD
049-073-062 - LA LUZ RD	049-082-020 - SANTA CRUZ RD	049-092-046 - SANTA CRUZ RD
049-073-063 - LA LUZ RD	049-082-021 - SANTA CRUZ RD	049-092-047 - SAN RAMON RD
049-073-064 - LA LUZ RD	049-082-022 - SANTA CRUZ RD	049-092-048 - SAN RAMON RD
049-073-065 - LA LUZ RD	049-082-024 - SANTA CRUZ RD	049-092-049 - SAN RAMON RD
049-073-066 - LA LUZ RD	049-082-025 - GARCIA RD	049-092-050 - SAN RAMON RD
049-073-068 - DEL RIO RD	049-082-026 - GARCIA RD	049-092-051 - SAN RAMON RD
049-073-070 - DEL RIO RD	049-082-027 - GARCIA RD	049-093-006 - SAN RAMON RD
049-073-071 - DEL RIO RD	049-082-028 - GARCIA RD	049-093-007 - SAN RAMON RD
049-073-072 - DEL RIO RD	049-091-002 - GARCIA RD	049-093-015 - EL CAMINO REAL
049-074-001 - LA LUZ RD	049-091-003 - GARCIA RD	049-093-016 - EL CAMINO REAL
049-074-002 - ARENA RD	049-091-004 - GARCIA RD	049-093-035 - SAN RAMON RD
049-075-001 - ARENA RD	049-092-002 - SANTA CRUZ RD	049-093-036 - SAN RAMON RD
049-075-002 - ARENA RD	049-092-004 - SANTA CRUZ RD	049-101-013 - CARRIZO RD
049-075-003 - ARENA RD	049-092-007 - GARCIA RD	049-101-015 - EL CAMINO REAL
049-075-005 - SAN ANSELMO RD	049-092-020 - GARCIA RD	049-101-024 - CARRIZO RD
049-075-006 - ARENA RD	049-092-025 - GARCIA RD	049-101-025 - CARRIZO RD
049-075-007 - ARENA RD	049-092-029 - GARCIA RD	049-101-026 - CARRIZO RD
049-081-001 - GARCIA RD	049-092-030 - GARCIA RD	049-101-029 - EL CAMINO REAL

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-102-045 - DEL RIO RD	049-111-021 - DEL RIO RD	049-121-020 - SAN BENITO RD
049-102-046 - OBISPO RD	049-111-022 - POTRERO RD	049-121-024 - LA LUZ RD
049-102-048 - DEL RIO RD	049-111-023 - OBISPO RD	049-121-026 - ARENA RD
049-102-049 - DEL RIO RD	049-112-005 - DEL RIO RD	049-121-027 - ARENA RD
049-102-050 - EL CAMINO REAL	049-112-015 - SAN BENITO RD	049-121-028 - ARENA RD
049-102-051 - EL CAMINO REAL	049-112-017 - SAN BENITO RD	049-121-029 - SAN BENITO RD
049-102-052 - OBISPO RD	049-112-018 - DEL RIO RD	049-121-030 - ARENA RD
049-102-053 - OBISPO RD	049-112-019 - DEL RIO RD	049-121-031 - ARENA RD
049-102-054 - OBISPO RD	049-112-020 - SAN BENITO RD	049-121-032 - ARENA RD
049-102-057 - CARRIZO RD	049-112-022 - DEL RIO RD	049-121-033 - LA LUZ RD
049-102-058 - CARRIZO RD	049-112-024 - DEL RIO RD	049-121-034 - LA LUZ RD
049-102-059 - CARRIZO RD	049-112-026 - RIO RITA ST	049-121-035 - ARENA RD
049-102-060 - CARRIZO RD	049-112-027 - RIO RITA ST	049-121-036 - LA LUZ RD
049-102-061 - OBISPO RD	049-112-028 - RIO RITA ST	049-121-037 - ARENA RD
049-102-064 - S MIRASOL WAY	049-112-029 - DEL RIO RD	049-122-003 - ARENA RD
049-102-065 - S MIRASOL WAY	049-112-031 - SAN BENITO RD	049-122-004 - ARENA RD
049-102-066 - S MIRASOL WAY	049-112-032 - SAN BENITO RD	049-122-006 - FALDA RD
049-102-067 - S MIRASOL WAY	049-112-034 - SAN BENITO RD	049-122-008 - FALDA RD
049-102-076 - EL CAMINO REAL	049-112-036 - DEL RIO RD	049-122-009 - FALDA RD
049-103-011 - VIA RANCHITOS	049-112-037 - SAN BENITO RD	049-122-010 - FALDA RD
049-103-021 - VIA VIENTO	049-112-038 - SAN BENITO RD	049-122-013 - ARENA RD
049-103-040 - MIRASOL WAY	049-112-039 - EL CAMINO REAL	049-122-014 - SAN BENITO RD
049-111-009 - OBISPO RD	049-121-003 - ARENA RD	049-122-016 - FALDA RD
049-111-011 - OBISPO RD	049-121-008 - LA LUZ RD	049-122-020 - AMARGON RD
049-111-012 - DEL RIO RD	049-121-012 - LA LUZ RD	049-122-021 - AMARGON RD
049-111-015 - DEL RIO RD	049-121-014 - ARENA RD	049-122-022 - LIGA RD
049-111-019 - DEL RIO RD	049-121-015 - LA LUZ RD	049-122-023 - LIGA RD
049-111-020 - DEL RIO RD	049-121-017 - LA LUZ RD	049-122-025 - LIGA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-122-026 - ARENA RD	049-132-025 - SAN RAMON RD	049-141-059 -
049-122-029 - ARENA RD	049-132-027 - SAN RAMON RD	049-142-007 - CONEJO RD
049-122-034 - FALDA RD	049-132-028 - SAN RAMON RD	049-142-008 - CONEJO RD
049-122-035 - ARENA RD	049-133-001 - SAN RAMON RD	049-142-009 - CONEJO RD
049-122-036 - LIGA RD	049-133-002 - SAN RAMON RD	049-151-005 - EL CAMINO REAL
049-122-037 - LIGA RD	049-133-003 - SAN RAMON RD	049-151-012 - SAN BENITO RD
049-123-002 - AMARGON RD	049-133-004 - SAN RAMON RD	049-151-016 - EL CAMINO REAL
049-123-006 - AMARGON RD	049-133-007 - SAN RAMON RD	049-151-017 - SAN BENITO RD
049-123-007 - AMARGON RD	049-133-008 - SAN RAMON RD	049-151-020 - EL CAMINO REAL
049-123-009 - SAN ANSELMO RD	049-133-009 - DEL RIO RD	049-151-024 - EL CAMINO REAL
049-123-012 - SAN ANSELMO RD	049-133-013 - DEL RIO RD	049-151-025 - MADERA PL
049-123-018 - ARENA RD	049-133-014 - SAN RAMON RD	049-151-027 - MADERA PL
049-123-019 - AMARGON RD	049-133-015 - SAN RAMON RD	049-151-029 - EL CAMINO REAL
049-123-020 - AMARGON RD	049-133-021 - EL CAMINO REAL	049-151-034 - SAN BENITO RD
049-123-022 - ARENA RD	049-133-022 - EL CAMINO REAL	049-151-036 - EL CAMINO REAL
049-123-023 - ARENA RD	049-133-023 - EL CAMINO REAL	049-151-037 - EL CAMINO REAL
049-123-027 - ARENA RD	049-133-024 - EL CAMINO REAL	049-151-040 - EL CAMINO REAL
049-123-028 - AMARGON RD	049-133-028 - EL CAMINO REAL	049-151-041 - EL CAMINO REAL
049-123-030 - SAN ANSELMO RD	049-133-031 - DEL RIO RD	049-151-043 - SAN BENITO RD
049-123-032 - AMARGON RD	049-141-010 - CONEJO RD	049-151-044 - SAN BENITO RD
049-123-034 - LIGA RD	049-141-022 - EL CAMINO REAL	049-151-047 - SAN BENITO RD
049-123-035 - ARENA RD	049-141-023 - EL CAMINO REAL	049-151-048 - SAN BENITO RD
049-123-036 - ARENA RD	049-141-031 - CONEJO RD	049-151-052 - SAN BENITO RD
049-132-002 - SAN RAMON RD	049-141-035 - RAMONA RD	049-151-056 - EL CAMINO REAL
049-132-004 - SAN RAMON RD	049-141-042 - RAMONA RD	049-151-079 - EL CAMINO REAL
049-132-015 - SAN RAMON RD	049-141-043 - RAMONA RD	049-151-080 - EL CAMINO REAL
049-132-018 - SAN RAMON RD	049-141-044 - EL CAMINO REAL	049-152-002 - COLIMA RD
049-132-024 - SAN RAMON RD	049-141-057 - EL CAMINO REAL	049-152-012 - SAN BENITO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-152-013 - SAN BENITO RD	049-163-012 - COLIMA RD	049-163-053 - SAN ANSELMO RD
049-152-014 - SAN BENITO RD	049-163-016 - EL CAMINO REAL	049-163-055 - SAN ANSELMO RD
049-152-016 - SAN BENITO RD	049-163-017 - EL CAMINO REAL	049-163-056 - COLIMA RD
049-152-019 - SAN BENITO RD	049-163-018 - EL CAMINO REAL	049-163-059 - COLIMA RD
049-152-022 - COLIMA RD	049-163-019 - EL CAMINO REAL	049-163-060 - SILLA RD
049-152-024 - SAN BENITO RD	049-163-020 - EL CAMINO REAL	049-163-061 - SILLA RD
049-152-026 - SAN BENITO RD	049-163-021 - EL CAMINO REAL	049-163-062 - SILLA RD
049-152-028 - SAN BENITO RD	049-163-022 - SILLA RD	049-163-063 - SILLA RD
049-152-029 - EL CAMINO REAL	049-163-023 - EL CAMINO REAL	049-163-065 - SILLA RD
049-152-031 - EL CAMINO REAL	049-163-025 - EL CAMINO REAL	049-163-069 - MAYA LN
049-152-034 - EL CAMINO REAL	049-163-026 - MACHAWK DR	049-163-070 - MAYA LN
049-152-035 - EL CAMINO REAL	049-163-027 - MACHAWK DR	049-163-071 - MAYA LN
049-152-039 - EL CAMINO REAL	049-163-028 - EL CAMINO REAL	049-163-072 - MAYA LN
049-152-040 - LA UVA LN	049-163-030 - EL CAMINO REAL	049-163-073 - MAYA LN
049-152-041 - LA UVA LN	049-163-031 - EL CAMINO REAL	049-163-074 - MARCO LN
049-152-042 - LA UVA LN	049-163-034 - MAYA LN	049-163-077 - MARCO LN
049-152-043 - EL CAMINO REAL	049-163-035 - MAYA LN	049-163-078 - MARCO LN
049-161-005 - COLIMA RD	049-163-036 - MAYA LN	049-163-080 - MARCO LN
049-161-006 - COLIMA RD	049-163-037 - MAYA LN	049-163-081 - MARCO LN
049-161-009 - SILLA RD	049-163-039 - EL CAMINO REAL	049-163-083 - COLIMA RD
049-161-010 - COLIMA RD	049-163-040 - EL CAMINO REAL	049-163-084 - COLIMA RD
049-161-011 - COLIMA RD	049-163-041 - EL CAMINO REAL	049-164-001 - ROSITA AVE
049-161-012 - SILLA RD	049-163-042 - EL CAMINO REAL	049-164-002 - ROSITA AVE
049-161-013 - SILLA RD	049-163-043 - EL CAMINO REAL	049-164-003 - ROSITA AVE
049-161-014 - SILLA RD	049-163-044 - EL CAMINO REAL	049-164-004 - ROSITA AVE
049-163-006 - COLIMA RD	049-163-045 - EL CAMINO REAL	049-164-005 - ROSITA AVE
049-163-008 - COLIMA RD	049-163-051 - SAN ANSELMO RD	049-164-007 - COLIMA RD
049-163-010 - COLIMA RD	049-163-052 - SAN ANSELMO RD	049-164-009 - COLIMA CT #X

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-164-011 - COLIMA CT	049-182-015 - GARCIA RD	049-201-033 - CAMPO RD
049-164-012 - COLIMA CT	049-182-020 - GARCIA RD	049-201-035 - CAMPO RD
049-164-014 - COLIMA CT	049-182-021 - GARCIA RD	049-201-045 - MONTEREY RD
049-172-001 - SANTA CRUZ RD	049-182-022 - GARCIA RD	049-201-046 - CAMPO RD
049-172-006 - SANTA CRUZ RD	049-182-023 - GARCIA RD	049-202-008 - MONTEREY RD
049-172-012 - SANTA CRUZ RD	049-183-010 - SAN GREGORIO RD #X	049-202-019 - MONTEREY RD
049-172-013 - SANTA CRUZ RD	049-183-011 - SAN GREGORIO RD	049-202-020 - MONTEREY RD
049-172-015 - SANTA CRUZ RD	049-183-013 - SAN GREGORIO RD	049-202-021 - MONTEREY RD
049-172-016 - SANTA CRUZ RD	049-183-014 - SAN GREGORIO RD	049-202-022 - CAMPO RD
049-172-017 - ROPA CT	049-183-017 - SAN GREGORIO RD	049-202-024 - CAMPO RD
049-172-018 - ROPA CT	049-183-021 - SAN GREGORIO RD	049-202-039 - MONTEREY RD
049-172-019 - ROPA CT	049-183-022 - SAN GREGORIO RD	049-202-040 - MONTEREY RD
049-172-020 - ROPA CT	049-183-023 - SAN GREGORIO RD	049-202-041 - CAMPO RD
049-172-021 - SANTA CRUZ RD	049-183-024 - SAN GREGORIO RD	049-202-042 - MONTEREY RD
049-172-022 - SANTA CRUZ RD	049-191-006 - GRAVES CREEK RES #	049-211-011 - RAMONA RD
049-181-004 - DEL RIO RD	049-191-015 - CONEJO RD	049-211-016 - EL CAMINO REAL
049-181-007 - GARCIA RD	049-191-022 - MONTEREY RD	049-211-027 - RAMONA RD
049-181-009 - DEL RIO RD	049-191-023 - MONTEREY RD	049-211-030 - RAMONA RD
049-181-010 - GARCIA RD	049-191-031 - MONTEREY RD	049-211-032 - RAMONA RD
049-181-011 - GARCIA RD	049-191-032 - MONTEREY RD	049-211-033 - RAMONA RD
049-181-012 - GARCIA RD	049-191-036 - CONEJO RD	049-211-042 - RAMONA RD
049-181-013 - SAN GREGORIO RD	049-191-037 - DEL RIO RD	049-211-051 - RAMONA RD
049-181-014 - SAN GREGORIO RD	049-191-038 - DEL RIO RD	049-211-054 - EL CAMINO REAL
049-182-003 - GARCIA RD #PR	049-191-042 - CONEJO RD	049-211-056 - EL CAMINO REAL
049-182-004 - ROPA CT	049-191-043 - CONEJO RD	049-211-057 - EL CAMINO REAL
049-182-005 - SAN GREGORIO RD	049-201-005 - GRAVES CREEK RES #	049-211-060 - RAMONA RD
049-182-013 - SAN GREGORIO RD	049-201-009 - CAMPO RD	049-212-005 - RAMONA RD
049-182-014 - SAN GREGORIO RD	049-201-026 - RAMONA RD	049-212-006 - RAMONA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-212-012 - RAMONA RD	049-223-036 - MONTEREY RD	049-232-016 - DEL RIO RD
049-212-013 - RAMONA RD	049-223-037 - MONTEREY RD	049-232-018 - DEL RIO RD
049-212-014 - RAMONA RD	049-223-038 - MONTEREY RD	049-232-019 - DEL RIO RD
049-212-017 - RAMONA RD	049-225-009 - SAN PALO RD	049-232-020 - DEL RIO RD
049-212-022 - RAMONA RD	049-225-011 - SAN PALO RD	049-232-022 - DEL RIO RD
049-212-023 - RAMONA RD	049-225-016 - SAN PALO RD	049-232-024 - SAN GREGORIO RD
049-212-024 - RAMONA RD	049-225-017 - SAN PALO RD	049-232-025 - SAN GREGORIO RD
049-212-025 - RAMONA RD	049-225-018 - LEGADO AVE	049-232-027 - SAN GREGORIO RD
049-214-011 - EL CAMINO REAL	049-225-019 - LEGADO AVE	049-232-028 - SAN GREGORIO RD
049-221-048 - MONTEREY RD	049-225-020 - LEGADO AVE	049-232-029 - SAN GREGORIO RD
049-221-052 - MONTEREY RD	049-225-021 - LEGADO AVE	049-232-031 - SAN GREGORIO RD
049-221-054 - MONTEREY RD	049-225-023 - SAN ANSELMO RD	049-232-033 - SAN GREGORIO RD
049-221-059 - MONTEREY RD	049-225-028 - SAN PALO RD	049-232-040 - SAN GREGORIO RD
049-221-060 - MONTEREY RD	049-225-029 - SAN PALO RD	049-232-041 - SAN GREGORIO RD
049-221-063 - EL CAMINO REAL	049-226-005 - EL CAMINO REAL	049-232-042 - DEL RIO RD
049-221-064 - MONTEREY RD	049-231-001 - SAN GREGORIO RD	049-241-008 - SAN FERNANDO RD
049-221-067 - MONTEREY RD	049-231-003 - SAN GREGORIO RD	049-241-009 - MONTEREY RD
049-221-068 - MONTEREY RD	049-231-005 - SAN GREGORIO RD	049-241-019 - DEL RIO RD
049-221-071 - MONTEREY RD	049-231-009 - SAN GREGORIO RD	049-241-020 - DEL RIO RD
049-221-072 - MONTEREY RD	049-231-010 - SAN GREGORIO RD	049-241-021 - DEL RIO RD
049-223-005 - MONTEREY RD	049-231-012 - SAN GREGORIO RD	049-241-022 - DEL RIO RD
049-223-008 - SAN ANSELMO RD	049-231-014 - SAN GREGORIO RD	049-241-024 - DEL RIO RD
049-223-021 - MONTEREY CT	049-231-015 - SAN GREGORIO RD	049-241-025 - DEL RIO RD
049-223-022 - MONTEREY CT	049-231-016 - SAN GREGORIO RD	049-241-030 - SAN FERNANDO RD
049-223-023 - MONTEREY CT	049-231-017 - ROPA CT	049-241-031 - SAN FERNANDO RD
049-223-033 - MONTEREY RD	049-232-002 - SAN GREGORIO RD	049-241-037 - DEL RIO RD
049-223-034 - MONTEREY RD	049-232-010 - SAN GREGORIO RD	049-241-038 - DEL RIO RD
049-223-035 - MONTEREY RD	049-232-013 - DEL RIO RD	049-241-039 - SAN FERNANDO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-241-040 - SAN FERNANDO RD	049-252-007 - MONTEREY RD	049-281-009 - SAN FERNANDO RD
049-241-043 - ALTURAS RD	049-252-008 - MONTEREY RD	049-281-010 - SAN FERNANDO RD
049-241-045 - ALTURAS RD	049-262-001 - MONTEREY RD	049-281-014 - SAN FERNANDO RD
049-241-046 - ALTURAS RD	049-262-003 - MONTEREY RD	049-281-015 - SAN FERNANDO RD
049-241-047 - DEL RIO RD	049-262-007 - MONTEREY RD	049-281-016 - SAN FERNANDO RD
049-241-048 - ALTURAS RD	049-262-027 - MONTEREY RD	049-281-017 - SAN FERNANDO RD
049-241-050 - ALTURAS RD	049-262-028 - MONTEREY RD	049-281-019 - SAN FERNANDO RD
049-251-017 - MONTEREY RD	049-262-031 - GRAVES CREEK RD	049-291-010 - FERROCARRIL RD
049-251-018 - MONTEREY RD	049-262-032 - MONTEREY RD	049-291-011 - FERROCARRIL RD
049-251-019 - MONTEREY RD	049-262-035 - MONTEREY RD	049-291-012 - FERROCARRIL RD
049-251-020 - MONTEREY RD	049-262-036 - MONTEREY RD	049-291-013 - FERROCARRIL RD
049-251-022 - MONTEREY RD	049-262-038 - MONTEREY RD	049-291-014 - FERROCARRIL RD
049-251-023 - MONTEREY RD	049-271-001 - ALTURAS RD	049-291-015 - FERROCARRIL RD
049-251-033 - MONTEREY RD	049-271-002 - ALTURAS RD	049-291-017 - FERROCARRIL RD
049-251-034 - MONTEREY RD	049-271-003 - ALTURAS RD	049-291-020 - FERROCARRIL RD
049-251-035 - MONTEREY RD	049-271-016 - SAN FERNANDO RD	049-301-001 - SAN ANSELMO RD
049-251-036 - SAN FERNANDO RD	049-271-017 - SAN FERNANDO RD	049-301-004 - SAN ANSELMO RD
049-251-037 - SAN FERNANDO RD	049-271-020 - SAN FERNANDO RD	049-301-005 - AMARGON RD
049-251-038 - SAN FERNANDO RD	049-271-021 - SAN FERNANDO RD	049-301-008 - FALDA RD
049-251-039 - ARDILLA RD	049-271-022 - SAN FERNANDO RD	049-301-010 - AMARGON RD
049-251-040 - ARDILLA RD	049-271-023 - ALTURAS RD	049-301-013 - AMARGON RD
049-251-041 - ARDILLA RD	049-271-024 - ALTURAS RD	049-301-014 - AMARGON RD
049-251-043 - ARDILLA RD	049-281-001 - SAN FERNANDO RD	049-301-015 - FALDA RD
049-251-044 - ARDILLA RD	049-281-003 - SAN FERNANDO RD	049-301-016 - AMARGON RD
049-251-051 - ARDILLA RD	049-281-004 - SAN FERNANDO RD	049-301-017 - FALDA RD
049-251-052 - ARDILLA RD	049-281-005 - SAN FERNANDO RD	049-301-018 - AMARGON RD
049-252-002 - MONTEREY RD	049-281-007 - SAN FERNANDO RD	049-301-019 - AMARGON RD
049-252-005 - MONTEREY RD	049-281-008 - SAN FERNANDO RD	049-301-020 - FALDA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

049-301-021 - FALDA RD	049-311-011 - CARRIZO RD	049-331-009 - BALBOA RD
049-302-001 - SAN ANSELMO RD	049-311-012 - CARRIZO RD	049-331-010 - GRAVES CREEK RD
049-302-002 - SAN ANSELMO RD	049-311-017 - CARRIZO RD	049-331-013 - GRAVES CREEK RD
049-302-006 - FALDA RD	049-311-021 - CARRIZO RD	049-331-014 - GRAVES CREEK RD
049-302-007 - FALDA RD	049-311-022 - CARRIZO RD	049-331-015 - GRAVES CREEK RD
049-302-010 - FALDA RD	049-311-023 - CARRIZO RD	049-331-017 - GRAVES CREEK RD
049-302-012 - COLIMA RD	049-321-009 - SANTA CRUZ RD	049-331-018 - ARTIGA LN
049-302-013 - COLIMA RD	049-321-011 - SANTA CRUZ RD	049-331-019 - ARTIGA LN
049-302-015 - COLIMA RD	049-321-012 - SANTA CRUZ RD	049-331-020 - ARTIGA LN
049-302-016 - FALDA RD	049-321-014 - SANTA CRUZ RD	049-331-021 - ARTIGA LN
049-302-019 - FALDA RD	049-321-015 - SANTA CRUZ RD	049-331-022 - ARDILLA RD
049-302-020 - COLIMA RD	049-321-017 - SANTA CRUZ RD	049-331-023 - ARDILLA RD
049-302-021 - FALDA RD	049-321-018 - SANTA CRUZ RD	049-331-024 - ARDILLA RD
049-302-022 - FALDA RD	049-321-019 - SANTA CRUZ RD	049-331-025 - ARDILLA RD
049-302-024 - COLIMA RD	049-321-022 - SANTA CRUZ RD	049-331-026 - ARDILLA RD
049-302-027 - FALDA RD	049-322-001 - PASEO PACIFICO	050-011-002 - SANTA CRUZ RD
049-302-028 - FALDA RD	049-322-002 - PASEO PACIFICO	050-011-003 - SANTA CRUZ RD
049-302-029 - FALDA RD	049-322-003 - PASEO PACIFICO	050-011-004 - SANTA CRUZ RD
049-302-031 - COLIMA RD	049-322-004 - PASEO PACIFICO	050-011-006 - SANTA CRUZ RD
049-302-032 - SAN BENITO RD	049-322-005 - PASEO PACIFICO	050-011-008 - SANTA CRUZ RD
049-302-033 - COLIMA RD	049-322-006 - PASEO PACIFICO	050-011-010 - SANTA CRUZ RD
049-302-034 - FALDA RD	049-322-007 - PASEO PACIFICO	050-011-011 - SANTA CRUZ RD
049-302-035 - FALDA RD	049-322-008 - SANTA CRUZ RD	050-012-001 - SANTA CRUZ RD
049-302-036 - COLIMA RD	049-322-009 - SANTA CRUZ RD	050-012-013 - SAN GREGORIO RD
049-302-039 - FALDA RD	049-331-001 - ARDILLA RD	050-012-014 - SAN GREGORIO RD
049-302-042 - COLIMA RD	049-331-002 - ARDILLA RD	050-012-018 - SAN GREGORIO RD
049-311-001 - EL CAMINO REAL	049-331-004 - ARDILLA RD	050-012-019 - SAN GREGORIO RD
049-311-010 - CARRIZO RD	049-331-006 - ARDILLA RD	050-012-020 - SAN GREGORIO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-012-021 - SAN GREGORIO RD	050-021-046 - LA CANADA LN	050-042-009 - BALBOA RD
050-012-027 - SANTA CRUZ RD	050-021-047 - LA CANADA LN	050-042-010 - BALBOA RD
050-012-028 - SANTA CRUZ RD	050-031-003 - DEL RIO RD	050-042-011 - ALTURAS RD
050-012-029 - SANTA CRUZ RD	050-031-010 - DEL RIO RD	050-042-012 - ALTURAS RD
050-012-030 - SANTA CRUZ RD	050-031-011 - DEL RIO RD	050-043-002 - BALBOA RD
050-012-033 - SANTA CRUZ RD	050-031-022 - DEL RIO RD	050-043-005 - BALBOA RD
050-012-035 - SANTA CRUZ RD	050-031-038 - ALTURAS RD	050-043-006 - BALBOA RD
050-012-036 - SAN GREGORIO RD	050-031-039 - ALTURAS RD	050-051-001 - SAN FERNANDO RD
050-021-002 - SAN GREGORIO RD	050-031-041 - ALTURAS RD	050-051-005 - BALBOA RD
050-021-013 - SAN GREGORIO RD	050-031-046 - ALTURAS RD	050-051-006 - BALBOA RD
050-021-014 - SAN GREGORIO RD	050-031-047 - ALTURAS RD	050-051-014 - BALBOA RD
050-021-020 - SAN GREGORIO RD	050-031-048 - ALTURAS RD	050-051-015 - BALBOA RD
050-021-021 - SAN GREGORIO RD	050-031-049 - ALTURAS RD	050-051-016 - BALBOA RD
050-021-022 - SAN GREGORIO RD	050-031-050 - ALTURAS RD	050-051-017 - BALBOA RD
050-021-023 - SAN GREGORIO RD	050-031-051 - ALTURAS RD	050-051-018 - BALBOA RD
050-021-024 - SAN GREGORIO RD	050-031-054 - ALTURAS RD	050-051-019 - BALBOA RD
050-021-025 - SAN GREGORIO RD	050-031-056 - ALTURAS RD	050-051-020 - BALBOA RD
050-021-031 - DEL RIO RD	050-031-057 - ALTURAS RD	050-051-021 - BALBOA RD
050-021-032 - DEL RIO RD	050-041-006 - BALBOA RD	050-051-022 - SAN FERNANDO RD
050-021-035 - SAN GREGORIO RD	050-041-009 - BALBOA RD	050-051-023 - SAN FERNANDO RD
050-021-036 - LA CANADA LN	050-041-010 - BALBOA RD #X	050-051-024 - SAN FERNANDO RD
050-021-037 - LA CANADA LN	050-041-011 - BALBOA RD	050-051-026 - BALBOA RD
050-021-038 - SAN GREGORIO RD	050-042-001 - ALTURAS RD	050-051-027 - BALBOA RD
050-021-039 - LA CANADA LN	050-042-002 - ALTURAS RD	050-051-029 - BALBOA RD
050-021-040 - LA CANADA LN	050-042-005 - SAN FERNANDO RD	050-051-030 - BALBOA RD
050-021-041 - LA CANADA LN	050-042-006 - SAN FERNANDO RD	050-051-033 - BALBOA RD
050-021-044 - LA CANADA LN	050-042-007 - BALBOA RD	050-061-003 - BALBOA RD
050-021-045 - LA CANADA LN	050-042-008 - BALBOA RD	050-061-009 - BALBOA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-061-017 - BALBOA RD	050-071-054 - GRAVES CREEK RD	050-092-008 - SAN GREGORIO RD
050-061-018 - ARDILLA RD	050-071-055 - GRAVES CREEK RD	050-092-009 - DEL RIO RD
050-061-019 - ARDILLA RD	050-081-001 - SANTA CRUZ RD	050-101-012 - DEL RIO RD
050-061-020 - ARDILLA RD	050-081-010 - SANTA CRUZ RD	050-101-015 - DEL RIO RD
050-061-023 - BALBOA RD	050-081-015 - SANTA CRUZ RD	050-101-016 - SANTA ANA RD
050-061-024 - BALBOA RD	050-081-016 - LENOSA LN	050-101-017 - SAN GREGORIO RD
050-061-025 - ARDILLA RD	050-081-021 - SANTA CRUZ RD	050-101-020 - SANTA ANA RD
050-061-026 - ARDILLA RD	050-081-022 - LENOSA LN	050-101-021 - DEL RIO RD
050-061-027 - ARDILLA RD	050-081-023 - LENOSA LN	050-101-028 - DEL RIO RD
050-061-028 - ARDILLA RD	050-081-028 - LENOSA LN	050-101-029 - DEL RIO RD
050-063-001 - BALBOA RD	050-081-029 - LENOSA LN	050-101-035 - SANTA ANA RD
050-071-003 - GRAVES CREEK RD	050-081-030 - LENOSA LN	050-101-036 - DEL RIO RD
050-071-009 - ARDILLA RD	050-081-031 - SANTA CRUZ RD	050-111-003 - ALTURAS RD
050-071-010 - GRAVES CREEK RD	050-091-002 - SAN GREGORIO RD	050-111-004 - ALTURAS RD
050-071-012 - BALBOA RD	050-091-004 - SAN GREGORIO RD	050-111-008 - BALBOA RD
050-071-024 - GRAVES CREEK RD	050-091-007 - SAN GREGORIO RD	050-111-010 - ALTURAS RD
050-071-025 - GRAVES CREEK RD	050-091-012 - SAN GREGORIO RD	050-111-011 - DEL RIO RD
050-071-026 - GRAVES CREEK RD	050-091-013 - SAN GREGORIO RD	050-111-012 - DEL RIO RD
050-071-027 - GRAVES CREEK RD	050-091-016 - SANTA CRUZ RD	050-111-013 - ALTURAS RD
050-071-028 - GRAVES CREEK RD	050-091-017 - SANTA CRUZ RD	050-111-014 - BALBOA RD
050-071-029 - GRAVES CREEK RD	050-091-018 - SANTA CRUZ RD	050-111-015 - BALBOA RD
050-071-030 - GRAVES CREEK RD	050-091-020 - SAN GREGORIO RD	050-111-016 - SANTA ANA RD
050-071-031 - GRAVES CREEK RD	050-091-021 - SANTA CRUZ RD #PR	050-111-023 - SANTA ANA RD
050-071-032 - ARDILLA RD	050-091-024 - SANTA CRUZ RD	050-121-002 - SANTA ANA RD
050-071-037 - GRAVES CREEK RD	050-091-028 - SAN GREGORIO RD	050-121-006 - BALBOA RD
050-071-041 - ARDILLA RD	050-091-029 - SAN GREGORIO RD	050-121-007 - SANTA ANA RD
050-071-046 - ARDILLA RD	050-092-003 - SAN GREGORIO RD	050-121-008 - BALBOA RD
050-071-047 - ARDILLA RD	050-092-007 - DEL RIO RD	050-121-010 - BALBOA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-121-014 - SANTA ANA RD	050-131-029 - SAN FERNANDO RD	050-151-019 - SAN FERNANDO RD
050-121-017 - SANTA ANA RD	050-131-030 - SAN FERNANDO RD	050-151-027 - ARDILLA RD
050-121-020 - SAN FERNANDO RD	050-131-031 - SAN FERNANDO RD	050-151-028 - ARDILLA RD
050-121-021 - SAN FERNANDO RD	050-131-032 - BALBOA RD	050-151-029 - ARDILLA RD
050-121-023 - CORRIENTE RD	050-131-033 - BALBOA RD	050-151-030 - ARDILLA RD
050-121-024 - CORRIENTE RD	050-141-004 - BALBOA RD	050-151-031 - GRAVES CREEK RD
050-121-029 - CORRIENTE RD	050-141-008 - BALBOA RD	050-151-034 - GRAVES CREEK RD
050-121-032 - CORRIENTE RD	050-141-009 - ARDILLA RD	050-151-036 - GRAVES CREEK RD
050-121-034 - SANTA ANA RD	050-141-013 - SAN FERNANDO RD	050-152-013 - GRAVES CREEK RD
050-121-035 - CORRIENTE RD	050-141-021 - SAN FERNANDO RD	050-152-014 - SAN FERNANDO RD
050-122-003 - BALBOA RD	050-141-022 - SAN FERNANDO RD	050-152-015 - SAN FERNANDO RD
050-122-014 - SANTA ANA RD	050-141-023 - SAN FERNANDO RD	050-152-017 - GRAVES CREEK RD
050-122-015 - SAUSALITO RD	050-141-025 - BALBOA RD	050-153-008 - GRAVES CREEK RD
050-122-016 - SANTA ANA RD	050-141-033 - SAN FERNANDO RD	050-153-009 - GRAVES CREEK RD
050-122-017 - BALBOA RD	050-141-034 - SAN FERNANDO RD	050-153-012 - GRAVES CREEK RD
050-122-018 - BALBOA RD	050-141-035 - ARDILLA RD	050-153-013 - GRAVES CREEK RD
050-122-019 - SANTA ANA RD	050-141-036 - ARDILLA RD	050-161-004 - SANTA CRUZ RD
050-131-002 - BALBOA RD	050-141-046 - BALBOA RD	050-161-006 - SANTA CRUZ RD
050-131-009 - SAN FERNANDO RD	050-141-047 - BALBOA RD	050-161-007 - SANTA CRUZ RD
050-131-014 - BALBOA RD	050-141-048 - BALBOA RD	050-161-008 - SANTA CRUZ RD
050-131-016 - BALBOA RD	050-141-049 - BALBOA RD	050-161-009 - SANTA CRUZ RD #PR
050-131-018 - SAN FERNANDO RD	050-141-054 - ARDILLA RD	050-161-010 - SANTA CRUZ RD
050-131-022 - SAN FERNANDO RD	050-141-055 - ARDILLA RD	050-161-011 - SANTA CRUZ RD
050-131-024 - SAN FERNANDO RD	050-141-060 - SAN FERNANDO RD	050-162-005 - SANTA CRUZ RD
050-131-025 - SAN FERNANDO RD	050-141-061 - SAN FERNANDO RD	050-162-010 - SAN GREGORIO RD
050-131-026 - BALBOA RD	050-151-007 - ARDILLA RD	050-162-011 - SAN GREGORIO RD
050-131-027 - BALBOA RD	050-151-009 - SAN FERNANDO RD	050-162-013 - SANTA CRUZ RD
050-131-028 - BALBOA RD	050-151-018 - SAN FERNANDO RD	050-162-014 - SANTA CRUZ RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-162-015 - SANTA CRUZ RD	050-181-009 - SANTA ANA RD	050-201-007 - BOLSA RD
050-162-016 - SANTA CRUZ RD	050-182-002 - SANTA ANA RD	050-202-005 - BALBOA RD
050-162-017 - SANTA CRUZ RD	050-182-005 - GARCERO RD	050-202-006 - BALBOA RD
050-162-018 - SANTA CRUZ RD	050-182-006 - SANTA ANA RD	050-202-011 - OTERO RD
050-162-019 - SANTA ANA RD	050-182-007 - GARCERO RD	050-202-012 - OTERO RD
050-162-020 - SANTA ANA RD	050-182-008 - GARCERO RD	050-202-013 - BOLSA RD
050-162-021 - SANTA ANA RD	050-183-003 - SANTA ANA RD	050-202-014 - BALBOA RD
050-171-004 - CORONA RD	050-183-004 - SANTA ANA RD	050-203-002 - OTERO RD
050-171-005 - CORONA RD	050-183-013 - SANTA ANA RD	050-203-003 - OTERO RD
050-171-006 - BALBOA RD	050-183-014 - SANTA ANA RD	050-203-004 - OTERO RD
050-171-009 - CORONA RD	050-183-015 - SANTA ANA RD	050-211-001 - SANTA ANA RD
050-171-011 - CORONA RD	050-183-016 - SANTA ANA RD	050-211-002 - SANTA ANA RD
050-172-002 - CORONA RD	050-183-017 - SANTA ANA RD	050-211-003 - SANTA ANA RD
050-172-003 - CORONA RD	050-191-004 - CORONA RD	050-212-003 - SANTA ANA RD
050-173-004 - CORONA RD	050-191-005 - CORONA RD	050-212-008 - SANTA ANA RD
050-173-006 - SANTA ANA RD	050-192-003 - GARCERO RD	050-212-009 - SAUSALITO RD
050-173-012 - SANTA ANA RD	050-192-004 - GARCERO RD	050-212-010 - ENCHANTO RD
050-173-013 - SANTA ANA RD	050-192-007 - GARCERO RD	050-212-016 - CORRIENTE RD
050-173-015 - CORONA RD	050-192-008 - GARCERO RD	050-212-020 - SAUSALITO RD
050-173-017 - CORONA RD	050-192-013 - CORONA RD	050-212-022 - SANTA ANA RD
050-173-019 - SANTA ANA RD	050-192-014 - CORONA RD	050-212-023 - SANTA ANA RD
050-173-022 - CORONA RD	050-192-015 - CORONA RD	050-212-024 - SANTA ANA RD
050-173-023 - SANTA ANA RD	050-192-016 - CORONA RD	050-212-025 - ENCHANTO RD
050-173-024 - CORONA RD	050-192-018 - CORONA RD	050-213-001 - ENCHANTO RD
050-173-027 - SANTA ANA RD	050-201-003 - JAQUIMA RD	050-213-002 - ENCHANTO RD
050-181-004 - SANTA ANA RD	050-201-004 - JAQUIMA RD	050-221-005 - CORRIENTE RD
050-181-005 - GARCERO RD	050-201-005 - JAQUIMA RD	050-221-013 - CORRIENTE RD
050-181-006 - GARCERO RD	050-201-006 - BOLSA RD	050-221-015 - SAN FERNANDO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-221-018 - CORRIENTE RD	050-231-032 - SAN FERNANDO RD	050-251-021 - ENCHANTO RD
050-221-019 - CORRIENTE RD	050-231-033 - SAN FERNANDO RD	050-251-022 - LLANO RD
050-221-022 - SANTA ANA RD	050-241-002 - BOLSA RD	050-261-001 - SANTA ANA RD
050-221-025 - SAN FERNANDO RD	050-241-006 - CORONA RD	050-262-001 - SERRIJON RD
050-221-028 - SANTA ANA RD	050-241-007 - CORONA RD	050-262-003 - SANTA ANA RD
050-221-029 - CEBADA LN	050-241-008 - BOLSA RD	050-262-006 - CORRIENTE RD
050-221-030 - CEBADA LN	050-241-010 - CORONA RD	050-262-008 - CORRIENTE RD
050-221-036 - CEBADA LN	050-242-002 - LLANO RD	050-262-011 - SANTA ANA RD
050-221-038 - CORRIENTE RD	050-242-003 - LLANO RD	050-262-013 - SANTA ANA RD
050-221-039 - CORRIENTE RD	050-242-005 - LLANO RD	050-262-014 - CORRIENTE RD
050-221-040 - SANTA ANA RD	050-242-007 - OTERO RD	050-262-016 - SANTA ANA RD
050-221-042 - SANTA ANA RD	050-242-011 - BOLSA RD	050-262-017 - SANTA ANA RD
050-231-003 - SAN FERNANDO RD	050-242-013 - LLANO RD	050-262-026 - SANTA ANA RD
050-231-004 - SAN FERNANDO RD	050-242-014 - BALBOA RD	050-262-027 - CORRIENTE RD
050-231-005 - SAN FERNANDO RD	050-242-015 - OTERO RD	050-271-014 - CEBADA LN
050-231-010 - SAN FERNANDO RD	050-242-016 - BOLSA RD	050-271-015 - SANTA ANA RD
050-231-011 - SAN FERNANDO RD	050-251-006 - LLANO RD	050-271-019 - CEBADA LN
050-231-014 - SAN FERNANDO RD	050-251-008 - ENCHANTO RD	050-271-020 - SANTA ANA RD
050-231-016 - SAN FERNANDO RD	050-251-009 - ENCHANTO RD	050-271-022 - SANTA ANA RD
050-231-017 - SAN FERNANDO RD	050-251-010 - ENCHANTO RD	050-271-025 - SANTA ANA RD
050-231-019 - SAN FERNANDO RD	050-251-011 - CORRIENTE RD	050-271-028 - SANTA ANA RD
050-231-020 - SAN FERNANDO RD	050-251-012 - CORRIENTE RD	050-271-029 - SANTA ANA RD
050-231-022 - SAN FERNANDO RD	050-251-014 - ENCHANTO RD	050-271-030 - SANTA ANA RD
050-231-023 - CEBADA LN	050-251-015 - LLANO RD	050-271-031 - SANTA ANA RD
050-231-024 - CEBADA LN	050-251-017 - LLANO RD	050-271-032 - SANTA ANA RD
050-231-026 - CEBADA LN	050-251-018 - LLANO RD	050-271-033 - CEBADA LN
050-231-029 - CEBADA LN	050-251-019 - CORRIENTE RD	050-281-002 - SANTA ANA RD
050-231-030 - CEBADA LN	050-251-020 - CORRIENTE RD	050-281-004 - SANTA ANA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-281-005 - SANTA ANA RD	050-311-010 - SANTA LUCIA RD	050-324-013 - SANTA LUCIA RD
050-281-006 - SERRIJON RD	050-311-011 - SANTA LUCIA RD	050-324-014 - SANTA LUCIA RD
050-281-007 - SERRIJON RD	050-312-009 - SANTA LUCIA RD	050-324-015 - SANTA LUCIA RD
050-281-008 - SERRIJON RD	050-312-011 - SANTA LUCIA RD	050-324-016 - EL MONTE RD
050-281-009 - SANTA ANA RD	050-312-012 - SANTA LUCIA RD	050-324-017 - SANTA LUCIA RD
050-281-010 - SANTA ANA RD	050-312-013 - CENCERRO RD	050-331-002 - RAYAR RD
050-291-001 - SERRIJON RD	050-312-014 - EL MONTE RD	050-331-003 - LLANO RD
050-291-002 - SERRIJON RD	050-312-015 - EL MONTE RD	050-331-006 - LLANO RD
050-291-004 - SERRIJON RD	050-312-017 - SANTA LUCIA RD	050-331-010 - LLANO RD
050-291-005 - SERRIJON RD	050-312-018 - SANTA LUCIA RD	050-331-011 - LLANO RD
050-291-008 - SERRIJON RD	050-312-019 - EL MONTE RD	050-331-013 - LOMITAS RD
050-291-009 - SERRIJON RD	050-312-020 - EL MONTE RD	050-331-014 - LLANO RD
050-291-011 - LLANO RD	050-321-012 - BOLSA RD	050-331-017 - RAYAR RD
050-291-012 - LLANO RD	050-321-013 - SANTA LUCIA RD	050-331-018 - RAYAR RD
050-301-002 - SANTA LUCIA RD	050-321-027 - SANTA LUCIA RD	050-331-019 - LOMITAS RD
050-301-003 - SANTA LUCIA RD	050-321-028 - SANTA LUCIA RD	050-331-020 - LOMITAS RD
050-302-001 - EL MONTE RD	050-321-029 - SANTA LUCIA RD	050-341-004 - LOMITAS RD
050-302-002 - EL MONTE RD	050-323-005 - SANTA LUCIA RD	050-341-006 - LOMITAS RD
050-302-006 - EL MONTE RD	050-323-006 - SANTA LUCIA RD	050-341-010 - SANTA LUCIA RD
050-302-008 - EL MONTE RD	050-323-007 - LLANO RD	050-341-013 - SANTA LUCIA RD
050-302-009 - EL MONTE RD	050-323-008 - BOLSA RD	050-341-014 - SANTA LUCIA RD
050-302-014 - EL MONTE RD	050-323-016 - BOLSA RD	050-341-016 - LLANO RD
050-302-015 - EL MONTE RD	050-323-018 - LLANO RD	050-341-017 - SANTA LUCIA RD
050-311-005 - SANTA LUCIA RD	050-323-019 - BOLSA RD	050-341-018 - SANTA LUCIA RD
050-311-006 - SANTA LUCIA RD	050-324-001 - SANTA LUCIA RD	050-341-019 - GRAVES CREEK RES
050-311-007 - SANTA LUCIA RD	050-324-003 - SANTA LUCIA RD	050-341-020 - LOMITAS RD
050-311-008 - SANTA LUCIA RD	050-324-004 - SANTA LUCIA RD	050-341-022 - LOMITAS RD
050-311-009 - SANTA LUCIA RD	050-324-007 - SANTA LUCIA RD	050-341-023 - LOMITAS RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

050-341-024 - LOMITAS RD	054-011-027 - SAN PALO RD	054-014-005 - MARICOPA RD
050-341-025 - LOMITAS RD	054-011-028 - ARDILLA RD	054-014-006 - SAN ANSELMO RD
050-341-026 - SANTA LUCIA RD	054-011-029 - SAN PALO RD	054-014-007 - SAN ANSELMO RD
050-341-027 - SANTA LUCIA RD	054-011-034 - SAN ANSELMO RD	054-021-001 - VENADO AVE
050-341-028 - LOMITAS RD	054-011-035 - SAN ANSELMO RD	054-021-007 - ATAJO AVE
050-341-029 - LOMITAS RD	054-012-002 - ARDILLA RD	054-021-017 - CHAUPLIN AVE
050-351-005 - LLANO RD	054-012-010 - ARDILLA RD	054-021-018 - CHAUPLIN AVE
050-351-006 - LLANO RD	054-012-011 - PORTOLA RD	054-021-019 - CHAUPLIN AVE
050-351-007 - LLANO RD	054-012-037 - ARDILLA RD	054-021-020 - CHAUPLIN AVE
050-351-009 - LLANO RD	054-012-038 - VENADO AVE	054-021-021 - PORTOLA RD
050-351-010 - LLANO RD	054-012-039 - ARDILLA RD	054-021-023 - ATAJO AVE
050-351-011 - RAYAR RD	054-012-040 - ARDILLA RD	054-021-024 - ATAJO AVE
050-361-003 - EL MONTE RD	054-012-041 - ARDILLA RD	054-021-025 - ATAJO AVE
050-361-004 - EL MONTE RD	054-012-049 - ARDILLA RD	054-022-008 - PORTOLA RD
050-361-006 - EL MONTE RD	054-013-001 - SAN ANSELMO RD	054-022-009 - PORTOLA RD
050-361-007 - SAN LUCAS RD	054-013-002 - MARICOPA RD	054-022-011 - PORTOLA RD
050-361-008 - SAN LUCAS RD	054-013-004 - MARICOPA RD	054-022-012 - PORTOLA RD
050-362-003 - EL MONTE RD	054-013-013 - ARDILLA RD	054-022-017 - PORTOLA RD
050-362-004 - EL MONTE RD	054-013-016 - ARDILLA RD	054-022-018 - PORTOLA RD
050-362-005 - EL MONTE RD	054-013-018 - SAN ANSELMO RD	054-022-021 - ALLEMANDE LN
050-362-006 - SAN LUCAS RD	054-013-019 - SAN ANSELMO RD	054-022-026 - SANTA LUCIA RD
050-362-009 - CENCERRO RD	054-013-020 - MARICOPA RD	054-022-030 - SANTA LUCIA RD
050-362-010 - SAN LUCAS RD	054-013-022 - MARICOPA RD	054-022-031 - SANTA LUCIA RD
050-362-011 - SAN LUCAS RD	054-013-025 - ARDILLA RD	054-022-032 - PORTOLA RD
054-011-020 - SAN ANSELMO RD	054-013-026 - ARDILLA RD	054-022-034 - PORTOLA RD
054-011-021 - ARDILLA RD	054-013-029 - ARDILLA RD	054-022-035 - PORTOLA RD
054-011-025 - SAN ANSELMO RD	054-013-030 - ARDILLA RD	054-022-036 - PORTOLA RD
054-011-026 - SAN PALO RD	054-014-004 - MARICOPA RD	054-031-008 - RAMONA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-031-009 - MONTEREY RD	054-041-005 - MARICOPA RD	054-043-024 - GRAVES CREEK RD
054-032-012 - GRAVES CREEK RD	054-041-011 - MARICOPA RD	054-043-025 - GRAVES CREEK RD
054-032-013 - GRAVES CREEK RD	054-041-016 - ARDILLA RD	054-043-026 - GRAVES CREEK RD
054-032-014 - MONTEREY RD	054-041-017 - GRAVES CREEK RD	054-051-010 - PORTOLA RD
054-032-015 - MARICOPA RD	054-041-019 - MARICOPA RD	054-051-013 - RAMAGE AVE
054-032-017 - MARICOPA RD	054-041-020 - MARICOPA RD	054-051-020 - PORTOLA RD
054-032-026 - MONTEREY RD	054-041-021 - GRAVES CREEK RD	054-051-033 - PORTOLA RD
054-032-038 - MARICOPA RD	054-041-022 - GRAVES CREEK RD	054-051-041 - RAMAGE AVE
054-032-041 - MARICOPA RD	054-041-027 - MARICOPA RD	054-051-045 - ARDILLA RD
054-032-051 - MONTEREY RD	054-041-028 - MARICOPA RD	054-051-051 - PORTOLA RD
054-032-052 - MONTEREY RD	054-043-001 - GRAVES CREEK RD	054-051-052 - PORTOLA RD
054-032-053 - MONTEREY RD	054-043-003 - ARDILLA RD	054-051-054 - PORTOLA RD
054-032-054 - MONTEREY RD	054-043-004 - CASCABEL RD	054-051-056 - PORTOLA RD
054-032-055 - MONTEREY RD	054-043-005 - ARDILLA RD	054-051-057 - ARDILLA RD
054-032-056 - MONTEREY RD	054-043-006 - ARDILLA RD	054-051-058 - ARDILLA RD
054-032-057 - MONTEREY RD	054-043-007 - ARDILLA RD	054-051-059 - ARDILLA RD
054-032-058 - MONTEREY RD	054-043-008 - ARDILLA RD	054-051-060 - PORTOLA RD
054-032-060 - MARICOPA RD	054-043-009 - ARDILLA RD	054-051-061 - PORTOLA RD
054-032-065 - MONTEREY RD	054-043-010 - ARDILLA RD #/X	054-051-067 - RAMAGE AVE
054-032-068 - MARICOPA RD	054-043-011 - ARDILLA RD	054-051-068 - PORTOLA RD
054-032-069 - MARICOPA RD	054-043-012 - ARDILLA RD	054-051-069 - RAMAGE AVE
054-032-070 - MARICOPA RD	054-043-013 - ARDILLA RD	054-051-070 - PORTOLA RD
054-032-071 - MARICOPA RD	054-043-015 - ARDILLA RD	054-051-071 - PORTOLA RD
054-032-072 - MARICOPA RD	054-043-018 - ARDILLA RD	054-051-072 - PORTOLA RD
054-032-073 - MARICOPA RD	054-043-019 - ARDILLA RD #/	054-051-073 - PORTOLA RD
054-032-074 - MARICOPA RD	054-043-020 - ARDILLA RD #X	054-051-076 - PORTOLA RD
054-032-075 - GRAVES CREEK RD	054-043-021 - ARDILLA RD	054-051-082 - PORTOLA RD
054-032-076 - GRAVES CREEK RD	054-043-023 - MARICOPA RD	054-051-083 - ARDILLA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-051-084 - ARDILLA RD	054-071-030 - SAN CLEMENTE AVE	054-072-072 - PORTOLA RD
054-051-085 - PORTOLA RD	054-071-031 - PORTOLA RD	054-072-073 - PORTOLA RD
054-051-086 - PORTOLA RD	054-071-033 - PORTOLA RD	054-072-074 - PORTOLA RD
054-051-087 - PORTOLA RD	054-071-037 - PORTOLA RD	054-072-075 - PORTOLA RD
054-051-088 - PORTOLA RD	054-071-038 - PORTOLA RD	054-072-078 - PORTOLA RD
054-051-089 - PORTOLA RD	054-071-039 - PORTOLA RD	054-072-079 - PORTOLA RD
054-061-007 - SANTA LUCIA RD	054-071-040 - PORTOLA RD	054-072-084 - LOS GATOS RD
054-061-008 - SANTA LUCIA RD	054-072-002 - PORTOLA RD	054-072-085 - LOS GATOS RD
054-061-012 - SANTA LUCIA RD	054-072-005 - PORTOLA RD	054-072-087 - PORTOLA RD
054-061-022 - PORTOLA RD	054-072-021 - LOS GATOS RD	054-072-088 - PORTOLA RD
054-061-025 - SANTA LUCIA RD	054-072-022 - LOS GATOS RD	054-073-001 - SANTA LUCIA RD
054-061-026 - PORTOLA RD	054-072-023 - PORTOLA RD	054-073-010 - PORTOLA RD
054-061-028 - SANTA LUCIA RD	054-072-028 - LOS GATOS RD	054-073-011 - PORTOLA RD
054-061-032 - PORTOLA RD	054-072-029 - LOS GATOS RD	054-073-018 - PORTOLA RD
054-061-041 - SANTA LUCIA RD	054-072-030 - SANTA LUCIA RD	054-073-020 - PORTOLA RD
054-061-042 - SANTA LUCIA RD	054-072-033 - SANTA LUCIA RD	054-073-021 - PORTOLA RD
054-061-043 - PORTOLA RD	054-072-040 - PORTOLA RD	054-073-026 - SANTA LUCIA RD
054-061-044 - PORTOLA RD	054-072-041 - PORTOLA RD	054-073-028 - SANTA LUCIA RD
054-061-045 - PORTOLA RD	054-072-047 - PORTOLA RD	054-073-029 - PORTOLA RD
054-061-048 - SANTA LUCIA RD	054-072-055 - PORTOLA RD	054-073-030 - PORTOLA RD
054-061-050 - SANTA LUCIA RD	054-072-060 - PORTOLA RD	054-081-014 - PORTOLA RD
054-061-058 - SANTA LUCIA RD	054-072-061 - PORTOLA RD	054-081-019 - PORTOLA RD
054-061-059 - SANTA LUCIA RD	054-072-062 - FLORES RD	054-081-021 - PORTOLA RD
054-061-060 - SANTA LUCIA RD	054-072-064 - PORTOLA RD	054-081-030 - PORTOLA RD
054-061-067 - SANTA LUCIA RD	054-072-065 - PORTOLA RD	054-081-031 - PORTOLA RD
054-061-069 - PORTOLA RD	054-072-066 - PORTOLA RD	054-081-035 - PORTOLA RD
054-061-071 - SANTA LUCIA RD	054-072-070 - SANTA LUCIA RD	054-081-040 - PORTOLA RD
054-071-005 - PORTOLA RD	054-072-071 - SANTA LUCIA RD	054-081-041 - PORTOLA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-081-042 - SAN MARCOS RD	054-085-045 - BELLA VISTA RD	054-091-026 - CASCABEL RD
054-081-043 - SAN MARCOS RD	054-085-047 - BELLA VISTA RD	054-092-001 - CASCABEL RD
054-081-044 - PORTOLA RD	054-085-049 - PORTOLA RD	054-092-002 - CASCABEL RD
054-081-045 - PORTOLA RD	054-085-050 - PORTOLA RD	054-092-011 - CASCABEL RD
054-081-052 - PORTOLA RD	054-085-051 - PORTOLA RD	054-092-014 - CASCABEL RD
054-082-006 - SAN MARCOS RD	054-085-052 - SAN MARCOS RD	054-092-020 - CASCABEL RD
054-082-012 - SAN CLEMENTE AVE	054-085-053 - SAN MARCOS RD	054-092-021 - CASCABEL RD
054-082-015 - SAN CLEMENTE AVE	054-086-003 - BELLA VISTA RD	054-092-022 - CASCABEL RD
054-084-001 - PORTOLA RD	054-086-004 - BELLA VISTA RD	054-092-025 - CASCABEL RD
054-084-002 - PORTOLA RD	054-086-005 - BELLA VISTA RD	054-092-026 - CASCABEL RD
054-084-004 - LOS GATOS RD	054-086-006 - BELLA VISTA RD	054-101-006 - SANTA LUCIA RD
054-084-005 - SAN MARCOS RD	054-086-007 - SAN MARCOS RD	054-101-012 - CASCABEL RD
054-084-006 - SAN MARCOS RD	054-086-010 - BELLA VISTA RD	054-101-015 - SANTA LUCIA RD
054-084-007 - SAN MARCOS RD	054-086-012 - BELLA VISTA RD	054-101-016 - CASCABEL RD
054-085-002 - SAN MARCOS RD	054-086-013 - BELLA VISTA RD	054-101-017 - CASCABEL RD
054-085-007 - BELLA VISTA RD	054-086-014 - BELLA VISTA RD	054-101-018 - CASCABEL RD
054-085-010 - PORTOLA RD	054-086-015 - BELLA VISTA RD	054-101-019 - CASCABEL RD
054-085-014 - PORTOLA RD	054-086-016 - BELLA VISTA RD	054-101-026 - CASCABEL RD
054-085-025 - BELLA VISTA RD	054-091-001 - ARDILLA RD	054-102-011 - CASCABEL RD
054-085-027 - BELLA VISTA RD	054-091-011 - CASCABEL RD	054-102-017 - CASCABEL RD
054-085-028 - BELLA VISTA RD	054-091-014 - CASCABEL RD	054-102-020 - CASCABEL RD
054-085-029 - BELLA VISTA RD	054-091-017 - CASCABEL RD	054-102-021 - CASCABEL RD
054-085-031 - PORTOLA RD	054-091-018 - CASCABEL RD	054-102-022 - SANTA LUCIA RD
054-085-032 - BELLA VISTA RD	054-091-020 - CASCABEL RD	054-102-023 - CASCABEL RD
054-085-034 - BELLA VISTA RD	054-091-021 - CASCABEL RD	054-102-024 - SANTA LUCIA RD
054-085-035 - BELLA VISTA RD	054-091-022 - CASCABEL RD	054-102-025 - SANTA LUCIA RD
054-085-038 - BELLA VISTA RD	054-091-023 - CASCABEL RD	054-111-018 - SANTA LUCIA RD
054-085-044 - PORTOLA RD	054-091-024 - CASCABEL RD	054-111-024 - SANTA LUCIA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-111-027 - SANTA LUCIA RD	054-121-033 - SAN GABRIEL RD	054-132-033 - SAN MARCOS RD
054-111-033 - SANTA LUCIA RD	054-121-035 - LOS GATOS RD	054-132-034 - SAN MARCOS RD
054-111-034 - SANTA LUCIA RD	054-121-036 - SAN MARCOS RD	054-132-037 - SAN MARCOS RD
054-111-039 - LOS GATOS RD	054-121-037 - SAN MARCOS RD	054-132-038 - SAN MARCOS RD
054-111-040 - SANTA LUCIA RD	054-121-038 - SAN MARCOS RD	054-132-039 - SAN MARCOS RD
054-111-048 - SAN GABRIEL RD	054-121-039 - SAN GABRIEL RD	054-132-043 - SAN MARCOS RD
054-111-049 - SANTA LUCIA RD	054-121-040 - SAN GABRIEL RD	054-132-044 - SAN MARCOS RD
054-111-052 - SANTA LUCIA RD	054-121-041 - SAN GABRIEL RD	054-132-045 - SAN GABRIEL RD
054-111-053 - SANTA LUCIA RD	054-121-042 - SAN GABRIEL RD	054-132-048 - SAN MARCOS RD
054-111-054 - SANTA LUCIA RD	054-122-008 - LOS GATOS RD #PR	054-132-051 - SAN MARCOS RD
054-111-055 - SANTA LUCIA RD	054-122-020 - FLORES RD	054-132-052 - SAN MARCOS RD
054-111-056 - SANTA LUCIA RD	054-122-024 - LOS GATOS RD	054-132-053 - SAN MARCOS RD
054-121-003 - LOS GATOS RD	054-131-004 - SAN GABRIEL RD	054-132-054 - SAN MARCOS RD
054-121-012 - LOS GATOS RD	054-131-006 - SAN MARCOS RD	054-132-062 - SAN GABRIEL RD
054-121-014 - SAN GABRIEL RD	054-131-010 - SAN MARCOS RD	054-132-063 - SAN GABRIEL RD
054-121-019 - LOS GATOS RD	054-131-011 - SAN GABRIEL RD	054-132-064 - SAN GABRIEL RD
054-121-021 - LOS GATOS RD	054-131-012 - SAN MARCOS RD	054-132-065 - SAN GABRIEL RD
054-121-022 - LOS GATOS RD	054-131-016 - SAN GABRIEL RD	054-132-066 - BELLA VISTA RD
054-121-023 - LOS GATOS RD	054-131-017 - SAN MARCOS RD #PR	054-132-070 - SAN MARCOS RD
054-121-024 - LOS GATOS RD	054-131-018 - SAN MARCOS RD	054-132-071 - SAN MARCOS RD
054-121-025 - LOS GATOS RD	054-131-019 - SAN MARCOS RD	054-132-072 - SAN MARCOS RD
054-121-026 - LOS GATOS RD	054-131-020 - SAN GABRIEL RD	054-132-073 - BELLA VISTA RD
054-121-027 - LOS GATOS RD	054-131-021 - SAN GABRIEL RD	054-132-074 - SAN MARCOS RD
054-121-028 - LOS GATOS RD	054-132-008 - SAN MARCOS RD	054-132-076 - SAN MARCOS RD
054-121-029 - LOS GATOS RD	054-132-011 - SAN GABRIEL RD	054-132-077 - SAN MARCOS RD
054-121-030 - LOS GATOS RD	054-132-025 - SAN GABRIEL RD	054-141-003 - BELLA VISTA RD
054-121-031 - LOS GATOS RD	054-132-027 - SAN GABRIEL RD	054-141-005 - BELLA VISTA RD
054-121-032 - SAN GABRIEL RD	054-132-028 - SAN MARCOS RD	054-141-006 - BELLA VISTA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-142-003 - SAN GABRIEL RD	054-151-031 - MORRO RD	054-162-008 - SANTA ANA RD
054-142-004 - SAN GABRIEL RD	054-151-033 - SAN GABRIEL RD	054-162-009 - SANTA ANA RD
054-142-006 - SAN GABRIEL RD	054-151-035 - SAN GABRIEL RD	054-162-010 - SANTA ANA RD
054-142-008 - SAN GABRIEL RD	054-151-036 - SAN GABRIEL RD	054-171-009 - SANTA LUCIA RD
054-142-012 - CARMELITA AVE	054-151-038 - SAN GABRIEL RD	054-171-017 - SANTA LUCIA RD
054-142-015 - SAN GABRIEL RD	054-151-039 - SAN GABRIEL RD	054-171-022 - SANTA ANA RD
054-142-017 - SAN GABRIEL RD	054-151-041 - SANTA ROSA RD	054-171-023 - SANTA ANA RD
054-142-018 - SAN GABRIEL RD	054-151-043 - SANTA ROSA RD	054-171-025 - SANTA ANA RD
054-142-021 - SAN GABRIEL RD	054-151-044 - SAN GABRIEL RD	054-171-026 - SANTA ANA RD
054-142-023 - SAN GABRIEL RD	054-151-045 - SAN GABRIEL RD	054-171-027 - SANTA ANA RD
054-142-024 - SAN GABRIEL RD	054-151-046 - SAN GABRIEL RD	054-171-028 - SANTA LUCIA RD
054-142-026 - SAN GABRIEL RD	054-151-047 - SANTA ROSA RD	054-171-034 - SERRIJON RD
054-142-027 - SAN GABRIEL RD	054-151-048 - SANTA ROSA RD	054-171-035 - SANTA ANA RD
054-142-028 - SAN GABRIEL RD	054-151-049 - SANTA ROSA RD	054-171-039 - SANTA LUCIA RD
054-142-029 - SAN GABRIEL RD	054-151-053 - SANTA ROSA RD	054-171-040 - SANTA ANA RD
054-142-030 - SAN GABRIEL RD	054-151-054 - SANTA ROSA RD	054-171-041 - SANTA LUCIA RD
054-142-031 - SAN GABRIEL RD	054-151-055 - SANTA ROSA RD	054-171-042 - SANTA LUCIA RD
054-142-032 - SAN GABRIEL RD	054-151-056 - SAN GABRIEL RD	054-181-003 - SANTA LUCIA RD
054-142-033 - CARMELITA AVE	054-161-009 - GRAVES CREEK RD	054-181-019 - SANTA LUCIA RD
054-142-035 - SAN GABRIEL RD	054-161-010 - GRAVES CREEK RD	054-182-001 - SANTA LUCIA RD
054-142-036 - SAN GABRIEL RD	054-161-011 - GRAVES CREEK RD	054-182-002 - SANTA LUCIA RD
054-143-008 - CARMELITA AVE	054-161-015 - GRAVES CREEK RD	054-182-005 - SAN GABRIEL RD
054-143-009 - CARMELITA AVE	054-161-016 - SANTA ANA RD	054-191-005 - SAN GABRIEL RD
054-151-021 - MORRO RD	054-161-022 - SANTA ANA RD	054-191-018 - SAN GABRIEL RD
054-151-023 - SANTA ROSA RD	054-162-004 - SANTA ANA RD	054-191-029 - ESCONDIDO RD
054-151-025 - MORRO RD	054-162-005 - GRAVES CREEK RD	054-191-032 - ESCONDIDO RD
054-151-026 - MORRO RD	054-162-006 - GRAVES CREEK RD	054-191-037 - ESCONDIDO RD
054-151-028 - SANTA ROSA RD	054-162-007 - SANTA ANA RD	054-191-042 - SAN GABRIEL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-191-044 - SAN GABRIEL RD	054-201-019 - SAN MARCOS RD	054-211-007 - SAN GABRIEL RD
054-191-045 - SAN GABRIEL RD	054-201-021 - SAN GABRIEL RD	054-211-008 - SAN GABRIEL RD
054-192-006 - ALTA PRADERA LN	054-201-022 - SAN GABRIEL RD	054-211-010 - SAN GABRIEL RD
054-192-009 - SAN GABRIEL RD	054-201-024 - SAN MARCOS RD	054-212-001 - MONITA RD
054-192-012 - SAN GABRIEL RD	054-201-025 - SAN GABRIEL RD	054-212-013 - SAN GABRIEL RD
054-192-013 - SAN GABRIEL RD	054-201-026 - SAN GABRIEL RD	054-212-014 - SAN GABRIEL RD
054-192-016 - SAN GABRIEL RD	054-201-027 - SAN GABRIEL RD	054-212-019 - SAN GABRIEL RD
054-192-019 - ALTA PRADERA LN	054-201-032 - SAN MARCOS RD	054-212-027 - SAN GABRIEL RD
054-192-020 - SAN GABRIEL RD	054-201-033 - SAN MARCOS RD	054-212-032 - CARMELITA AVE
054-192-021 - ALTA PRADERA LN	054-201-034 - SAN MARCOS RD	054-212-033 - CARMELITA AVE
054-192-023 - ALTA PRADERA LN	054-201-035 - SAN MARCOS RD	054-212-035 - CARMELITA AVE
054-192-025 - ALTA PRADERA LN	054-201-036 - SAN MARCOS RD	054-221-002 - ATAS CREEK RES #-A
054-192-026 - PORTAL RD	054-201-037 - ESCONDIDO RD	054-221-003 - CARMELITA AVE
054-192-027 - PORTAL RD	054-201-040 - SAN MARCOS RD	054-221-004 - CARMELITA AVE
054-192-028 - PORTAL RD	054-201-041 - SAN GABRIEL RD	054-221-008 - CARMELITA AVE
054-192-029 - PORTAL RD	054-201-042 - SAN MARCOS RD	054-221-013 - SAN GABRIEL RD
054-192-030 - PORTAL RD	054-201-043 - SAN MARCOS RD	054-221-015 - SAN GABRIEL RD
054-192-031 - PORTAL RD	054-201-044 - SAN MARCOS RD	054-231-007 - OLD MORRO RD EAST
054-192-032 - PORTAL RD	054-201-045 - SAN MARCOS RD	054-231-008 - OLD MORRO RD EAST
054-192-033 - PORTAL RD	054-201-046 - SAN MARCOS RD	054-231-009 - OLD MORRO RD EAST
054-192-035 - ALTA PRADERA LN	054-201-047 - SAN MARCOS RD	054-231-014 - OLD MORRO RD EAST
054-192-036 - ALTA PRADERA LN	054-201-048 - SAN MARCOS RD	054-231-015 - OLD MORRO RD EAST
054-192-037 - ALTA PRADERA LN	054-201-049 - SAN GABRIEL RD	054-231-018 - SAN GABRIEL RD
054-192-038 - SAN GABRIEL RD	054-201-050 - SAN GABRIEL RD	054-231-019 - SAN RAFAEL RD
054-201-006 - SAN GABRIEL RD	054-201-051 - SAN GABRIEL RD	054-231-020 - OLD MORRO RD EAST
054-201-008 - SAN MARCOS RD	054-201-052 - ESCONDIDO RD	054-231-021 - OLD MORRO RD EAST
054-201-012 - SAN MARCOS RD	054-201-053 - ESCONDIDO RD	054-231-022 - SAN RAFAEL RD
054-201-013 - SAN GABRIEL RD	054-211-005 - SAN GABRIEL RD	054-231-023 - OLD MORRO RD EAST

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-231-025 - OLD MORRO RD EAST	054-241-038 - SAN RAFAEL RD	054-272-025 - GALLINA CT
054-231-028 - LOS OSOS RD	054-241-039 - SAN RAFAEL RD	054-272-026 - LLANO RD
054-231-029 - LOS OSOS RD	054-241-040 - SAN RAFAEL RD	054-272-027 - LLANO RD
054-231-030 - OLD MORRO RD EAST	054-241-041 - SAN GABRIEL RD	054-272-029 - LLANO RD
054-231-031 - LOS OSOS RD	054-241-042 - SAN GABRIEL RD	054-281-007 - PORTAL RD
054-231-032 - SAN DIMAS RD	054-251-004 - TECOLOTE RD	054-281-010 - PORTAL RD
054-231-033 - SAN DIMAS RD	054-251-005 - TECOLOTE RD #PR	054-281-012 - PORTAL RD
054-231-034 - SAN DIMAS RD	054-251-007 - TECOLOTE RD	054-281-015 - PORTAL RD
054-231-035 - CHANDLER LN	054-261-003 - LLANO RD	054-281-020 - LAUREL RD
054-231-037 - CHANDLER LN	054-261-004 - SANTA LUCIA RD	054-281-023 - LAUREL RD
054-231-038 - SAN RAFAEL RD	054-261-009 - SANTA LUCIA RD	054-281-024 - LAUREL RD
054-231-039 - SAN RAFAEL RD	054-261-015 - SANTA LUCIA RD	054-291-012 - ESCONDIDO RD
054-231-040 - OLD MORRO RD EAST	054-262-004 - SANTA LUCIA RD	054-291-014 - PORTAL RD
054-231-041 - OLD MORRO RD EAST	054-262-005 - SANTA LUCIA RD	054-291-018 - PORTAL RD
054-231-042 - LOS OSOS RD	054-262-006 - SANTA LUCIA RD	054-291-019 - PORTAL RD
054-231-043 - LOS OSOS RD	054-271-006 - GRAVES CREEK RES #	054-291-022 - PORTAL RD
054-231-044 - OLD MORRO RD EAST	054-271-007 - LAUREL RD	054-291-023 - PORTAL RD
054-231-045 - OLD MORRO RD EAST	054-271-008 - LAUREL RD	054-301-010 - ESCONDIDO RD
054-241-002 - SAN GABRIEL RD	054-271-009 - SANTA LUCIA RD	054-301-013 - SAN MARCOS RD
054-241-003 - SAN GABRIEL RD	054-271-010 - SANTA LUCIA RD	054-301-016 - SAN MARCOS RD
054-241-018 - SAN GABRIEL RD	054-272-006 - SANTA LUCIA RD	054-301-018 - ESCONDIDO RD
054-241-022 - SAN GABRIEL RD	054-272-014 - LLANO RD	054-301-019 - ESCONDIDO RD
054-241-025 - SAN RAFAEL RD	054-272-015 - SANTA LUCIA RD	054-301-020 - ESCONDIDO RD
054-241-027 - SAN GABRIEL RD	054-272-016 - SANTA LUCIA RD	054-301-021 - ESCONDIDO RD
054-241-032 - SAN RAFAEL RD	054-272-020 - GALLINA CT	054-301-022 - ESCONDIDO RD
054-241-034 - SAN RAFAEL RD	054-272-022 - GALLINA CT	054-301-023 - ESCONDIDO RD
054-241-035 - SAN RAFAEL RD	054-272-023 - GALLINA CT	054-301-024 - SAN MARCOS RD
054-241-036 - SAN RAFAEL RD	054-272-024 - GALLINA CT	054-301-025 - SAN MARCOS RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

054-301-026 - SAN MARCOS RD	054-311-062 - BARRANCO RD	054-333-009 - SIERRA VISTA RD
054-301-027 - SAN MARCOS RD	054-311-063 - BARRANCO RD	054-334-001 - SIERRA VISTA RD
054-311-003 - SAN MARCOS RD	054-311-064 - REALITO AVE	054-341-002 - RAMAGE AVE
054-311-005 - SAN MARCOS RD	054-321-009 - SIERRA VISTA RD	054-342-002 - RAMAGE AVE
054-311-008 - REALITO AVE	054-321-010 - SIERRA VISTA RD	055-011-004 - SANTA LUCIA RD
054-311-016 - BARRANCO RD	054-321-012 - SAN MARCOS RD	055-011-006 - SAN CAYETANO RD
054-311-029 - SAN MARCOS RD	054-321-013 - SIERRA VISTA RD	055-011-007 - CENEGAL RD
054-311-031 - SAN MARCOS RD	054-321-014 - ANDRITA RD	055-011-011 - CENEGAL RD
054-311-033 - SAN MARCOS RD	054-321-015 - ANDRITA RD	055-011-012 - CENEGAL RD
054-311-035 - SAN MARCOS RD	054-322-002 - MONITA RD	055-011-013 - CENEGAL RD
054-311-037 - SAN MARCOS RD	054-322-003 - SIERRA VISTA RD	055-011-016 - SANTA LUCIA RD
054-311-041 - SAN MARCOS RD	054-322-004 - SIERRA VISTA RD	055-011-017 - SANTA LUCIA RD
054-311-042 - SAN MARCOS RD	054-322-009 - MONITA RD	055-011-018 - SANTA LUCIA RD
054-311-043 - SAN MARCOS RD	054-322-011 - SIERRA VISTA RD	055-011-019 - GRAVES CREEK RES #
054-311-044 - REALITO AVE	054-322-012 - SAN MARCOS RD	055-011-020 - SANTA LUCIA RD
054-311-045 - REALITO AVE	054-322-013 - SIERRA VISTA RD	055-011-022 - SANTA LUCIA RD
054-311-047 - REALITO AVE	054-331-004 - CASITAS RD	055-021-002 - SANTA LUCIA RD
054-311-048 - SAN MARCOS RD	054-331-005 - SIERRA VISTA RD	055-021-003 - SANTA LUCIA RD
054-311-049 - SAN MARCOS RD	054-331-006 - SIERRA VISTA RD	055-022-008 - CENEGAL RD
054-311-050 - SAN MARCOS RD	054-331-010 - SIERRA VISTA RD	055-022-011 - SANTA LUCIA RD
054-311-051 - SAN MARCOS RD	054-331-011 - MONITA RD	055-022-012 - SANTA LUCIA RD
054-311-052 - SAN MARCOS RD	054-332-012 - CASITAS RD	055-022-013 - SANTA LUCIA RD
054-311-053 - SAN MARCOS RD	054-332-013 - SIERRA VISTA RD	055-022-014 - SANTA LUCIA RD
054-311-054 - SAN MARCOS RD	054-332-014 - CASITAS RD	055-031-010 - CENEGAL RD
054-311-058 - BARRANCO RD	054-333-003 - SIERRA VISTA RD	055-031-020 - LAUREL RD
054-311-059 - BARRANCO RD	054-333-005 - SIERRA VISTA RD	055-031-021 - LAUREL RD
054-311-060 - BARRANCO RD	054-333-007 - SIERRA VISTA RD	055-031-022 - LAUREL RD
054-311-061 - BARRANCO RD	054-333-008 - SIERRA VISTA RD	055-031-023 - LAUREL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-031-024 - LAUREL RD	055-051-009 - VISTA RD	055-062-034 - LUCINDA LN
055-031-025 - CENEGAL RD	055-051-010 - VISTA RD	055-062-038 - BARRANCO RD
055-031-027 - CENEGAL RD	055-051-011 - SAN MARCOS RD	055-062-043 - REALITO AVE
055-031-028 - CENEGAL RD	055-051-012 - SAN MARCOS RD	055-062-047 - LUCINDA LN
055-031-029 - CENEGAL RD	055-052-002 - VISTA RD	055-062-048 - BARRANCO HTS
055-031-030 - LAUREL RD	055-052-010 - VISTA RD	055-062-049 - BARRANCO HTS
055-031-031 - CENEGAL RD	055-052-011 - VISTA RD	055-062-050 - LUCINDA LN
055-031-032 - CENEGAL RD	055-052-013 - VISTA RD	055-062-051 - LUCINDA LN
055-031-034 - LAUREL RD	055-052-014 - VISTA RD	055-062-052 - LUCINDA LN
055-031-035 - LAUREL RD	055-052-021 - REALITO AVE	055-062-053 - LUCINDA LN
055-031-036 - LAUREL RD	055-052-024 - REALITO AVE	055-062-054 - LUCINDA LN
055-031-037 - CENEGAL RD	055-052-027 - REALITO AVE	055-062-055 - BARRANCO RD
055-031-038 - LAUREL RD	055-052-028 - REALITO AVE	055-062-056 - CARMELITA RD
055-031-039 - LAUREL RD	055-053-001 - SAN MARCOS RD	055-062-059 - BARRANCO RD
055-031-040 - LAUREL RD	055-053-002 - SAN MARCOS RD	055-071-011 - SAN MARCOS RD
055-041-003 - SAN MARCOS RD	055-053-004 - REALITO AVE	055-071-012 - SAN MARCOS RD
055-041-006 - SAN MARCOS RD	055-053-005 - SAN MARCOS RD	055-071-013 - SAN MARCOS RD
055-041-010 - LAUREL RD	055-053-006 - REALITO AVE	055-071-016 - CASANOVA RD
055-041-011 - ESCONDIDO RD	055-054-001 - REALITO AVE	055-071-017 - CASANOVA RD
055-041-012 - ESCONDIDO RD	055-061-004 - BARRANCO RD	055-071-018 - CASANOVA RD
055-041-013 - SAN MARCOS RD	055-061-005 - BARRANCO RD	055-072-007 - CASANOVA RD
055-041-014 - SAN MARCOS RD	055-062-019 - LUCINDA LN	055-072-008 - CASANOVA RD
055-041-015 - LAUREL RD	055-062-023 - LUCINDA LN	055-072-009 - ANDRITA RD
055-041-016 - LAUREL RD	055-062-024 - LUCINDA LN	055-073-003 - ANDRITA RD
055-041-017 - LAUREL RD	055-062-028 - LUCINDA LN	055-081-002 - BARRANCO RD
055-041-018 - LAUREL RD	055-062-029 - LUCINDA LN	055-081-004 - CASANOVA RD
055-051-002 - SAN MARCOS RD	055-062-030 - LUCINDA LN	055-081-006 - CASANOVA RD
055-051-008 - SAN MARCOS RD	055-062-033 - LUCINDA LN	055-081-013 - CASANOVA RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-081-014 - CASANOVA RD	055-102-012 - CASANOVA RD	055-113-007 - ESCABROSO CT
055-081-015 - CASANOVA RD	055-102-013 - CASANOVA RD	055-113-008 - SAN MARCOS RD
055-081-016 - BARRANCO RD	055-102-014 - SIERRA VISTA RD	055-113-009 - ESCABROSO CT
055-081-017 - CASANOVA RD	055-102-017 - CASANOVA RD	055-113-010 - ESCABROSO CT
055-082-009 - CASANOVA RD	055-111-006 - SAN CAYETANO RD	055-113-011 - SAN FELIPE CT
055-082-010 - ANDRITA RD	055-111-009 - SAN MARCOS RD	055-113-012 - SAN FELIPE CT
055-082-011 - CASANOVA RD	055-111-032 - ROJO CT	055-113-013 - SAN FELIPE CT
055-082-012 - CASANOVA RD	055-111-033 - CENEGAL RD	055-113-014 - SAN FELIPE CT
055-083-005 - CASANOVA RD	055-112-001 - SAN MARCOS RD	055-113-015 - SAN FELIPE CT
055-083-006 - CASANOVA RD	055-112-002 - SAN MARCOS RD	055-113-016 - SAN FELIPE CT
055-091-001 - SIERRA VISTA RD	055-112-003 - PASO VERDE CT	055-113-017 - SAN FELIPE CT
055-091-002 - SIERRA VISTA RD	055-112-004 - PASO VERDE CT	055-113-018 - SAN FELIPE CT
055-092-001 - SIERRA VISTA RD	055-112-005 - PASO VERDE CT	055-113-019 - SAN FELIPE CT
055-093-003 - CASITAS RD	055-112-006 - PASO VERDE CT	055-113-020 - SAN MARCOS RD
055-093-004 - CASITAS RD	055-112-007 - ROJO CT	055-113-021 - SAN MARCOS RD
055-101-004 - CARMELITA RD	055-112-008 - ROJO CT	055-113-022 - SAN MARCOS RD
055-101-007 - CASANOVA RD	055-112-009 - ROJO CT	055-113-023 - SAN MARCOS RD
055-101-009 - CASANOVA RD	055-112-010 - ROJO CT	055-113-024 - SAN MARCOS RD
055-101-014 - CARMELITA RD	055-112-011 - ROJO CT	055-114-001 - CENEGAL RD
055-101-018 - CASANOVA RD	055-112-012 - CHOLARE RD	055-114-002 - CENEGAL RD
055-101-019 - BARRANCO RD	055-112-013 - CHOLARE RD	055-114-003 - CENEGAL RD
055-101-020 - CASANOVA RD	055-112-014 - CHOLARE RD	055-114-004 - PUENTE RD
055-101-021 - BARRANCO RD	055-112-015 - CHOLARE RD	055-114-005 - PUENTE RD
055-101-022 - CASANOVA RD	055-113-001 - ROJO CT	055-114-006 - CENEGAL RD
055-101-023 - CARMELITA RD	055-113-002 - ROJO CT	055-114-007 - PUENTE RD
055-101-024 - CASANOVA RD	055-113-003 - ROJO CT	055-114-008 - PUENTE RD
055-102-002 - CASANOVA RD	055-113-005 - ROJO CT	055-114-009 - PUENTE RD
055-102-006 - SIERRA VISTA RD	055-113-006 - ESCABROSO CT	055-114-010 - PUENTE RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-114-011 - CABAZON RD	055-115-014 - PECOS CT	055-121-018 - CENEGAL RD
055-114-012 - CABAZON RD	055-115-015 - SAN MARCOS RD	055-121-019 - CENEGAL RD
055-114-013 - CABAZON RD	055-115-016 - PECOS CT	055-121-020 - CENEGAL RD
055-114-014 - CABAZON RD	055-115-017 - CENEGAL RD	055-131-001 - CENEGAL RD
055-114-015 - CABAZON RD	055-115-018 - CENEGAL RD	055-131-002 - CENEGAL RD
055-114-016 - CABAZON RD	055-115-019 - CENEGAL RD	055-131-010 - CENEGAL RD
055-114-017 - CABAZON RD	055-115-020 - SAN MARCOS RD	055-131-011 - CENEGAL RD
055-114-018 - CABAZON RD	055-115-021 - SAN MARCOS RD	055-131-012 - CENEGAL RD
055-114-019 - CABAZON RD	055-115-022 - SAN MARCOS RD	055-131-013 - CENEGAL RD
055-114-020 - SAN MARCOS RD	055-115-023 - SAN MARCOS RD	055-131-014 - CENEGAL RD
055-114-021 - CABAZON RD	055-115-024 - SAN MARCOS RD	055-141-003 - CENEGAL RD
055-114-022 - CABAZON RD	055-116-010 - SAN MARCOS RD	055-141-005 - CENEGAL RD
055-114-023 - CABAZON RD	055-116-011 - SAN MARCOS RD	055-141-006 - CENEGAL RD
055-114-024 - CABAZON RD	055-116-012 - SAN MARCOS RD	055-141-007 - LAUREL RD
055-114-025 - CABAZON RD	055-116-013 - SAN MARCOS RD	055-141-009 - CENEGAL RD
055-114-026 - CABAZON RD	055-116-014 - SAN MARCOS RD	055-151-005 - SAN MARCOS RD
055-114-027 - CABAZON RD	055-116-015 - MADRONE RD	055-151-007 - SAN MARCOS RD
055-114-028 - CABAZON RD	055-116-016 - MADRONE RD	055-151-008 - SAN MARCOS RD
055-115-001 - SAN MARCOS CT	055-116-017 - MADRONE RD	055-151-009 - SAN MARCOS RD
055-115-002 - SAN MARCOS CT	055-116-018 - MADRONE RD	055-151-012 - LAUREL RD
055-115-003 - SAN MARCOS CT	055-116-019 - MADRONE RD	055-151-013 - LAUREL RD
055-115-004 - SAN MARCOS CT	055-116-020 - MADRONE RD	055-151-016 - LAUREL RD
055-115-005 - SAN MARCOS CT	055-116-021 - MADRONE RD	055-151-017 - LAUREL RD
055-115-006 - SAN MARCOS RD	055-121-001 - CENEGAL RD	055-151-018 - LAUREL RD
055-115-007 - SAN MARCOS RD	055-121-013 - CENEGAL RD	055-151-019 - LAUREL RD
055-115-011 - CENEGAL RD	055-121-014 - CENEGAL RD	055-151-020 - LAUREL RD
055-115-012 - PECOS CT	055-121-015 - CENEGAL RD	055-151-022 - LAUREL RD
055-115-013 - PECOS CT	055-121-017 - CENEGAL RD	055-151-023 - LAUREL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-161-008 - SAN MARCOS RD	055-161-039 - VISTA RD	055-192-004 - SAN MARCOS RD
055-161-009 - SAN MARCOS RD	055-161-040 - VISTA RD	055-192-005 - SAN MARCOS RD
055-161-010 - SAN MARCOS RD	055-161-041 - VISTA RD	055-201-002 - SAN MARCOS RD
055-161-011 - SAN MARCOS RD	055-161-042 - MORRO RD	055-201-008 - SAN MARCOS RD
055-161-012 - SAN MARCOS RD	055-161-043 - MORRO RD	055-201-009 - SAN MARCOS RD
055-161-013 - SAN MARCOS RD	055-161-044 - MORRO RD	055-201-013 - SAN MARCOS RD
055-161-014 - VISTA RD	055-171-004 - SAN MARCOS RD	055-201-014 - SAN MARCOS RD
055-161-015 - SAN MARCOS RD	055-171-009 - SAN MARCOS RD	055-201-015 - SAN MARCOS RD
055-161-017 - VISTA RD	055-171-011 - SAN MARCOS RD	055-201-016 - SAN MARCOS RD
055-161-018 - VISTA RD	055-171-012 - SAN MARCOS RD	055-201-017 - SAN MARCOS RD
055-161-019 - VISTA RD	055-171-013 - SAN MARCOS RD	055-201-018 - SAN MARCOS RD
055-161-020 - VISTA RD	055-171-014 - SAN MARCOS RD	055-201-019 - SAN MARCOS RD
055-161-022 - VISTA RD	055-171-016 - SAN MARCOS RD	055-201-020 - SAN MARCOS RD
055-161-023 - VISTA RD	055-181-003 - SAN CAYETANO RD	055-201-021 - LAUREL RD
055-161-024 - VISTA RD	055-181-008 - SAN MARCOS RD	055-211-014 - MORRO RD
055-161-025 - VISTA RD	055-181-009 - SAN MARCOS RD	055-211-021 - CHOLARE RD
055-161-026 - VISTA RD	055-181-015 - SAN MARCOS RD	055-211-022 - MORRO RD
055-161-028 - VISTA RD	055-181-019 - SAN MARCOS RD	055-211-024 - MORRO RD
055-161-029 - VISTA RD	055-181-022 - SAN MARCOS RD	055-211-025 - MORRO RD
055-161-030 - VISTA RD	055-181-026 - SAN MARCOS RD	055-211-026 - MORRO RD
055-161-031 - VISTA RD	055-181-027 - SAN MARCOS RD	055-221-002 - MORRO RD
055-161-032 - VISTA RD	055-181-028 - SAN MARCOS RD	055-221-003 - MORRO RD
055-161-033 - VISTA RD	055-191-003 - SAN MARCOS RD	055-221-004 - MORRO RD
055-161-034 - VISTA RD	055-191-004 - SAN MARCOS RD	055-221-005 - MORRO RD
055-161-035 - VISTA RD	055-191-005 - SAN MARCOS RD	055-231-001 - SAN MARCOS RD
055-161-036 - VISTA RD	055-191-009 - SAN MARCOS RD	055-231-002 - SAN MARCOS RD
055-161-037 - VISTA RD	055-191-011 - SAN MARCOS RD	055-231-005 - SAN MARCOS RD
055-161-038 - VISTA RD	055-192-002 - SAN MARCOS RD	055-231-010 - SAN MARCOS RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-231-015 - SAN MARCOS RD	055-251-006 - OLD MORRO RD	055-321-009 - OLD MORRO RD
055-231-016 - SAN MARCOS RD	055-251-007 - MORRO RD	055-321-012 - MORRO RD
055-231-017 - SAN MARCOS RD	055-252-001 - MORRO RD	055-321-017 - MORRO RD
055-231-018 - SAN MARCOS RD	055-252-005 - SAN MARCOS RD	055-321-018 - MORRO RD
055-231-019 - SAN MARCOS RD	055-252-008 - SAN MARCOS RD	055-331-001 - OLD MORRO RD
055-231-020 - SAN MARCOS RD	055-252-014 - SAN MARCOS RD	055-331-003 - OLD MORRO RD
055-231-021 - SAN MARCOS RD	055-252-015 - SAN MARCOS RD	055-331-005 - OLD MORRO RD
055-231-022 - SAN MARCOS RD	055-252-016 - MORRO RD	055-331-007 - OLD MORRO RD
055-241-005 - LOS ALTOS RD	055-252-017 - MORRO RD	055-331-012 - OLD MORRO RD
055-241-006 - LOS ALTOS RD	055-261-004 - MORRO RD	055-331-013 - OLD MORRO RD
055-242-004 - SAN MARCOS RD	055-261-005 - MORRO RD	055-341-002 - PALO VERDE RD
055-242-006 - SAN MARCOS RD	055-261-006 - SAN MARCOS RD	055-341-006 - OLD MORRO RD
055-242-010 - MORRO RD	055-261-012 - SAN MARCOS RD	055-341-007 - OLD MORRO RD
055-242-014 - LOS ALTOS RD	055-261-013 - SAN MARCOS RD	055-341-008 - PALO VERDE RD
055-242-015 - LOS ALTOS RD	055-261-014 - SAN MARCOS RD	055-341-009 - OLD MORRO RD
055-242-026 - LOS ALTOS RD	055-311-009 - OLD MORRO RD	055-341-010 - OLD MORRO RD
055-242-028 - LOS ALTOS RD	055-311-010 - OLD MORRO RD	055-361-006 - PALO VERDE RD
055-242-029 - LOS ALTOS RD	055-311-011 - PALO VERDE RD	055-361-008 - FALCON RD
055-242-030 - LOS ALTOS RD	055-311-012 - PALO VERDE RD	055-361-009 - FALCON RD
055-242-031 - LOS ALTOS RD	055-311-013 - OLD MORRO RD	055-361-010 - FALCON RD
055-242-032 - SAN MARCOS RD	055-311-014 - OLD MORRO RD	055-361-013 - PALO VERDE RD
055-242-033 - LOS ALTOS RD	055-311-015 - OLD MORRO RD	055-361-014 - OLD MORRO RD
055-242-034 - SAN MARCOS RD	055-311-016 - OLD MORRO RD	055-361-015 - PALO VERDE RD
055-242-035 - SAN MARCOS RD	055-311-017 - OLD MORRO RD	055-361-016 - PALO VERDE RD
055-242-036 - MORRO RD	055-311-018 - OLD MORRO RD	055-361-017 - PALO VERDE RD
055-243-001 - OLD MORRO RD	055-311-020 - OLD MORRO RD	055-361-018 - OLD MORRO RD
055-243-002 - OLD MORRO RD	055-321-007 - OLD MORRO RD	055-361-019 - PALO VERDE RD
055-251-001 - OLD MORRO RD	055-321-008 - OLD MORRO RD	055-361-020 - FALCON RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

055-361-021 - FALCON RD	055-451-018 - LOMITAS RD	056-041-025 - COROMAR AVE
055-361-022 - FALCON RD	055-451-019 - LOMITAS RD	056-041-026 - COROMAR AVE
055-361-023 - FALCON RD	055-451-020 - NUDOSO RD	056-041-033 - COROMAR AVE
055-431-003 - SANTA LUCIA RD	055-451-021 - NUDOSO RD	056-041-040 - PAJARO LN
055-431-011 - SANTA LUCIA RD	055-451-022 - LOMITAS RD	056-041-041 - COROMAR AVE
055-431-013 - SAN CAYETANO RD	055-451-023 - LOMITAS RD	056-041-042 - COROMAR AVE
055-441-001 - LOMITAS RD	055-451-025 - LOMITAS RD	056-051-021 - EL CAMINO REAL
055-441-002 - LOMITAS RD	055-451-026 - LOMITAS RD	056-051-023 - EL CAMINO REAL
055-441-003 - GRAVES CREEK RES #	055-451-029 - SANTA LUCIA RD	056-051-030 - EL CAMINO REAL
055-441-004 - SANTA LUCIA RD	055-451-030 - SANTA LUCIA RD	056-051-034 - EL CAMINO REAL
055-441-005 - SANTA LUCIA RD	055-451-031 - LLANO RD	056-051-050 - PLATA LN
055-442-001 - LOMITAS RD	055-451-032 - LLANO RD	056-071-013 - EL CAMINO REAL
055-442-002 - LOMITAS RD	055-451-033 - LOMITAS RD	056-071-014 - EL CAMINO REAL
055-442-004 - LOMITAS RD	055-451-039 - SANTA LUCIA RD	056-071-015 - EL CAMINO REAL
055-442-005 - SANTA LUCIA RD	055-451-040 - SANTA LUCIA RD	056-071-016 - MONTECITO AVE
055-442-006 - SANTA LUCIA RD	055-462-001 - SANTA LUCIA RD	056-071-017 - MONTECITO AVE
055-442-007 - SANTA LUCIA RD	055-462-002 - SANTA LUCIA RD	056-081-029 - MONTECITO AVE #
055-442-008 - SANTA LUCIA RD	055-462-005 - SANTA LUCIA RD	056-081-031 - EL CAMINO REAL
055-442-009 - GRAVES CREEK RES #	055-462-006 - SANTA LUCIA RD	056-081-035 - EL CAMINO REAL
055-451-006 - SANTA LUCIA RD	055-462-007 - SANTA LUCIA RD	056-081-036 - EL CAMINO REAL
055-451-009 - LLANO RD	055-462-012 - SANTA LUCIA RD	056-091-009 - CURBARIL AVE
055-451-010 - LLANO RD	055-462-013 - SANTA LUCIA RD	056-091-026 - COROMAR AVE
055-451-011 - LLANO RD	056-031-029 - COROMAR AVE	056-091-028 - COROMAR AVE
055-451-012 - RAYAR RD	056-031-046 - COROMAR AVE	056-091-030 - COROMAR AVE
055-451-013 - RAYAR RD	056-031-066 - COROMAR AVE	056-091-031 - COROMAR AVE
055-451-014 - LOMITAS RD	056-041-014 - COROMAR AVE	056-091-036 - COROMAR AVE
055-451-015 - LOMITAS RD	056-041-017 - COROMAR AVE	056-091-037 - COROMAR AVE
055-451-017 - LOMITAS RD	056-041-023 - COROMAR AVE	056-091-038 - COROMAR AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-091-039 - CURBARIL AVE	056-121-024 - COROMAR AVE	056-141-021 - OLD SANTA ROSA RD
056-091-040 - CURBARIL AVE	056-121-028 - COROMAR AVE	056-151-007 - SAN GABRIEL RD
056-091-041 - CRISTOBAL AVE	056-121-030 - COROMAR AVE	056-151-015 - SAN GABRIEL RD
056-091-042 - CRISTOBAL AVE	056-121-031 - COROMAR AVE	056-151-034 - WEST FRONT RD
056-091-043 - CRISTOBAL AVE	056-121-032 - COROMAR AVE	056-151-036 - SAN GABRIEL RD
056-091-044 - CRISTOBAL AVE	056-121-033 - COROMAR AVE	056-151-037 - SAN GABRIEL RD
056-091-045 - COROMAR AVE	056-131-015 - PORTOLA RD	056-151-038 - SAN GABRIEL RD
056-091-046 - COROMAR AVE	056-131-020 - COROMAR CT	056-151-039 - SAN GABRIEL RD
056-091-048 - COROMAR AVE	056-131-021 - WEST FRONT RD	056-151-040 - SAN GABRIEL RD
056-091-049 - COROMAR RD	056-131-023 - WEST FRONT RD	056-151-042 - SAN GABRIEL RD
056-091-050 - COROMAR AVE	056-131-025 - WEST FRONT RD #	056-151-043 - SAN GABRIEL RD
056-091-051 - COROMAR AVE	056-131-026 - WEST FRONT RD #	056-151-044 - SAN GABRIEL RD
056-091-052 - CURBARIL AVE	056-131-027 - WEST FRONT RD #	056-151-046 - OLD SANTA ROSA RD
056-111-019 - COROMAR AVE	056-131-028 - WEST FRONT RD #	056-151-047 - WEST FRONT RD
056-111-020 - COROMAR AVE	056-131-029 - WEST FRONT RD #	056-162-005 - SAN GABRIEL RD
056-111-023 - COROMAR AVE	056-131-030 - WEST FRONT RD #	056-162-006 - SAN GABRIEL RD
056-111-024 - COROMAR AVE	056-131-031 - WEST FRONT RD #	056-162-007 - SAN GABRIEL RD
056-111-030 - COROMAR AVE	056-131-032 - WEST FRONT RD #	056-162-010 - SAN GABRIEL RD
056-111-034 - COROMAR AVE	056-131-033 - WEST FRONT RD #	056-162-012 - SAN GABRIEL RD
056-111-035 - COROMAR AVE	056-141-008 - SANTA ROSA RD	056-162-013 - WEST FRONT RD
056-111-036 - COROMAR AVE	056-141-009 - OLD SANTA ROSA RD	056-162-014 - WEST FRONT RD
056-121-005 - COROMAR AVE	056-141-011 - OLD SANTA ROSA RD	056-162-015 - WEST FRONT RD
056-121-007 - COROMAR AVE	056-141-012 - SANTA ROSA RD	056-162-016 - WEST FRONT RD
056-121-010 - COROMAR AVE	056-141-016 - SANTA ROSA RD	056-162-028 - SAN RAFAEL RD
056-121-014 - COROMAR AVE	056-141-017 - SANTA ROSA RD	056-162-029 - SAN RAFAEL RD
056-121-017 - PORTOLA RD	056-141-018 - SANTA ROSA RD	056-162-031 - SAN RAFAEL RD
056-121-019 - PORTOLA RD	056-141-019 - SANTA ROSA RD	056-162-032 - SAN GABRIEL RD
056-121-023 - COROMAR AVE	056-141-020 - OLD SANTA ROSA RD	056-162-033 - SAN GABRIEL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-162-034 - SAN RAFAEL RD	056-181-012 - ATASCADERO AVE	056-201-029 - SAN GABRIEL RD
056-162-041 - SAN RAFAEL RD	056-181-015 - ATASCADERO AVE	056-201-031 - SANTA ROSA RD
056-162-043 - SAN RAFAEL RD	056-181-016 - ATASCADERO AVE	056-201-032 - SANTA ROSA RD
056-162-044 - SAN GABRIEL RD	056-181-031 - COROMAR AVE	056-201-034 - ATASCADERO AVE
056-162-046 - WEST FRONT RD	056-181-032 - MONTURA LN	056-201-035 - ATASCADERO AVE
056-162-047 - WEST FRONT RD	056-181-036 - MONTURA LN	056-201-036 - ATASCADERO AVE
056-162-048 - WEST FRONT RD	056-181-038 - ATASCADERO AVE	056-201-037 - ATASCADERO AVE
056-162-049 - SAN RAFAEL RD	056-181-041 - ATASCADERO AVE	056-201-040 - ATASCADERO AVE
056-162-050 - SAN RAFAEL RD	056-181-069 - ATASCADERO AVE	056-211-003 - SAN RAFAEL RD
056-171-015 - MARCHANT AVE	056-181-070 - ATASCADERO AVE	056-211-009 - SAN GABRIEL RD
056-171-016 - MARCHANT AVE	056-182-001 - PORTOLA RD	056-211-010 - SAN GABRIEL RD
056-171-020 - MARCHANT AVE	056-182-005 - COLE CT	056-211-020 - ATASCADERO AVE
056-171-021 - MARCHANT AVE	056-182-008 - ATASCADERO AVE	056-211-022 - ATASCADERO AVE
056-171-022 - MARCHANT AVE	056-182-015 - PORTOLA RD	056-211-034 - ATASCADERO AVE
056-171-025 - MARCHANT AVE	056-182-017 - ATASCADERO AVE	056-211-039 - ATASCADERO AVE
056-171-026 - MARCHANT AVE	056-191-019 - SANTA ROSA RD	056-211-041 - ATASCADERO AVE
056-171-028 - CRISTOBAL AVE	056-191-020 - PORTOLA RD	056-211-043 - SAN RAFAEL RD
056-171-029 - MARCHANT AVE	056-191-023 - PORTOLA RD	056-211-044 - ATASCADERO AVE
056-171-031 - ATASCADERO AVE	056-191-025 - SANTA ROSA RD	056-211-045 - SAN RAFAEL RD
056-171-032 - ATASCADERO AVE	056-191-033 - PORTOLA RD	056-211-046 - ATASCADERO AVE
056-171-036 - ATASCADERO AVE	056-191-034 - PORTOLA RD	056-211-048 - ATASCADERO AVE
056-171-039 - ATASCADERO AVE	056-191-035 - PORTOLA RD	056-211-049 - ATASCADERO AVE
056-171-042 - ATASCADERO AVE #X	056-201-010 - SAN GABRIEL RD	056-211-050 - ATASCADERO AVE
056-171-043 - ATASCADERO AVE	056-201-012 - SAN GABRIEL RD	056-211-051 - ATASCADERO AVE
056-171-044 - ATASCADERO AVE	056-201-015 - SAN GABRIEL RD	056-211-052 - ATASCADERO AVE
056-171-045 - ATASCADERO AVE	056-201-024 - SANTA ROSA RD	056-211-053 - ATASCADERO AVE
056-171-047 - ATASCADERO AVE	056-201-027 - SANTA ROSA RD	056-211-054 - BOSQUE CT
056-171-049 - CRISTOBAL AVE	056-201-028 - SAN GABRIEL RD	056-211-055 - BOSQUE CT

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-211-056 - BOSQUE CT	056-242-010 - PORTOLA RD	056-261-061 - SAN GABRIEL RD
056-211-057 - BOSQUE CT	056-242-012 - PORTOLA RD	056-261-062 - SANTA ROSA RD
056-211-058 - BOSQUE CT	056-242-016 - PORTOLA RD	056-261-063 - SANTA ROSA RD
056-211-059 - BOSQUE CT	056-251-008 - ATASCADERO AVE	056-261-064 - SANTA ROSA RD
056-221-009 - MARCHANT AVE	056-251-010 - ATASCADERO AVE	056-261-065 - SANTA ROSA RD
056-221-012 - MARCHANT AVE	056-251-011 - SANTA ROSA RD	056-261-066 - SANTA ROSA RD
056-221-014 - MARCHANT AVE	056-251-012 - SANTA ROSA RD	056-261-067 - SAN GABRIEL RD
056-221-015 - MARCHANT AVE	056-251-013 - SANTA ROSA RD	056-261-068 - SAN GABRIEL RD
056-221-021 - MARCHANT AVE	056-251-017 - ATASCADERO AVE	056-261-069 - SAN GABRIEL RD
056-221-022 - MARCHANT AVE	056-251-018 - ATASCADERO AVE	056-261-070 - SAN GABRIEL RD
056-221-025 - ATASCADERO AVE	056-251-020 - ATASCADERO AVE	056-261-071 - SAN GABRIEL RD
056-221-029 - MARCHANT AVE	056-251-021 - ATASCADERO AVE	056-261-072 - SANTA ROSA RD
056-221-030 - MARCHANT AVE	056-251-035 - ATASCADERO AVE	056-261-073 - SANTA ROSA RD
056-231-007 - ATASCADERO AVE	056-251-036 - ATASCADERO AVE	056-261-074 - SANTA ROSA RD
056-231-021 - ATASCADERO AVE	056-251-037 - ATASCADERO AVE	056-261-076 - ATASCADERO AVE
056-231-022 - ATASCADERO AVE	056-261-004 - SANTA ROSA RD	056-261-078 - SAN GABRIEL RD
056-231-023 - ATASCADERO AVE	056-261-011 - SAN GABRIEL RD	056-261-079 - SAN GABRIEL RD
056-241-003 - PORTOLA RD	056-261-013 - SAN GABRIEL RD	056-261-081 - ATASCADERO AVE
056-241-007 - PORTOLA RD	056-261-019 - ATASCADERO AVE	056-261-082 - SAN GABRIEL RD
056-241-011 - PORTOLA RD	056-261-021 - SAN GABRIEL RD	056-261-083 - SAN GABRIEL RD
056-241-012 - PORTOLA RD	056-261-025 - SAN GABRIEL RD	056-261-085 - CALETA LN
056-241-013 - PORTOLA RD	056-261-047 - SANTA ROSA RD	056-261-086 - CALETA LN
056-241-015 - PORTOLA RD	056-261-049 - SAN GABRIEL RD	056-261-087 - CALETA LN
056-241-016 - PORTOLA RD	056-261-051 - SANTA ROSA RD	056-261-088 - CALETA LN
056-241-017 - ATASCADERO AVE	056-261-054 - SANTA ROSA RD	056-261-089 - CALETA LN
056-241-018 - PORTOLA RD	056-261-055 - SANTA ROSA RD	056-262-010 - SANTA ROSA RD
056-242-008 - PORTOLA RD	056-261-058 - SANTA ROSA RD	056-262-013 - SANTA ROSA RD
056-242-009 - ATASCADERO AVE	056-261-059 - SANTA ROSA RD	056-262-017 - ATASCADERO AVE

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-262-019 - ATASCADERO AVE	056-281-017 - PORTOLA RD	056-312-008 - PORTOLA RD
056-262-020 - ATASCADERO AVE	056-281-027 - PORTOLA RD	056-312-026 - LAKE VIEW DR
056-262-021 - SANTA ROSA RD	056-281-028 - PORTOLA RD	056-312-027 - LAKE VIEW DR
056-262-022 - SANTA ROSA RD	056-281-029 - PORTOLA RD	056-312-028 - MOUNTAIN VIEW DR
056-271-001 - SAN RAFAEL RD	056-291-001 - PORTOLA RD	056-312-030 - LAKE VIEW DR
056-271-010 - SAN GABRIEL RD	056-291-003 - PORTOLA RD	056-312-031 - LAKE VIEW DR
056-271-011 - ATASCADERO AVE	056-291-004 - PORTOLA RD	056-312-037 - LAKE VIEW DR
056-271-013 - ATASCADERO AVE	056-291-007 - PORTOLA RD	056-312-042 - MOUNTAIN VIEW DR
056-271-015 - ATASCADERO AVE	056-291-008 - PORTOLA RD	056-321-007 - MOUNTAIN VIEW DR
056-271-025 - ATASCADERO AVE	056-291-009 - PORTOLA RD	056-321-008 - MOUNTAIN VIEW DR
056-271-026 - ATASCADERO AVE	056-291-010 - PORTOLA RD	056-321-012 - MOUNTAIN VIEW DR
056-271-029 - SAN GABRIEL RD #X	056-301-003 - PINE DORADO RD	056-322-001 - MOUNTAIN VIEW DR
056-271-030 - SAN GABRIEL RD	056-301-010 - SANTA ROSA RD	056-322-006 - MOUNTAIN VIEW DR
056-271-032 - ATASCADERO AVE	056-301-011 - SANTA ROSA RD	056-322-007 - MOUNTAIN VIEW DR
056-271-033 - SAN GABRIEL RD	056-301-024 - PINE DORADO RD	056-322-010 - SANTA ROSA RD
056-271-034 - SAN GABRIEL RD	056-301-032 - SANTA ROSA RD	056-322-011 - LAKE VIEW DR
056-271-035 - SAN GABRIEL RD	056-301-033 - SANTA ROSA RD	056-322-016 - LAKE VIEW DR
056-271-036 - SAN GABRIEL RD	056-301-037 - SANTA ROSA RD	056-322-019 - LAKE VIEW DR
056-271-037 - ATASCADERO AVE	056-301-039 - SANTA ROSA RD	056-322-020 - LAKE VIEW DR
056-271-039 - ATASCADERO AVE	056-301-040 - SANTA ROSA RD	056-322-021 - LAKE VIEW DR
056-271-040 - ATASCADERO AVE	056-301-041 - SANTA ROSA RD	056-322-024 - MOUNTAIN VIEW DR
056-271-041 - SAN GABRIEL RD	056-301-042 - SANTA ROSA RD	056-322-027 - SANTA ROSA RD
056-271-042 - ATASCADERO AVE	056-301-043 - SANTA ROSA RD	056-322-032 - MOUNTAIN VIEW DR
056-281-006 - MARCHANT AVE	056-301-044 - SANTA ROSA RD	056-351-011 - SAN GABRIEL RD
056-281-009 - MARCHANT AVE	056-311-001 - PORTOLA RD	056-351-022 - SANTA ROSA RD
056-281-010 - MARCHANT AVE	056-311-010 - MOUNTAIN VIEW DR	056-351-026 - SANTA ROSA RD
056-281-011 - PORTOLA RD	056-311-012 - MOUNTAIN VIEW DR	056-351-027 - SANTA ROSA RD
056-281-015 - PORTOLA RD	056-312-004 - MOUNTAIN VIEW DR	056-351-028 - SAN GABRIEL RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-351-029 - SAN GABRIEL RD	056-361-026 - SAN GABRIEL RD	056-371-041 - SAN GABRIEL RD
056-351-033 - SAN GABRIEL RD	056-361-030 - SAN RAFAEL RD	056-371-043 - SAN RAFAEL RD
056-351-036 - SANTA ROSA RD	056-361-031 - SAN RAFAEL RD	056-371-048 - SAN RAFAEL RD
056-351-037 - SANTA ROSA RD	056-361-032 - SAN RAFAEL RD	056-371-049 - SAN RAFAEL RD
056-351-040 - SAN GABRIEL RD	056-361-033 - SAN GABRIEL RD	056-371-050 - SAN RAFAEL RD
056-351-041 - SANTA ROSA RD	056-361-035 - SAN GABRIEL RD	056-371-051 - SAN RAFAEL RD
056-351-042 - SANTA ROSA RD	056-361-036 - SAN RAFAEL RD	056-381-001 - ASH ST
056-351-043 - SANTA ROSA RD	056-361-037 - SAN RAFAEL RD	056-381-002 - ASH ST
056-351-044 - SANTA ROSA RD	056-362-001 - SAN RAFAEL RD	056-381-003 - ASH ST
056-351-045 - SANTA ROSA RD	056-362-002 - SAN RAFAEL RD	056-381-004 - ASH ST
056-351-046 - SAN GABRIEL RD	056-362-003 - SAN RAFAEL RD	056-381-005 - ASH ST
056-351-047 - SAN GABRIEL RD	056-362-004 - SAN RAFAEL RD	056-381-006 - ASH ST
056-351-049 - SAN GABRIEL RD	056-362-005 - SAN RAFAEL RD	056-381-009 - SAN GABRIEL ST
056-351-050 - SAN GABRIEL RD	056-371-005 - SAN RAFAEL RD	056-381-011 - CATALPA ST
056-351-053 - SAN GABRIEL RD	056-371-006 - SAN RAFAEL RD	056-381-012 - CATALPA ST
056-351-054 - SAN GABRIEL RD	056-371-023 - SAN GABRIEL RD	056-381-013 - CATALPA ST
056-351-055 - SANTA ROSA RD	056-371-024 - SAN GABRIEL RD	056-381-016 - CATALPA ST
056-351-056 - RIO BLANCO CT	056-371-025 - SAN GABRIEL RD	056-381-021 - CATALPA ST
056-351-057 - RIO BLANCO CT	056-371-026 - SAN GABRIEL RD	056-381-023 - CATALPA ST
056-351-058 - RIO BLANCO CT	056-371-029 - SAN GUILLERMO LN	056-381-026 - CATALPA ST
056-351-059 - RIO BLANCO CT	056-371-030 - SAN GABRIEL RD	056-382-005 - ASH ST
056-351-060 - RIO BLANCO CT	056-371-031 - SAN GUILLERMO LN	056-382-022 - BIRCH ST
056-351-062 - SAN GABRIEL RD	056-371-032 - SAN GUILLERMO LN	056-382-028 - MAPLE ST
056-361-002 - SAN RAFAEL RD	056-371-033 - SAN GUILLERMO LN	056-382-029 - MAPLE ST
056-361-018 - SAN GABRIEL RD #	056-371-035 - SAN GUILLERMO LN	056-383-019 - EL CAMINO REAL
056-361-021 - SAN GABRIEL RD	056-371-038 - SAN GUILLERMO LN	056-383-032 - SAN RAFAEL CT
056-361-022 - SAN GABRIEL RD	056-371-039 - SAN GABRIEL RD	056-391-001 - TOLOSO RD
056-361-024 - SAN GABRIEL RD	056-371-040 - SAN GABRIEL RD	056-391-003 - TOLOSO RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-401-002 - TOLOSO RD	056-411-019 - TOLOSO RD	056-461-005 - SAN DIEGO RD
056-402-001 - TOLOSO RD	056-411-020 - CASTENADA LN	056-461-006 - SAN DIEGO RD
056-402-002 - TOLOSO RD	056-411-021 - CASTENADA LN	056-461-007 - SAN DIEGO RD
056-402-003 - TOLOSO RD	056-411-022 - CASTENADA LN	056-471-001 - TOLOSO RD
056-402-004 - TOLOSO RD	056-411-023 - TOLOSO RD	056-471-002 - SAN DIMAS RD
056-402-005 - TOLOSO RD	056-411-024 - TOLOSO RD	056-471-003 - SAN DIMAS RD
056-402-006 - TOLOSO RD	056-411-025 - MORRO RD	056-471-004 - SAN DIMAS RD
056-402-007 - TOLOSO RD	056-411-026 - OLD MORRO RD EAST	056-471-005 - SAN DIMAS RD
056-402-008 - SAN DIEGO RD	056-411-027 - OLD MORRO RD EAST	056-471-006 - SAN DIMAS RD
056-402-010 - SAN DIEGO RD	056-431-002 - CARMELITA AVE	056-471-007 - SAN DIMAS RD
056-402-013 - SAN DIEGO RD	056-431-003 - CARMELITA AVE	056-471-008 - SAN DIMAS RD
056-402-014 - SAN DIEGO RD	056-431-004 - CASITAS RD	056-471-010 - SAN DIEGO RD
056-402-015 - SAN DIEGO RD	056-432-001 - CASITAS RD	056-471-011 - SAN DIEGO RD
056-411-003 - CASTENADA LN	056-432-002 - CASITAS RD	056-471-012 - SAN DIEGO RD
056-411-004 - MORRO RD	056-432-003 - CASITAS RD	056-472-001 - TOLOSO RD
056-411-005 - CASTENADA LN	056-432-004 - CASITAS RD	056-472-002 - SAN DIMAS RD
056-411-006 - MORRO RD	056-451-003 - OLD MORRO RD EAST	056-472-003 - SAN DIMAS RD
056-411-007 - CASTENADA LN	056-451-004 - OLD MORRO RD EAST	056-472-004 - LOS OSOS RD
056-411-008 - CASTENADA LN	056-451-005 - MORRO RD	056-472-005 - LOS OSOS RD
056-411-010 - CASTENADA LN	056-451-006 - OLD MORRO RD EAST	056-481-003 - SAN DIMAS RD
056-411-011 - CASTENADA LN	056-451-007 - OLD MORRO RD EAST	056-481-004 - LOS OSOS RD
056-411-012 - LOS OSOS RD	056-451-009 - OLD MORRO RD EAST	056-481-005 - LOS OSOS RD
056-411-013 - LOS OSOS RD	056-451-010 - OLD MORRO RD EAST	056-481-006 - SAN DIMAS RD
056-411-014 - LOS OSOS RD	056-451-011 - OLD MORRO RD EAST	056-481-007 - LOS OSOS RD
056-411-015 - LOS OSOS RD	056-451-013 - OLD MORRO RD EAST	056-481-008 - LOS OSOS RD
056-411-016 - TOLOSO RD	056-461-002 - SAN DIEGO RD	056-481-009 - SAN DIMAS RD
056-411-017 - TOLOSO RD	056-461-003 - SAN DIEGO RD	056-481-010 - SAN DIMAS RD
056-411-018 - TOLOSO RD	056-461-004 - SAN DIEGO RD	056-491-001 - SAN DIMAS RD

Exhibit -A- Assessment Parcel Numbers (APN's) & Property Street Name

056-491-002 - SAN DIMAS RD 056-502-009 - LOS OSOS RD
056-491-003 - SAN DIMAS RD
056-491-004 - SAN DIMAS RD
056-491-008 - SAN RAFAEL RD
056-491-009 - PRADO LN
056-491-010 - PRADO LN
056-491-011 - SAN RAFAEL RD
056-491-012 - PRADO LN
056-491-013 - PRADO LN
056-491-014 - LOS OSOS RD
056-491-015 - LOS OSOS RD
056-491-016 - LOS OSOS RD
056-491-017 - LOS OSOS RD
056-491-019 - LOS OSOS RD
056-491-020 - LOS OSOS RD
056-491-022 - LOS OSOS RD
056-491-024 - LOS OSOS RD
056-491-025 - LOS OSOS RD
056-491-027 - LOS OSOS RD
056-491-028 - LOS OSOS RD
056-491-029 - LOS OSOS RD
056-491-030 - LOS OSOS RD
056-491-031 - LOS OSOS RD
056-501-001 - SAN CARLOS RD
056-502-003 - SAN CARLOS RD
056-502-006 - LOS OSOS RD
056-502-007 - SAN RAFAEL RD
056-502-008 - LOS OSOS RD



City of Atascadero

Atascadero Fire & Emergency Services

NOTICE

Dear Atascadero Property Owner:

Weed abatement season has arrived and parcel inspections were recently performed throughout the City. The Atascadero Municipal Code, Section 6-13.08, requires this notification, which enables Atascadero Fire & Emergency Services to abate dry noxious weeds and/or refuse in an effort to make our neighborhoods safer in the event of a fire. Please be advised your property has been identified as an existing, future or “potential” hazard. Atascadero Fire & Emergency Services advises that it considers a parcel a future or “potential” hazard if the parcel is not completely landscaped or irrigated and/or there is a potential for vegetative growth. Atascadero Fire & Emergency Services will conduct follow-up inspections after the June 1st deadline, if your property is in compliance at that time, no further action will be taken.

NOTICE TO REMOVE VEGETATIVE GROWTH (NOXIOUS WEEDS) AND /OR REFUSE

Notice is hereby given that on the 11th day of April 2023, the City Council passed a Resolution declaring that vegetative growth (noxious weeds) and refuse constitute a fire hazard, and health and safety hazard, which must be abated by the cutting of said vegetative growth (noxious weeds), and/or removal of refuse which constitutes said health and safety hazard. If the property owner does not abate the noxious weeds and/or refuse by **June 1, 2023**, it will be abated by the City, and the cost of the abatement will be assessed upon the County property tax bill, and will constitute a lien upon such land until paid. The City recovers costs for administering this program through a \$267 flat fee and 166% administrative fee. Reference is hereby made to the Resolution for further particulars and Municipal Code Sections 6-13.01 through 6-13.17. A copy of said Resolution is on file in the Office of the City Clerk.

All property owners having any objections to the proposed removal of the hazard are encouraged to attend the meeting of the City Council of the City of Atascadero to be held on **May 9, 2023 at 6:00 p.m.** when their objections will be heard and given due consideration.

Dated this 11th day of April, 2023

/s/ Casey D. Bryson
Fire Chief
City of Atascadero

**THANK YOU FOR YOUR ASSISTANCE IN MAINTAINING YOUR
VEGETATIVE GROWTH TO A MAXIMUM HEIGHT OF 4 INCHES**

6005 LEWIS AVENUE – ATASCADERO, CA 93422 – (805) 461-5070 – FAX (805) 466-2907

**THE DEADLINE FOR WEED/REFUSE ABATEMENT
COMPLIANCE IS JUNE 1, 2023**

On June 1, 2023, the City's contractor begins the abatement process for parcels that are not in compliance. The contractor's fees, as well as applicable City and County fees/fines are assessed on the County's tax roll.

The Fire Chief has established the following requirements:

**CLEARANCE REQUIREMENTS
OF VEGETATIVE GROWTH (NOXIOUS WEEDS)**

Maximum height of 4 inches

- a) Located within 100 feet of any building or structure, or to the property line, whichever is nearer;
- b) Located within 50 feet from the edge of any improved roadway;
- c) Located within 50 feet from each property line;
- d) Located within 10 feet on each side of driveways.

EXEMPTIONS:

- a) Animal pastures and agricultural fields growing hay or grains. The interior portion of fenced pastures where the quantity of livestock significantly reduces the vegetative growth, therefore bringing the parcel into compliance. Agricultural fields must be cut at harvest time. Uncut hay and grain is subject to abatement.
- b) Habitat for endangered or threatened species or any species that is a candidate for listing as an endangered or threatened species by the State of California or Federal Government.
- c) Land kept in a predominantly natural state as habitat for wildlife, plant, or animal communities.
- d) Open space lands that are environmentally sensitive parklands.
- e) Other lands having scenic values.

Abatement requirements shall remain in effect in waterways where flood preparation measures and emergency flood control mitigation is necessary.

- 1) This exemption applies whether the land or water are held in fee title or any lesser interest. This exemption applies to any public agency, and private entity that has dedicated the land or water areas to one or more of those purposes or uses, or any combination of public agencies and private entities making that decision.
- 2) This section shall not be construed to prohibit the use of properly authorized prescribed burning to improve the biological function of land or to assist in the restoration of desired vegetation.
- 3) In the event that any lands adjacent to land or water areas, as described above, are improved such that they are subject to this chapter, the obligation to comply with Section 6-13.04 shall be with the person owning, leasing, controlling, operating, or maintaining the occupied dwelling or occupied structure on the improved lands. All maintenance, activities, and other fire prevention measures required by Section 6-13.04 shall be required only for the improved land, and water areas as described above.

Questions regarding weed abatement may be directed to (805) 470-3300 or by writing to: City of Atascadero, Fire & Emergency Services, Fire Marshal, 6500 Palma Ave., Atascadero, CA 93422.

PLEASE RETAIN THIS NOTICE FOR ANY RELATED COMMUNICATIONS



Atascadero City Council

Staff Report – Community Development Department

General Plan & Housing Element Annual Progress Report 2022 (CPP 23-0032)

RECOMMENDATION:

Council review and accept the Annual General Plan and Housing Element Progress Reports for 2022.

DISCUSSION:

Background

The State of California requires cities to file an Annual General Plan Progress Report to the Office of Planning and Research (OPR) and a Housing Element Annual Progress Report (APR) to the Department of Housing and Community Development (HCD). The purpose of this report is to monitor the City's implementation of the City's General Plan policies, particularly policy implementation that involves the production of housing. A copy of the Annual General Plan and Housing Element Progress reports are attached for reference.

Analysis

The primary purpose of the annual progress report is to monitor the implementation of the City's General Plan Housing Element and progress toward meeting the City's Regional Housing Needs Allocation (RHNA). These regional housing allocations are required to be used by the City when updating the Housing Element. They are the basis for assuring that adequate sites are zoned and available to accommodate the minimum the number of units allocated to our City. These housing allocation numbers are not housing unit quotas that the City must achieve, but instead are housing targets that the City must plan for through targeted zoning, site identification, and reduction of obstacles to development. State Housing Element law requires that each City and County identify and analyze existing and projected housing needs within their jurisdictions, and prepare goals, policies, programs and quantified objectives to further the development, improvement, and preservation of housing.

The San Luis Obispo Council of Governments (SLOCOG) provides each City in our County with a specific allocation of additional housing units that must be accommodated in each jurisdiction's land use plan. SLOCOG has completed the Regional Housing Needs Allocation (RHNA) and 843 total units have been allocated to the City of Atascadero for this RHNA cycle (2020-2028). Attachment 1 includes the relevant tables

and data the City will be submitting to HCD. Note that the APR report format is catered to larger jurisdictions and Atascadero does not have relevant data, such as housing element rezoning or commercial density bonus implementation, to fill out all of the tables in the report therefore, only relevant tabs are included in the attachment. The full submittal is available for review by contacting the Planning Department.

One substantial new component for this RHNA cycle is that the City is able to include Accessory Dwelling Units (ADUs) towards our RHNA allocation. However, we do not require deed restrictions on ADU's to ensure long term affordability. Instead, we assume the affordability is built-in due to the design of an ADU and the fact that it shares a property with a primary residence.

In 2022, the City issued permits to construct 53 new residential units. These include 11 new ADUs that qualify as low-income units, and 10 new ADUs that qualify as moderate affordable units. The City has also identified 19 units that qualify as affordable-by-design to moderate income households based on size and product type, consistent with State laws for infill development, but the State may require proof of rent levels and these units may need to be reallocated as above-moderate income (market rate) units for RHNA progress reporting. The remainder of the units (13) are considered above moderate, or "market rate" units.

	Ext/Very Low	Low	Mod	Mkt rate	TOTAL
2020		5	4	36	45
2021	3	13	54	66	136
2022		11	29*	13	53
RHNA	207	131	151	354	843
2019 -2020 credits		5	4	36	45
Remaining Balance	204	97	60*	203*	564

*19 units may be reallocated to Market Rate if affordable-by-design units cannot be counted

Based on the City's recently adopted Housing Element land inventory, there is sufficient land to continue to meet the 6th Cycle RHNA allocation, even with recent development of identified sites that did not develop at the low-income target rate. Newly adopted State laws require that cities now monitor development of all sites identified to meet RHNA goals and take proactive action to rezone properties as needed should those identified sites not develop at full density or provide the number of affordable units anticipated by the Housing Element.

2023 Permits in the Pipeline

There are a number of existing approved multi-family residential entitlements and permits that have been issued in the early months of 2023 that will add to the City housing stock as these projects move forward. Notable projects include:

Project Name	Address	Housing Type	Number of Units (remaining Entitlement)	Number of Units (Construction or complete)	Number of affordable or accessible units
Grand Oaks Micro Community	4711 El Camino Real	Detached Single-family/Live-work	4	10 complete, 16 under construction	3 deed restricted, 27 affordable by design (moderate)
Emerald Court	2505 El Camino Real	Residential Multi-family	11		1 very low
Emerald Ridge	2605 El Camino Real	Residential Multi-family	172	36 complete	0
Ten850	10850 El Camino Real	Attached single-family/multi-family		75 under construction	15 (potential for more as affordable by design - moderate)
Principal Planned Development	9105 Principal	Attached and detached single-family	52		1 moderate, 3 low
California Manor 2	10165 El Camino Real	Apartment		75 units (permits issued)	75 low-income

These projects are expected to result in approximately **300 units** that will be completed or under construction by the end of 2023 with additional entitlements remaining for Emerald Ridge into 2024.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. 2022 HCD Annual Progress Report
2. 2022 Annual General Plan Progress Report

Please Start Here

General Information	
Jurisdiction Name	Atascadero
Reporting Calendar Year	2022
Contact Information	
First Name	Kelly
Last Name	Gleason
Title	Senior Planner
Email	kgleason@atascadero.org
Phone	8054703446
Mailing Address	
Street Address	6500 Palma Ave
City	Atascadero
Zipcode	93422

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated. If a project is no longer has any reportable activity, you may delete the project by selecting a cell in the row and typing ctrl + d.

[Click here to download APR Instructions](#)

Click here to add rows to a table. If you add too many rows, you may select a cell in the row you wish to remove and type ctrl + d.

2_22_23

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/31/2020 - 12/31/2028

**ANNUAL ELEMENT PROGRESS REPORT
 Housing Element Implementation**

Note: "+" indicates an optional field
 Cells in grey contain auto-calculation formulas

**Table A
 Housing Development Applications Submitted**

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus Law Applications	Application Status	Notes		
1					2	3	4	5								6	7	8	9	10		11	12
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted+ (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Did the housing development application seek incentives or concessions pursuant to Government Code section 65915?	Were incentives or concessions requested pursuant to Government Code section 65915 approved?	Please indicate the status of the application.	Notes*	
Summary Row: Start Data Entry Below								0	0	9	0	0	0	18	48	75	16	0					
	050-251-012	9700 CORRIENTE I	PRECISE PLAN FOR SF	DEV22-0013	SFD	O	01/28/2022							1	1	1		No	No	N/A	Approved		
	055-161-031	10890 VISTA RD	PPN FOR NEW SFR	DEV22-0041	SFD	O	04/01/2022							1	1	1		No	No	N/A	Approved		
	030-391-002	8525 EL CORTE RE	NEW SFR ON SLOPES	DEV22-0116	SFD	O	12/06/2022							1	1	1		No	No	N/A	Approved		
	029-301-048	5165 PALMA AVE	6 UNIT MULTIFAMILY RI	PRE22-0043	SFD	O	04/05/2022						6	6	6		No	No	N/A	Pending			
					5+	R				1			7	8	8		No	Yes	Yes	Approved	Parking / Open space amenities / setbacks		
	030-282-015	6855 ATASCADERO	MULTIFAMILY ADDITIO	PRE22-0056			06/01/2022																
	031-381-001	7805 PISMO AVE	SB9 LOT SPLIT	SBDV22-0021	SFD	O	02/01/2022						3	3	3		No	No	N/A	Approved			
	031-202-008	8250 SAN MARCO	SB9 subdivision	SBDV22-0032	SFD	O	03/02/2022						1	1	1		No	No	N/A	Approved			
	031-062-006	7550 TECORIDA A\	SB9 LOT SPLIT	SBDV22-0055	SFD	O	05/26/2022						1	1	1		No	No	N/A	Approved			
					5+	R				8			45	53			No	Yes	Yes	Pending	Parking / Open space amenities		
	031-161-044	8005 CURBARIL AV	Mixed-Use project on pre	USE22-0093			10/12/2022							0									

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ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indicates an optional field
 Cells in grey contain auto-calculation formulas

Table A2 Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units																									
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement							Affordability by Household Incomes - Building Permits											
1					2	3	4							5	6	7							8	9	
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits	
Summary Row: Start Data Entry Below							0	0	1	0	0	9	0		10	0	0	0	0	11	0	29	13		53
	031-202-008	8250 SAN MARCOS RD	SB9 subdivision	SBDV22-0032	SFD	O						1		04/28/2022	1									0	
	031-381-001	7805 PISMO AVE	SB9 LOT SPLIT	SBDV22-0021	SFD	O						1		05/16/2022	1									0	
	030-282-015	6855 ATASCADERO AVE	MULTIFAMILY ADDITION TO EXISTPRE22-0056		5+	R			1			7		08/25/2022	8									0	
	031-243-023	8389 AMAPOA AVE	NEW DUPLEX	B17-15063	2 to 4	O									0						1		06/10/2022	1	
	031-243-022	8397 AMAPOA AVE	NEW DUPLEX	B17-15064	2 to 4	O									0						1		06/10/2022	1	
	056-181-040	8563 ATASCADERO AVE	NEW ACCESSORY DWELLING UNIBRES19-1181		ADU	R									0				1				08/26/2022	1	
	031-231-064	7906 CURBARIL AVE	NEW SFR	BRES19-1438	SFD	O									0							1	04/22/2022	1	
	031-231-003	7904 CURBARIL AVE	NEW SFR	BRES19-1439	SFD	O									0							1	04/22/2022	1	
	031-231-062	7902 CURBARIL AVE	NEW SFR	BRES19-1440	SFD	O									0							1	04/22/2022	1	
	045-351-008	926 KEFFURY LN	NEW SFR	BRES19-1528	SFD	O									0						1		03/18/2022	1	
	045-351-008	927 KEFFURY CT	NEW SFR	BRES19-1529	SFD	O									0						1		03/18/2022	1	
	045-351-008	925 KEFFURY CT	NEW SFR	BRES19-1531	SFD	O									0						1		03/18/2022	1	
	045-351-008	924 KEFFURY CT	NEW SFR	BRES19-1532	SFD	O									0						1		03/18/2022	1	
	045-351-008	903 KEFFURY LN	NEW SFR	BRES19-1538	SFD	O									0						1		03/18/2022	1	
	045-351-008	902 KEFFURY CT	NEW SFR	BRES19-1539	SFD	O									0						1		03/31/2022	1	
	045-351-008	901 KEFFURY LN	NEW SFR	BRES19-1540	SFD	O									0						1		03/18/2022	1	
	056-181-072	8587 ATASCADERO AVE	NEW ACCESSORY DWELLING UNIBRES19-1548		ADU	R									0						1		10/24/2022	1	
	056-181-040	8597 ATASCADERO AVE	NEW ACCESSORY DWELLING UNIBRES19-1549		ADU	R									0				1				08/26/2022	1	
	028-192-063	5255 ALAMO AVE	NEW SFR	BRES19-1598	SFD	R									0							1	02/18/2022	1	
	028-192-063	5265 ALAMO AVE	NEW SFR	BRES20-0960	SFD	R									0							1	04/13/2022	1	
	045-302-007	8934 ORTEGA RD	NEW ACCESSORY DWELLING UNIBRES21-0825		ADU	R									0				1				05/17/2022	1	
	029-253-003	5680 TRAFFIC WAY	NEW SFR	BRES21-0870	SFD	R									0							1	03/03/2022	1	
	049-172-012	7425 SANTA CRUZ RD	NEW SFR	BRES21-0909	SFD	O									0							1	03/23/2022	1	

ANNUAL ELEMENT PROGRESS REPORT
 Housing Element Implementation

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle 12/31/2020 - 12/31/2028	

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Table A2
 Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement							Affordability by Household Incomes - Building Permits										
1					2	3	4							5	6	7						8	9	
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits
Summary Row: Start Data Entry Below							0	0	1	0	0	9	0		10	0	0	0	11	0	29	13		53
	029-051-023	5270 DULZURA AVE	NEW ACCESSORY DWELLING UNIBRES21-0919		ADU	R									0				1				03/25/2022	1
	054-171-026	10475 SANTA ANA RD	NEW ACCESSORY DWELLING UNIBRES21-1064		ADU	R									0					1			02/17/2022	1
	054-051-059	3764 ARDILLA RD	NEW ACCESSORY DWELLING UNIBRES21-1125		ADU	R									0				1				02/17/2022	1
	049-121-034	3635 ARENA ROAD	NEW ACCESSORY DWELLING UNIBRES21-1232		ADU	R									0					1			07/19/2022	1
	056-351-058	8320 SANTA ROSA ROAD	NEW ACCESSORY DWELLING UNIBRES21-1281		ADU	R									0				1				02/24/2022	1
	056-211-057	9030 BOSQUE CT	NEW SFR BRES21-1399		SFD	O									0						1		04/20/2022	1
	056-351-022	8154 SANTA ROSA RD	NEW ACCESSORY DWELLING UNIBRES21-1450		ADU	R									0					1			04/06/2022	1
	030-152-026	8874 PALOMAR AVE	NEW ACCESSORY DWELLING UNIBRES21-1470		ADU	R									0				1				04/06/2022	1
	045-351-008	909 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1472		SFA	O									0						1		06/17/2022	1
	045-351-008	913 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1473		SFA	O									0						1		06/17/2022	1
	045-351-008	915 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1474		SFA	O									0						1		06/17/2022	1
	045-351-008	907 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1493		SFA	O									0						1		06/17/2022	1
	045-351-008	911 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1494		SFA	O									0						1		06/17/2022	1
	045-351-008	917 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1495		SFA	O									0						1		06/17/2022	1
	045-351-008	921 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1496		SFA	O									0						1		06/17/2022	1
	045-351-008	919 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1497		SFA	O									0						1		06/17/2022	1
	045-351-008	905 KEFFURY LN	NEW RESIDENTIAL FROM STOCK BRES21-1498		SFA	O									0						1		06/17/2022	1
	045-351-008	923 KEFFURY CT	NEW RESIDENTIAL FROM STOCK BRES21-1499		SFA	O									0						1		06/17/2022	1

Jurisdiction	Atascadero	
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ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

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Summary Row: Start Data Entry Below							0	0	1	0	0	9	0		10	0	0	0	0	11	0	29	13		53
054-061-001		5710 PORTOLA RD	NEW ACCESSORY DWELLING UNIBRES21-1543		ADU	R																			
					ADU	R																	03/07/2022		
056-182-012		8657 PORTOLA RD	NEW ACCESSORY DWELLING UNIBRES21-1607		SFD	O																			
055-114-017		12680 CABAZON RD	NEW RESIDENTIAL FROM STOCK BRES21-1629		ADU	R																			
056-261-073		8492 SANTA ROSA RD	NEW ACCESSORY DWELLING UNIBRES22-0230		SFD	O																			
054-072-073		6760 PORTOLA RD	NEW SFR BRES22-0231		ADU	R																			
056-481-009		8205 SAN DIMAS RD	NEW ACCESSORY DWELLING UNIBRES22-0234		MH	O																			
056-382-018		9198 WILLOW CT	NEW MANUFACTURED HOME BRES22-0265		ADU	R																			
049-163-077		5402 MARCO LN	NEW ACCESSORY DWELLING UNIBRES22-0312		SFD	O																			
055-161-039		10810 VISTA RD	NEW SFR BRES22-0348		SFD	O																			
054-231-039		8200 SAN RAFAEL RD	NEW SFR BRES22-0424		SFD	O																			
055-115-004		12714 SAN MARCOS CT	NEW RESIDENTIAL FROM STOCK BRES22-0509		ADU	R																			
056-141-021		8827 OLD SANTA ROSA RD	NEW ACCESSORY DWELLING UNIBRES22-0855		ADU	R																			
030-471-008		9757 LAS LOMAS AVE	NEW ACCESSORY DWELLING UNIBRES22-0970		ADU	R																			
054-131-020		6757 SAN GABRIEL RD	NEW ACCESSORY DWELLING UNIBRES22-1144		ADU	R																			
049-223-037		3882 MONTEREY RD	NEW ACCESSORY DWELLING UNIBRES22-1487		5+	R																			
049-151-063		2605 LA GRACIA CIR	NEW MULTIFAMILY 3 UNITS PLUS B16-14352		SFD	O																			
056-411-003		8140 CASTENADA LN	NEW SFR BRES19-0601		SFD	O																			
049-102-020		1794 S MIRASOL WAY	NEW SFR BRES19-0629		SFD	O																			
049-102-074		1797 S MIRASOL WAY	NEW SFR BRES19-0630		SFD	O																			
049-102-032		1796 S MIRASOL WAY	NEW SFR BRES19-0631		SFD	O																			
049-102-072		1793 S MIRASOL WAY	NEW SFR BRES19-0632		SFD	O																			
049-102-032		1798 S MIRASOL WAY	NEW SFR BRES19-0634		SFD	O																			
049-102-032		1795 S MIRASOL WAY	NEW SFR BRES19-0635		SFD	O																			
055-115-013		12416 PECOS CT	NEW SFR BRES19-1145		SFD	O																			
049-191-043		6200 CONEJO RD	NEW SFR BRES19-1164		SFD	O																			
056-181-072		8585 ATASCADERO AVE	NEW SFR BRES19-1178		SFD	O																			
056-181-040		8595 ATASCADERO AVE	NEW SFR BRES19-1180		SFD	O																			
055-115-011		12610 CENEGAL RD	NEW SFR BRES19-1366		SFD	O																			
031-231-003		7908 CURBARIL AVE	NEW SFR BRES19-1437		SFD	O																			
029-253-007		5590 TUNITAS AVE	NEW SFR BRES19-1508		SFD	R																			
049-281-016		2125 SAN FERNANDO RD	NEW SFR BRES19-1576		SFD	O																			
055-114-003		12375 PUENTE ROAD	NEW SFR BRES19-1577		SFD	O																			
055-115-012		12412 PECOS CT	NEW SFR BRES19-1579		ADU	R																			
050-122-019		12795 SANTA ANA RD	NEW ACCESSORY DWELLING UNIBRES20-0377		ADU	R																			
054-011-034		6223 SAN ANSELMO RD	NEW ACCESSORY DWELLING UNIBRES20-0620		SFD	O																			
029-271-001		5901 GRAN PASEO WAY	NEW SFR BRES20-0834		SFD	O																			
029-271-001		5903 GRAN PASEO WAY	NEW SFR BRES20-0835		SFD	O																			

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/31/2020 - 12/31/2028

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indicates an optional field
 Cells in grey contain auto-calculation formulas

Table A2 Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units																								
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement							Affordability by Household Incomes - Building Permits										
1					2	3	4							5	6	7							8	9
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+ ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits
Summary Row: Start Data Entry Below							0	0	1	0	0	9	0		10	0	0	0	11	0	29	13		53
	029-271-001	5905 GRAN PASEO WAY	NEW SFR	BRES20-0836	SFD	O									0									0
	029-271-001	5907 GRAN PASEO WAY	NEW SFR	BRES20-0837	SFD	O									0									0
	029-271-001	5909 GRAN PASEO WAY	NEW SFR	BRES20-0838	SFD	O									0									0
	029-271-001	5911 GRAN PASEO WAY	NEW SFR	BRES20-0839	SFD	O									0									0
	029-271-001	5913 GRAN PASEO WAY	NEW SFR	BRES20-0840	SFD	O									0									0
	029-271-001	5915 GRAN PASEO WAY	NEW SFR	BRES20-0843	SFD	O									0									0
	029-271-001	5916 GRAN PASEO WAY	NEW SFR	BRES20-0844	SFD	O									0									0
	029-271-001	5928 GRAN PASEO WAY	NEW SFR	BRES20-0849	SFD	O									0									0
	055-041-015	9610 LAUREL RD	NEW SFR	BRES20-0920	SFD	O																		
	054-331-013	8300 CASITAS RD	NEW SFR	BRES20-1393	SFD	O																		
	054-111-051	6255 SAN GABRIEL RD	NEW ACCESSORY DWELLING UNI	BRES21-0037	ADU	R																		
	029-051-034	5473 SAN JACINTO AVE	NEW ACCESSORY DWELLING UNI	BRES21-0119	ADU	R																		
	028-132-024	7232 SYCAMORE RD	NEW ACCESSORY DWELLING UNI	BRES21-0293	ADU	R																		
	055-161-038	10820 VISTA RD	NEW SFR	BRES21-0313	SFD	O																		
	049-071-032	3190 TRAFFIC WAY	NEW SFR	BRES21-0315	SFD	O																		
	030-413-016	8550 EL CORTE RD	NEW SFR	BRES21-0361	SFD	O																		
	049-102-020	1794 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0457	ADU	R																		
	049-102-074	1797 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0458	ADU	R																		
	049-102-032	1796 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0459	ADU	R																		
	049-102-072	1793 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0460	ADU	R																		
	049-102-032	1798 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0461	ADU	R																		
	049-102-032	1795 S MIRASOL WAY B	NEW ACCESSORY DWELLING UNI	BRES21-0462	ADU	R									0									0
	049-042-024	4705 SANTA CRUZ RD	NEW ACCESSORY DWELLING UNI	BRES21-0974	ADU	R									0									0
	049-331-009	6940 BALBOA RD	NEW ACCESSORY DWELLING UNI	BRES21-0975	ADU	R									0									0
	054-092-002	5320 CASCABEL RD	NEW ACCESSORY DWELLING UNI	BRES21-1039	ADU	R									0									0
	054-171-026	10475 SANTA ANA RD	NEW ACCESSORY DWELLING UNI	BRES21-1064	ADU	R									0									0
	029-252-005	5750 TRAFFIC WAY	NEW SFR	BRES21-1321	SFA	R									0									0
	049-163-077	5402 MARCO LN	NEW ACCESSORY DWELLING UNI	BRES22-0312	ADU	R									0									0

Affordability by Household Incomes - Certificates of Occupancy								Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions	Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes			
10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25
Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low-Income Deed Restricted	Low-Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>	# of Units Issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*
0	0	0	8	2	20	55		72	0	0				These are SB9 units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		2		0					
								0		N	Y			These are SB9 units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	55	0			11.0%	Development Standards Modification	Yes	openspace amenities, indoor storage - No assistance program	
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y					0							
								0	0	N	Y					0							
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y					0							
								0	0	N	Y					0							
								0	0	N	Y					0							
								0	0	N	N			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y					0							
								0	0	N	N					0							

Affordability by Household Incomes - Certificates of Occupancy								Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes		
10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25
Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low-Income Deed Restricted	Low-Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units Issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple - see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*
0	0	0	8	2	20	55		72	0	0				ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		2		0					
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	N			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
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								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
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								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							
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								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY		0							

Affordability by Household Incomes - Certificates of Occupancy								Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions	Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes				
10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25	
Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low-Income Deed Restricted	Low-Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>	# of Units Issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*	
0	0	0	8	2	20	55		72	0	0					2		0							
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	N			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	N			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			Modular homes meet moderate income categories within the city based on known for-sale and rental proceed within this modular home subdivision	1	Demolished	O							modular home remove/replace
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	N				0									
								0	0	N	N				0									
								0	0	N	N				0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
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								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
								0	0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
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Affordability by Household Incomes - Certificates of Occupancy								Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus			Notes				
10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25	
Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low-Income Deed Restricted	Low-Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above-Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units Issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple - see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*	
0	0	0	8	2	20	55		72	0	0					2		0							
					1		01/25/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		01/25/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		03/16/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		03/29/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		04/06/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		06/21/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
				1			06/21/2022	1		N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
						1	03/16/2022	1		N	Y	Other	DB		55	0			0.0%	0	Other	No		PARKING ONLY - no assistance program
							12/22/2022			N	N				0									
							03/04/2022			N	N				0									
			1				04/21/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
					1		05/04/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
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						1	07/01/2022			N	Y				0									
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					1		06/23/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
			1				07/01/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
					1		07/05/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
			1				07/05/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
					1		08/01/2022			N	N			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
			1				08/05/2022			N	N			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
					1		04/06/2022			N	N			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
			1				12/30/2022			N	N			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									
					1		06/30/2022			N	Y			These are small affordable-by-design units consistent with State assumptions for urban dwelling units meeting affordable housing needs.	0									
					1		05/25/2022			N	Y			ADUS 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY	0									

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/31/2020 - 12/31/2028

**ANNUAL ELEMENT PROGRESS REPORT
 Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
 Please contact HCD if your data is different than the material supplied here

Table B														
Regional Housing Needs Allocation Progress														
Permitted Units Issued by Affordability														
		1	2										3	4
Income Level		RHNA Allocation by Income Level	Projection Period - 01/01/2019-12/30/2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	207	-	-	3	-	-	-	-	-	-	-	3	204
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Low	Deed Restricted	131	-	-	1	-	-	-	-	-	-	-	34	97
	Non-Deed Restricted		5	5	12	11	-	-	-	-	-	-		
Moderate	Deed Restricted	151	-	-	1	-	-	-	-	-	-	-	91	60
	Non-Deed Restricted		4	4	53	29	-	-	-	-	-	-		
Above Moderate	Non-Deed Restricted	354	36	36	66	13	-	-	-	-	-	-	151	203
Total RHNA		843												
Total Units			45	45	136	53	-	-	-	-	-	-	279	564
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5	6										7	
		Extremely low-Income Need	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Units to Date	Total Units Remaining	
Extremely Low-Income Units*		104	-	-	-	-	-	-	-	-	-	-	104	

*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.
 Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).
 Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.
 Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction	Atascadero		
Reporting Year	2022	(Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation

<p>Program 1.A: Adequate Sites</p>	<p>(266 units) The City can adequately accommodate the City's current RHNA under existing General Plan and Zoning Regulations standards (266 units remaining after credits for approved projects). The residential sites inventory to address the current RHNA consists of 11 mostly vacant sites with capacity to yield 497 new units. The City will maintain an inventory of available sites for residential development and provide it to prospective residential developers upon request, and the City will continue to track the affordability of new housing projects and progress toward meeting the City's RHNA. The City will also continue allowing housing development on RMF-24 properties identified in the Housing Element Sites Inventory as a by-right use, not subject to a conditional use permit, specific plan, or discretionary action. By right includes but is not limited to housing developments in which at least 20 percent of the units are affordable to lower income households.</p>	<p><i>Ongoing; annual assessment of status of housing sites inventory as part of the annual reporting process to the State</i></p>	<p>2022 represents the second year of the City's 6th RHNA cycle. The City remains on-track to providing sites adequate for affordable housing. Permits continue to be under construction on an identified underutilized site (U2) with 10 units likely to be rented at the moderate rate. This site, being at or above the density the State recognizes as providing opportunities for low-income housing, assumed 10 units at the low-income rate. Without deed restriction in the Central Coast, this income level is unlikely to occur outside of ADUs. As housing developments of this nature are by-right and the City has no opportunity to require deed restriction, the units are estimated to rent at the moderate level (based on size and other site factors consistent with state assumptions for SB9 units). The City identified a surplus of 81 low-income units based on the developable sites inventory. The City continues to identify adequate sites to meet our RHNA, even with the construction of the 10 moderate income units on Santa Ysabel. ADUs were also finaled in both identified vacant Single-Family sites achieving the stated goal of 5 low-income and 5 moderate income units.</p>
<p>Program 1.B: No Net Loss</p>	<p>The City will evaluate residential development proposals for consistency with goals and policies of the General Plan and the 2020-2028 Housing Element sites inventory and make written findings that the density reduction is consistent with the General Plan and that the remaining sites identified in the Housing Element are adequate to accommodate the RHNA by income level. If a proposed reduction of residential density will result in the residential sites inventory failing to accommodate the RHNA by income level, the City will identify and make available additional adequate sites to accommodate the its share of housing need by income level within 180 days of approving the reduced density project.</p>	<p><i>Ongoing; as part of the entitlement review process, evaluate new projects for consistency with General Plan objectives as they relate to housing and RHNA obligations</i></p>	<p>The City has not processed any applications for sites identified in the Housing element that do not align with Housing element goals and policies. The City has issued permits for Underutilized Site #2 for 10 units, as anticipated by the Housing Element, however, as a by-right development, the project was not required to deed restrict units for low-income households, tus, the units will likely rent at a moderate income rate. The City identified a surplus of 81 low-income units based on the developable sites inventory. The City continues to identify adequate sites to meet our RHNA, even with the construction of the 10 moderate income units on Santa Ysabel. ADUs were also finaled in both identified vacant Single-Family sites achieving the stated goal of 5 low-income and 5 moderate income units.</p>
<p>Program 1.C: Mixed-Use Development</p>	<p>(5 mixed-use projects) Continue to allow mixed residential and commercial development and promote second- and third-story residential development in the Downtown zoning districts. To increase project certainty and streamline development, the City will consider identifying appropriate, mid-block locations, outside of downtown, for future mixed-use/residential development (in commercial zoning districts) while considering appropriate jobs/housing balance and fiscal impacts. Considering market conditions and development costs, the City will provide, when possible, developer incentives such as expedited permit processing and flexible development standards for units that are affordable to lower-income households. The City will publicize these incentives on the City's website (www.atascadero.org) to make them available in a timely fashion.</p>	<p><i>Ongoing; identification of mixed-use opportunity areas as part of a comprehensive General Plan update (to be initiated in 2021)</i></p>	<p>The City continues to allow and supports mixed-use development within the Commercial Retail, commercail Professional, and Commercail Neighborhood zoning districts. To date the City has approved construction for 1 downtown mixed-use project (The Block) within the Downtown area and permit are issued for 2 mixed-use projects outside of the downtown core (Cook Mixed-Use and 8120 Morro Rd). The La Plaza mixed-use development was also finaled in 2022 and includes 42 residential units in the downtown core. The city is participating in a regional effort to identify housing typologies (size, density, development type) that can be considered "affordable-by-design" in the central coast region. This effort, spearheaded by SLOGOG, will include policy recommendations to incentivize affordability by design. This effort is expected to be complete by fall 2023. The City has also commenced the General Plan Update which will include analysis of mid-block commercail parcels for increased residential potential.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		Atascadero	
Reporting Year		2022	(Jan. 1 - Dec. 31)
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
<p>Program 1.D: Accessory Dwelling Units</p>	<p>(255 units) Promote the development of accessory dwelling units (ADUs) by adopting an ADU ordinance addressing the latest provisions in State law, including permit streamlining processes. Provide pre-approved ADU plans as a tool for encouraging development of ADUs and lowering plan review costs for applicants and the City. Promote development of ADUs by providing written information at the City's planning counter and on the City's website.</p>	<p><i>Ordinance within two years of Housing Element adoption</i></p>	<p>The City Has adopted it's ADU ordiannce and was funded under the REAP program to design and pre-review 6 stock plans for ADUs ranging in size from 320sf to 1,000 sf. The ADU stock plan program streamlines the review process adn provides design cost savings to homeowners. The city also anticipates expanding use of these plans for UDU development and multi-family infill. . The City has permitted the following number of ADUs by year: 2021: 15, 2022: 20.</p>
<p>Program 1.E: Special Needs Housing</p>	<p>(15 units) Provide housing opportunities to meet the special housing needs of special needs residents (including the elderly, disabled, developmentally disabled, large families, the homeless, farmworkers, and extremely low-income households) by giving priority to development projects that include a component for special needs groups in addition to other lower-income households.</p>	<p><i>Ongoing</i></p>	<p>The City has approved an expansion to California Manor for 76 senior units. The project is awaiting final fiunding and permits have been issued. This project would target lower income senior residents. We have also worked with a non-profit toward the expansion of a transitional housing development for low income foster youth.</p>
<p>Program 1.F: Housing for Persons with Disabilities</p>	<p>(25 units) Assist in meeting the housing needs for persons with disabilities, including persons with developmental disabilities, by implementing the following actions: § Assist developers who seek state and federal monies in support of housing construction and rehabilitation targeted for persons with disabilities, including persons with developmental disabilities. § Provide regulatory incentives and concessions to projects targeted for persons with disabilities, including persons with developmental disabilities. § Work with local organizations such as the Tri-Counties Regional Center and Transitions Mental Health Association to implement an education and outreach program informing local families about housing and services available for persons with disabilities, including developmental disabilities. The program will include the development of an informational brochure availael. ADUs were also finaled in both identi</p>	<p><i>Support grant applications- at least once during the planning period; develop informational material - within two years of Housing Element adoption; provide incentives for development of housing for persons with disabilities - ongoing</i></p>	<p>The City approved an expansion to the empire Apartments project which houses lower income disabled individuals. The project would provide 15 new units and 15 rehabed units. The City actively supports the SLO Non-Profit Housing Corporation in securing grant funding for this project.</p>
<p>Program 2.A: Density Bonus</p>	<p>(50 units) Maintain an affordable housing density bonus ordinance that establishes procedures for obtaining and monitoring density bonuses in compliance with state law. Update the City's density bonus ordinance to remain in compliance with Government Code §65915.</p>	<p><i>Updated density bonus ordinance adoption - within two years of Housing Element adoption; reviewing ordinance for compliance with State law - ongoing</i></p>	<p>The City currently implements State law for all projects requesting use of the State Density Bonus program. Because State law focuses on moderate income, the City has not historically seen implementation of the density bonus program result in lower income units. However, some more recent mixed-use developmetns and higher density residential formats have resulted in 2 low income units and 1 very low income unit (The Block, Atascadero Ave Apartments, Emerald Court). In addition, the City has approved 4 non-profit projects that would target low income individuals that would add 152 low income units to the City's housing stock if funding can be obtained. These projects (Empire, Macadero, Cal Manor 2, and Del Rio Ridge) utilized the State Density Bonus for development incentives as well as some bonus units). The City is also updating our Municipal Code for consistency with new State Density Bonus Law with adoption expected in fall 2023.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		Atascadero	
Reporting Year		2022	(Jan. 1 - Dec. 31)
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 2.B: Inclusionary Housing Ordinance	<p>(50 units) Evaluate the City's inclusionary housing policy and consider replacing the current inclusionary policy with an inclusionary housing ordinance. An inclusionary ordinance must be consistent with state density bonus regulations and address changing economic and regulatory considerations. The City will continue to monitor the impact of its inclusionary housing policy/ordinance on production of market rate housing in response to market conditions. If the City's inclusionary housing approach presents an obstacle to the development of the City's fair share of regional housing needs, the City will consider revising the policy/ordinance accordingly.</p>	<p><i>Review the City's current inclusionary housing policy within two years of Housing Element adoption</i></p>	<p>The City is in the process of reviewing options for an updated affordable housing strategy. As the strategy has been developed, program options have been discussed by the community and Council as the program is refined. Further Council and community input is scheduled for summer 2023.</p>
Program 2.C: Affordable Housing In-Lieu funds	<p>(5 affordable units) Evaluate the adoption of a policy to determine the best use of City Affordable Housing In-Lieu funds to support the creation of new affordable housing units in Atascadero. Work with affordable housing developers and identify funding to address the housing needs of extremely low-income households and totally and permanently disabled persons.</p>	<p><i>Affordable Housing In-Lieu funds policy evaluation within two years of Housing Element adoption; identify funding sources annually</i></p>	<p>The City will evaluate funding options once an affordable housing strategy is identified and adopted. The City has pledged \$400,000 of our current fund to Del Rio Ridge, a 42 unit non-profit low income project awaiting full funding opportunities.</p>
Program 2.D: Affordable Housing Technical Assistance	<p>Provide pre-application technical assistance to affordable housing providers to determine project feasibility and address zoning and code compliance issues in the most cost-effective and expeditious manner possible. If not already initiated via potential projects, annually consult with local affordable housing developers, including offering letters of support for grant applications, advising on local zoning and code compliance, and facilitating partnerships.</p>	<p><i>Ongoing and annual consultation</i></p>	<p>The City continues to provide pre-app consultation for all projects to determine feasibility and building and fire code standards. Recently, the City has coordinated with Del Rio Ridge, California Manor 2, and expansion of a non-profit transitional home for low income foster youth.</p>
Program 2.E: Affordable Housing Development Incentives	<p>Provide, when possible, developer incentives such as expedited permit processing and developer impact fee deferrals for units that are affordable to lower-income households, including extremely-low income households. Atascadero will promote these incentives to developers on the City's website and during the application process.</p>	<p><i>Ongoing</i></p>	<p>The City currently provides deferred impact fee payments for housing development deferring payment until permit final. Other incentives are being considered as part of the Inclusionary/affordable housing program noted above, including an impact fee deferral and loan program to further assist the financing projects targeted to lower-income households. The deferral and loan program is expected to be brought forward for consideration in summer 2023.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		Atascadero	
Reporting Year		2022	(Jan. 1 - Dec. 31)
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
<p>Program 2.F: Mixed-Use Standards</p>	<p>Adopt mixed-use development standards that facilitate high-quality development and that strike a balance between the community's need for housing and the City's need to preserve viable commercial land uses to help sustain the City's ability to provide essential services. During the formulation of development standards, the City will assess the potential for residential density increases for mixed-use projects. The City will pursue the drafting of new mixed-use developments standards and Objective Design Standards (Program 3.B) to ensure that the City's planning and design goals for mixed-use projects and multi-family housing are met.</p>	<p><i>Within two years of Housing Element adoption</i></p>	<p>The City received grant funding to develop objective design standards that include mixed-use development standards. The project is expected to be complete in late 2023.</p>
<p>Program 2.G: Specific Plans</p>	<p>Continue to require the use of specific plans or planned developments for residential projects of 100 or more single-family units to ensure that the distribution of land uses, infrastructure requirements, and implementation measures are consistent with the General Plan and the City's development goals and needs.</p>	<p><i>Ongoing</i></p>	<p>The City has commenced our comprehensive General Plan update and will continue to utilize Specific plans for larger-scale single-family residential developments.</p>
<p>Program 2.H: Resources to Address Homelessness</p>	<p>Continue working with non-profit organizations that address homelessness to aid residents in need and provide technical support as needed. Continue cultivating a close relationship with the El Camino Homeless Organization (ECHO) to maintain a safe and secure shelter that meets the immediate needs of families and individuals who have become homeless. Cooperate with non-profit groups and local religious organizations to allow the temporary use of churches as homeless shelters. Continue to support local programs that provide emergency resources such as motel voucher programs and emergency food provision.</p>	<p><i>Ongoing</i></p>	<p>The City works closely with local non-profit organizations to facilitate programs and locations that meet the needs of homeless and transitional populations.</p>
<p>Program 2.I: Single-Room Occupancy Units (SROs)</p>	<p>Review and, if necessary, revise siting regulations for single-room occupancy units (SROs) to comply with State law.</p>	<p><i>Within three years of Housing Element adoption as part of a future Zoning Regulations update</i></p>	<p>Staff has not yet begun this process. It is anticipated that SRO's will be analyzed as part of the City's comprehensive General Plan update.</p>

**ANNUAL ELEMENT PROGRESS REPORT
 Housing Element Implementation**

Jurisdiction		Atascadero	
Reporting Year		2022 (Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program Development Streamlining	<p>Continue streamlining the project review process by: § Reviewing, and if necessary, revising local review procedures to facilitate a streamlined review process § Accommodating SB 35 streamlining applications or inquiries by creating and making available to interested parties an informational packet that explains the SB 35 streamlining provisions in Atascadero and provides SB 35 eligibility information § Continuing to consolidate all actions relating to a specific project on the same Council or Commission agenda ☐ Continuing to review minor project modifications through the Design Review Committee and more substantial changes through a Planning Commission process § Maintaining pre-approved stock development plans to streamline the plan check process for ADUs</p>	<p>Ongoing; SB 35 informational material within two years of Housing Element adoption</p>	<p>The City continues to consolidate items on one agenda and provide pre application information to housing applicants. The City received grant funding to develop ADU stock plans and plans were finalized and released for use in early 2023. The ADU stock plans provide pre-reviewed building plans for units ranging in size from 320sf to 1,000sf and the City is expanding their use to UDU developmetns and multi-family infill to increase housing options, streamline the process, and reduce project costs.</p>
Program 3.B: Objective Design Standards	<p>In compliance with SB 330, adopt objective design standards to ensure that the City can provide local guidance on design and clearly articulate objective design standards for by-right projects as allowed by state law. Adoption of objective design standards will facilitate high-quality residential development and compliance with state objectives. The objective design standards will ensure provision of adequate private open space, parking, and architectural features, consistent with state law. Part of the objective design standards creation process will include assessing how the standards can be used to encourage a variety of housing types and limit the size of residential units on multi-family zoned properties to encourage units that are affordable by design.</p>	<p>Within two years of Housing Element adoption</p>	<p>The City received grant funding to adopt objective design standards. The project is expected to be completed in late 2023.</p>
Program 3.C: Multi-Family Housing Permitting	<p>To reduce constraints to multi-family housing production, the City will review and revise the Conditional Use Permit (CUP) requirements for multi-family housing in conjunction with adoption of objective design standards and to comply with the Housing Accountability Act. The Atascadero Zoning Regulations require a CUP for residential projects in the RMF zone over 11 units, excluding RMF-24 properties identified in the Housing Element sites inventory, which are allowed by right. Any revisions to Zoning Regulations will not affect the by-right approval of multi-family projects in the RMF-24 zone on Housing Element sites, which are not subject to a CUP or a Specific Plan. Revisions are intended to facilitate the permitting process for multi-family housing and will be consistent with any by-right or streamlining requirements identified in state law. The City will periodically evaluate the approval process for housing projects to ensure compliance with the intent of the Housing Accountability Act.</p>	<p>Modify CUP requirement within two years of Housing Element adoption in conjunction with adoption of objective design standards; monitor approval process for housing development - ongoing</p>	<p>The City will review CUP triggers with the adoption of objective design standards.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction	Atascadero		
Reporting Year	2022	(Jan. 1 - Dec. 31)	
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1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 3.D: RMF Zone Height	Amend the Zoning Regulations to remove the Residential Multi-Family number of stories limit in the Residential (RMF) Zone and regulate Multi-Family (RMF) Zone and regulate based on height in feet, allowing for adequate emergency response and community character preservation. Amend Zoning Regulations definitions and exceptions to height limits, as appropriate, to facilitate three-story development in the RMF Zone.	Amend the Zoning Regulations to remove number of stories limit in the Residential Multi-Family Zone and regulate based on height in feet, allowing for adequate emergency response and community character preservation. Amend Zoning Regulations definitions and exceptions to height limits, as appropriate, to facilitate three-story development in the RMF Zone.	Completed - the City updated the zoning regulations in 2021 to remove the number of stories restriction and increase height for architectural features.
Program 3.E: Small Lot Subdivisions	Consider adopting small lot subdivision standards that incorporate specific site and building development standards (such as parking, height, yard space, architecture) in exchange for flexible minimum lot sizes. Consider allowing small lot subdivisions without rezoning. Small lot subdivision standards can eliminate the need for multi-family planned developments that are currently subject to a rezoning process. Establishing a set of high-quality standards for each small lot subdivision, instead of minimum lot size, can save substantial staff time and applicant costs and would allow for increased creativity with site design while increasing ownership opportunities for all income segments of the community (affordable by design).	<i>Ongoing; review small lot subdivisions as part of a Comprehensive General Plan and Zoning Regulations Update</i>	The City received grant finding and is expected to adopt regulations with the adoption of the General Plan Update in early 2024.
Program 3.F: Rural Residential Development Standards	Adopt a Rural Residential Zone in the Zoning Regulations consistent with its designation on the Zoning Map and standards that distinguish it from the Residential Suburban zone to facilitate the development of a variety of housing types.	<i>Within three years of Housing Element adoption as part of a Comprehensive General Plan update</i>	The City will review all zoning districts as part of the comprehensive General Plan Update and will adopt revisions as needed.
Program 3.G: Emergency Shelter (ES) Overlay Zone	Review the Emergency Shelter (ES) Overlay Zone for continued compliance with state law; evaluate the need and expand the zone, as appropriate, to other appropriate properties, subject to the locational and operational criteria outlined in the Zoning Regulations.	<i>Within two years of housing element adoption</i>	The City works closely with ECHO, the non-profit organization that runs the shelter in the existing ES overlay zone. The City will continue to monitor need for expansion and added services.

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		Atascadero	
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1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
<p>Program 3.H: Special Needs Housing Laws</p>	<p>Review the Zoning Regulations and if necessary, make changes to ensure compliance with the Supportive Housing Streamlining Act (AB 2162) and AB 101 (Low-Barrier Navigation Centers). AB 2162 requires supportive housing to be considered a use by right in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multi-family uses, if the proposed housing development meets specified criteria. AB 101 requires that Low-Barrier Navigation Centers (LBNC) be a by-right use in areas zoned for mixed-use and nonresidential zones permitting multi-family uses. LBNC provide temporary room and board with limited barriers to entry while case managers work to connect homeless individuals and families to income, public benefits, health services, permanent housing, or other shelter.</p>	<p style="text-align: center;"><i>Within two years of adoption of the Housing Element</i></p>	<p>The City will be reviewing zoning districts and uses with the upcoming General Plan Update.</p>
<p>Program 3.I: Housing Financing Constraints</p>	<p>Continue to work with the development community to identify and mitigate any constraints on access to financing for multi-family development. The City will conduct regular stakeholder meetings with members of the development community, including representatives from local non-profit housing organizations, developers, and real estate brokers to solicit feedback. Continue to facilitate understanding of the impacts of economic issues, employment, and growth on housing needs among financial, real estate, and development professionals in formalized settings, such as the Economic Round Table.</p>	<p style="text-align: center;"><i>Ongoing</i></p>	<p>The City communicates with non-profit organizations and housing developers regularly regarding funding challenges and grant opportunities. Unfortunately, most grant applications are heavily weighted to communities with State identified disadvantaged communities. Our local SLOCOG has revised this analysis to include additional factors that more accurately identify known areas that should be considered disadvantaged from a funding perspective however, these regional definitions cannot be used in many State level applications, creating additional funding obstacles for lower income housing opportunities. Further, the added costs from increased requirements in the State building code updates and infrastructure costs associated with development within a semi-rural community, in addition to Water Quality Control Board Requirements and increased CEQA challenges from special interest groups make financial feasibility difficult to attain without subsidy.</p>
<p>Program 3.J: Non-Governmental Constraints</p>	<p>Continue to monitor and evaluate development standards and advances in housing construction methods. Although the City has limited influence over non-governmental constraints, if non-governmental constraints are identified, the City will review, and if necessary, revise, any development regulations or processes that can potentially lessen those constraints.</p>	<p style="text-align: center;"><i>Ongoing</i></p>	<p>The City continues to attend building industry seminars and is a lead participant in local ICC chapter meetings. Current identified constraints include solar requirements for new residential projects which significantly drive up costs, accessibility requirements that make projects infeasible when dealing with a City with challenging topography, State stormwater management requirements, limited funding for streets, roads, and other City infrastructure that drive up permit costs and fees, PG&E costs and availability to support new construction, outdated disadvantaged community mapping that limits Atascadero's ability to be competitive in grant funding opportunities for affordable housing, infrastructure, services, the cost of construction materials, and lending hesitency.</p>
<p>Program 3.K: Capital Facility Fees</p>	<p>To encourage affordability by design, the City will modify the Capital Facility Fee schedule to index fees based on size of unit, providing lower rates for small units where there is a demonstrated nexus. The City will continue to monitor impact fees and the Capital Facility Fee schedule to identify barriers to housing development, particularly affordable units. If Capital Facility Fee constraints are identified, the City shall revise the fee schedule accordingly while balancing infrastructure needs to support housing development.</p>	<p style="text-align: center;"><i>If Capital Facility Fee modification within two years of Housing Element adoption; impact fee monitoring and revisions - ongoing</i></p>	<p>The City has adopted a fee schedule that reduces fees for the development of accessory dwelling units that are greater than 750 square feet and waives impact fees for units less than 750 square feet. The City is currently working with a fee consultant to update the capital facility fee program and evaluate a program that encourages smaller units and affordability by design.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction	Atascadero		
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1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 3.L: Water and Sewer Service Providers	<p>In accordance with Government Code Section 65589.7, immediately following City Council adoption, the City will deliver to all public agencies or private entities that provide water or sewer services to properties within the City of Atascadero a copy of the 2020-2028 Housing Element. The City will also confirm that the agencies and entities providing water or sewer services have procedures in place to grant priority for the provision of water and sewer services to proposed developments that include housing units affordable to lower income households (Government Code Section 65589.7). The City will also explore possible options to ease the burden of water service fees (working with the Atascadero Mutual Water Company) and sewer service fees (through the Department of Public Works) for affordable housing projects (both deed-restricted and market rate affordable units).</p>	<p style="text-align: center;"><i>Within 30 days of adoption of the Housing Element; coordination - ongoing</i></p>	<p>Completed - The City distributed the final Housing Element to key City Staff in charge of sewer facilities and to the Atascadero Mutual Water Company, the City's water service provider.</p>
Program 3.M: Energy Conservation	<p>Encourage and facilitate energy conservation and help residents minimize energy-related expenses by: § Promoting environmentally sustainable building practices that provide cost savings to homeowners and developers; § Providing informational material at the Community Development Department counters from PG&E and others that detail energy conservation measures for new and existing buildings, the benefits of the Green Building (San Luis Obispo Green Build), and resources to assist lower-income households with energy-related expenses; and § Continuing to strictly enforce the state energy standards of the California Green Building Code.</p>	<p style="text-align: center;"><i>Ongoing</i></p>	<p>The City continues to comply with this program</p>
Program 3.N: Definition of Immediate Family	<p>Amend the Zoning Regulations to remove the definition of "immediate family" from the Zoning Regulations and any standards related to that definition, including Section 9-6.107(a)(1)(i) and 9-6.107(a)(3), which requires immediate family to occupy accessory dwelling units in the A zone.</p>	<p style="text-align: center;"><i>Within two years of Housing Element adoption</i></p>	<p>This update was completed with our annual zoning update in 2022</p>
Program 3.O: Farmworker Housing in RS Zone	<p>Amend the Zoning Regulations for the RS Zone to comply with California Health and Safety Code Section 17021.6, which generally requires that employee housing consisting of no more than 36 beds in group quarters (or 12 units or less designed for use by a single household) be treated as an agricultural use.</p>	<p style="text-align: center;"><i>Within two years of Housing Element adoption</i></p>	<p>Updates to the RS zone have been completed n 2022.</p>

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

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1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
<p>Program 4.A: Housing Rehabilitation and Preservation</p>	<p>(20 units) As new projects, code enforcement actions, and other opportunities arise, the City will investigate ways to meet its housing needs through rehabilitation and preservation of existing units. The City will continue using code enforcement to identify housing maintenance issues and to expedite rehabilitation of substandard and deteriorating housing by offering technical assistance to homeowners and occupants.</p> <p style="text-align: right;"><i>Ongoing</i></p>		<p>While the City does not have many units that are considered unsafe or degraded, local non-profit organizations regularly look at grant funding opportunities to expand and rehabilitate existing lower income housing. The City has recently approved 2 such projects (Empire Apartments and Macadero Apartments) that will rehabilitate approximately 34 units and add an additional 21 units under renewed 55 year deed restrictions. These projects are awaiting secured funding. In addition, the City is working with property owners at 5455 El Camino Real to upgrade and rehabilitate 10 units rented to lower-income individuals through a subsidized program.</p>
<p>Program 4.B: Community Development Block Grant</p>	<p>Continue to participate in federal grant programs, such as the Community Development Block Grant (CDBG) program, to obtain loans and/or grants for housing rehabilitation and homeless services.</p> <p style="text-align: right;"><i>Ongoing</i></p>		<p>The City participates in federal grant programs including CDBG, while seeking other grant opportunities, however there are limited funds available in our region and most funds are utilized for minor accessibility improvements to aid pedestrian access near housing and transit.</p>
<p>Program 4.C: Affordable Housing Preservation and Development</p>	<p>Continue to work with non-profit agencies, such as the County Housing Authority, Habitat for Humanity, the San Luis Obispo County Housing Trust Fund, and Peoples' Self-Help Housing, to preserve existing affordable housing and to pursue funding for new affordable housing units. Utilize inclusionary housing funds, as available and appropriate, to assist in the development of affordable housing by non-profit agencies. Continue to encourage developers to work with agencies such as the California Housing Finance Authority (CHFA) and the Department of Housing and Urban Development (HUD) to obtain loans for development of new multi-family rental housing for low-income households. Specifically, the City will:</p> <ul style="list-style-type: none"> ☐ Contact potential affordable housing developers ☐ Assist non-profits and other housing advocates in preparing applications for funding opportunities and financings ☐ Provide regulatory concessions and incentives, as necessary, to encourage and facilitate the construction of affordable housing 	<p><i>Annual meetings, during preparation of annual review of the Housing Element, to discuss funding opportunities, vacant and opportunity sites, and status of affordable housing projects; ongoing collaboration</i></p>	<p>Local non-profit organizations regularly look at grant finding opportunities to expand and rehabilitate existing lower income housing development. The City has recently approved 2 such projects (Empire Apartments and Macadero Apartments) that will rehabilitate approximately 34 units and add an additional 21 units under renewed 55 year deed restrictions. These projects are awaiting secured funding. The City is also working with People's self-help housing to develop 42 units at 2455 El Camino Real for low and extremely-low households. City Staff assists with grant applications when needed.</p>
<p>Program 4.D: Affordable Housing at Risk of Conversion</p>	<p>The City will continue to monitor the status of subsidized affordable projects, rental projects, and mobile homes in the City and provide technical and financial assistance, when possible, to ensure long-term affordability. This will involve contacting owner/operators of subsidized projects annually to determine the status of the units and their potential to convert to market-rate. If projects are at risk, the City will maintain contact with local organizations and housing providers who may have an interest in acquiring at-risk units. The City will keep track of and apply for funding opportunities to preserve at-risk units and assist other organizations in applying for funding to acquire at-risk units.</p> <p style="text-align: right;"><i>Contact owners/operators annually and ongoing</i></p>		<p>The City does this as part of our annual affordable housing verification outreach.</p>

ANNUAL ELEMENT PROGRESS REPORT
 Housing Element Implementation

Jurisdiction		Atascadero	
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Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
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1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 4.E: Housing Choice Vouchers	(preserve 230 vouchers) Continue to work with the Housing Authority of San Luis Obispo (HASLO) for administration of the Housing Choice Voucher program (formerly Section 8). The City utilizes this relationship for program implementation and income verifications and will support additional Housing Choice Vouchers in the community.	Ongoing	The City continues to support this program
Program 4.F: Historic Building Conservation	Preserve and protect homes that have historical and architectural significance, such as the Colony homes, through continued implementation of the Historic Site (HS) overlay zone and by maintaining a GIS-based map of historic buildings and sites.	Ongoing	The City currently maintains a database of historic homes and continues to encourage use of the Secretary of Interior's standards. The City is in the process of preparing a historic preservation ordinance to codify policies with expected adoption in late 2023.
Program 4.G: Condominium Conversion	Continue enforcing the Condominium Conversion Ordinance (Chapter 12 of the Zoning Regulations) to reduce the impacts of condominium conversions on lower-cost rental housing.	Ongoing	The City continues to enforce the condo conversion ordinance
Program 4.H: Infrastructure	Prioritize street and infrastructure improvement projects to benefit high-need areas, including existing high-density residential areas.	Ongoing	The City rates roads annually based on existing conditions and maintenance schedules. The Majority of the City's high density residential locations are located along El Camino Real, our most significant arterial. The City's wastewater treatment plant is nearing capacity and construction of new facilities are needed to accommodate future growth. The City is seeking funding for this expansion. In addition, the City's existing wastewater collection infrastructure is in need of repair and replacement in many locations. Funding options for these repairs and impacts on future growth will be analyzed as part of the 2045 General Plan Update. The City continues to look for funding sources to repair and replace aging infrastructure, however, lacking a State defined disadvantaged community designation limits City options.
Program 5.A: Housing Services	Fair Continue to provide information and complaint referral services for those persons who believe they have been denied access to housing because of their race, religion, sex, marital status, ancestry, national origin, color, or disability, family status, sexual orientation, source of income, or political affiliation. The City will educate Community Development Department staff on how to respond to complaints received regarding potential claims of housing discrimination. Staff will be trained to provide the person with an informational handout detailing the process of reporting and filing a claim through the California Department of Fair Employment and Housing. The staff will notify the City Manager and the City Attorney's office of the intent to file a claim and will be available to provide assistance to the person filing a claim, as needed. Information on Fair Housing law and how to file a claim will also be made available on the City's website and at the Community Development Department.	Ongoing; online fair housing information to be available within one year of Housing Element adoption	The City provides informatroin and has brochures available at our front counter and on-line
Program 5.B: Affirmatively Further Fair Housing	Fair The City will promote and affirmatively further fair housing opportunities and promote housing for all persons, including those protected by the California Fair Employment and Housing Act and any other state and federal fair housing and planning law. The City will: <input checked="" type="checkbox"/> Ensure that all development applications are considered, reviewed, and approved without prejudice to the proposed residents, contingent on the development application's compliance with all entitlement requirements. <input checked="" type="checkbox"/> Accommodate persons with disabilities who seek reasonable waiver or modification of land use controls and/or development standards pursuant to procedures and criteria set forth in the Zoning Regulations. <input checked="" type="checkbox"/> Work with the County of San Luis Obispo to implement the regional Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan. <input checked="" type="checkbox"/> Facilitate public education and outreach by creating informational flyers on fair housing that will be made available at public counters, libraries, and on the City's/County's website. <input checked="" type="checkbox"/> Conduct public meetings at suitable times accessible to persons with disabilities, and near public transit. Resources will be invested to provide interpretation and translation services when requested at public meetings. <input checked="" type="checkbox"/> Prioritize community and stakeholder engagement during controversial development decisions.	Ongoing	The City continues to support and work with groups to further fair housing and access to public meetings.

Jurisdiction	Atascadero
Reporting Period	2022 (Jan. 1 - Dec. 31)

NOTE: This table is meant to contain an inventory of ALL surplus/excess lands the reporting jurisdiction owns

Note: "+" indicates an optional field
 Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

For San Luis Obispo County jurisdictions, please format the APN's as follows:999-999-999

Table H Locally Owned Surplus Sites						
Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	Street Address/Intersection	Existing Use	Number of Units	Surplus Designation	Parcel Size (in acres)	Notes
Summary Row: Start Data Entry Below						
029-347-020, 032, 033	5901 East Mall	Commercial	6	Surplus Land	0.2857	

Jurisdiction	Atascadero	
Reporting Period	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/31/2020 - 12/31/2028

NOTE: SB 9 PROJECTS ONLY. This table only needs to be completed if there were lot splits applied for pursuant to Government Code 66411.7 OR units constructed pursuant to 65852.21.
 Units entitled/permitted/constructed must also be reported in Table A2. Applications for these units must be reported in Table A.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "*" indicates an optional field

Cells in grey contain auto-calculation formulas

Table I Units Constructed Pursuant to Government Code 65852.21 and Applications for Lot Splits Pursuant to Government Code 66411.7 (SB9)										
Project Identifier				Project Type	Date	Unit Constructed				Notes
1				2	3	4				
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Activity	Date	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Notes
Summary Row. Start Data Entry Below										
031-202-008	8250 SAN MARCO	SB9 subdivision	SBDV22-0032	Application for Parcel Map for Lot Split	04/28/2022					date approved
031-381-001	7805 PISMO AVE	SB9 LOT SPLIT	SBDV22-0021	Application for Parcel Map for Lot Split	05/16/2022					date approved
031-062-006	7550 TECORIDA A	SB9 LOT SPLIT	SBDV22-0055	Application for Parcel Map for Lot Split	05/26/2022					date submitted

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/31/2020 - 12/31/2028

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	11
Moderate	Deed Restricted	0
	Non-Deed Restricted	29
Above Moderate		13
Total Units		53

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Units by Structure Type	Entitled	Permitted	Completed
SFA	0	10	1
SFD	2	20	27
2 to 4	0	2	0
5+	8	0	36
ADU	0	20	8
MH	0	1	0
Total	10	53	72

Housing Applications Summary	
Total Housing Applications Submitted:	9
Number of Proposed Units in All Applications Received:	75
Total Housing Units Approved:	16
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

Jurisdiction	Atascadero	
Reporting Year	2022	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT Local Early Action Planning (LEAP) Reporting (CCR Title 25 §6202)					
<i>Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.</i>					
Total Award Amount	\$	150,000.00	Total award amount is auto-populated based on amounts entered in rows 15-26.		
Task	\$ Amount Awarded	\$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
Objective Design Standards / Smal Lot subdivision standards	\$15,600.00	\$115,615.00	In Progress	REAP	
Technical Studies / Resource Identification	\$10,057.92	\$10,057.92	Completed	None	
CEQA thresholds / CEQA streamlining	\$119,842.08	\$119,842.08	In Progress	None	
ADU stock plan updates for new code cycle	\$4,500.00	\$4,500.00	In Progress	None	

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	1
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	9
Above Moderate		0
Total Units		10

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	11
Moderate	Deed Restricted	0
	Non-Deed Restricted	29
Above Moderate		13
Total Units		53

Certificate of Occupancy Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	8
Moderate	Deed Restricted	2
	Non-Deed Restricted	20
Above Moderate		55
Total Units		85

2022 Annual General Plan and Housing Element Progress Report





“Dedicated to enhancing, and preserving Atascadero’s character and safety by helping people plan, and build quality projects.”



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Section 1 – Introduction

1.1 Introduction

Every year, the City produces a report on the status of its General Plan and Annual Housing Progress (APR) to provide an overview of actions taken to implement this comprehensive plan during the past year, consistent with California Government Code section 65400, subdivision (a)(2). This report is provided to the City Council, Planning Commission, and other interested parties to assist in gauging the progress the City is making on the programs related to the General Plan and housing production. The annual report fulfills State law requirements and evaluates the number of housing units that have been approved and completed. The Housing APR, along with a General Plan Progress report, must be reported to the Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR).

Section 2 – General Plan Activities

2.1 General Plan Activities

The General Plan states the community's goals, objectives, policies, and implementation measures (i.e., ways to achieve the goals and objectives). As a policy document, the General Plan establishes goals and policies for decision makers. Using these policies, City staff, the City Council, and Planning Commission take steps toward achieving the larger goals of the City. The City focuses implementation programs contained in the General Plan through daily operations of the City.

The City's General Plan was adopted in June 2002. The City's last major update of the General Plan was undertaken in 2020 with the City's adoption and certification of the 2021-2028 Housing Element Update. The City began its comprehensive General Plan Update process in early 2021 and is expected to adopt a new General Plan in 2024 that will provide a city blueprint through 2045.

Section 3 – Planning & Building Yearly Activities

3.1 2022 Planning Applications & Entitlements

- 79 applications in process in 2022



2022 Planning Projects

2022 Major Planning Projects			
Business Name	Status	Address	Project Type
ADU / SB 9 ordinance adoption	Adopted	Citywide	Citywide Policy Plan
Objective Design Standards / Small-lot subdivision standards	In Process	Citywide	Citywide Policy Plan
Barrel Creek	Approved early 2023	6005 Del Rio Road	Development Plan
Marketplace	Approved	1905 El Camino Real	Development Plan
Cal Manor Amendment	Approved	10165 El Camino Real	DRC Review
Bobcat rental site	Under Construction	2600 El Camino Real	Development Plan
The Edge	Approved	2470 El Camino Real	DRC Review
Citywide General Plan Update	In Process	Citywide	General Plan Amendment

3.2 2022 Building Applications & Inspections

2022 Highlights

- Received and processed 2,106 building permit applications (up from 1,660 in 2021 and a record year)
- In 2022, City inspectors made 1,759 construction and safety-related inspections associated with building permit activity. (up from 1,220 in 2021 and a record year)
- In 2022 1,279 building permits were “finalized” or completed (up from 734 in 2021)

3.3 Housing & Residential Growth

The California Census data estimates that the City’s population in 2022 is 29,708 residents, which is relatively stable from 2021 and remains slightly below the reported 2020 population. 2022 was a record year for building permit processing, issuance, and inspection. While housing production was less than in 2021, where we saw an increase from the limited growth in 2020 due to COVID, 2022 has remained similar to previous years in terms of housing growth. The City adopted an updated Housing Element in late 2020 and began progress toward the 6th cycle RHNA. The City is also commencing a citywide comprehensive General Plan Update slated to be completed in early 2024.

The following table shows residential projects of significance under construction or entitled in 2022, along with the number of affordable units in the project.



Major Residential (Development Review and/or Construction) Activity in 2022					
Project Name	Address	Housing Type	Number of Units (remaining Entitlement)	Number of Units (Construction or Finaled)	Number of affordable or accessible units
Grand Oaks Micro Community	4711 Camino Real El	Detached Single-Family / Live-work	4	10 finaled, 16 under construction	3 deed restricted, 27 affordable by design (moderate)
Curbaril PD	7900 Curbaril	Planned Development	4	1 finaled, 3 under construction	0
Emerald Court	2505 Camino Real El	Residential Multifamily	11		1 very low
Emerald Ridge	2605 Camino Real El	Residential Multifamily	172	36 (finaled)	0
La Plaza	6500 Camino Real El	Mixed-Use		42 finaled,	0
Ten850	10850 Camino Real El	Attached single-family / multi-family		75 Under construction	15 (potential for more as affordable by design - moderate)
The Block	5802 Traffic way	Mixed-use		11 (finaled)	1 (potential for more as affordable by design - moderate)
Santa Ysabel Townhomes	7298 Santa Ysabel	Residential Multifamily		10 (under construction)	0 (potential for affordable by design - moderate)
S. Mirasol (Annex Residential)	S. Mirasol	Single-Family and ADUs		6 SFRs finaled, 6 ADUs finaled	3 moderate, 3 low (ADUs)

RHNA 2020-2028

State housing law requires that each municipality establish quantified objectives for their fair share of regional housing needs by income group. Deed-restricted affordable housing counts towards meeting the quantified objectives. The quantified objectives are for the period of 2020-2028. The City recently adopted 6th Cycle Housing Element with a RHNA of 843 total units. The City has made strides toward meeting it’s RHNA obligation in each income category. Grant funding opportunities will be key to achieving the low and very-low allocation.



	Ext/Very Low	Low	Mod	Mkt rate	TOTAL
2020		5	4	36	45
2021	3	13	54	66	136
2022		11	29*	13	53
RHNA	207	131	151	354	843
Remaining Balance	204	102	64*	239*	609

* 13 units may be reallocated to Market Rate if affordable-by-design units cannot be counted

3.4 Non-Residential Development

The following table shows significant non-residential permits ranked by project valuation provided as a part of building permit issuance in 2022. La Plaza was completed in 2022 added significant commercial opportunities to the downtown core.

2022 Non-Residential Building Permits Issued and Processing				
Business Name	Permit Status	Address	Project Type	Valuation
Arco Gas Station	Under Construction	9590 El Camino Real	New Construction	\$482,801
La Plaza	Finaled	6500 El Camino Real	New Construction	\$8,800,000
Taco Bell	Finaled in early 2023	7835 El Camino Real	New Construction	\$1,300,000
Montecito Offices	Finaled	9630 El Camino Real	New Construction	\$2,317,000
The Block Mixed-Use	Finaled	5802 Traffic Way	New Construction	\$992,721
Stafford Mixed-Use	Under Construction	3710 El Camino Real (3 buildings)	New Construction	\$2,122,824
Valley Fresh Market	In review	1905 El Camino Real	New Construction	\$2,500,000
Marketplace retail #5	In review	1905 El Camino Real	New Construction	\$1,008,333





Atascadero City Council

Staff Report – Community Development Department

Barrel Creek (DEV21-0066)

RECOMMENDATION(S):

Council:

1. Adopt, on second reading, by title only, Draft Ordinance A, approving of a Zone Map Change modifying the zoning map designation of the Barrel Creek project from Residential Suburban (RS) to Residential Multi-Family 10 (RMF-10) and Commercial Park (CPK); and
2. Adopt, on second reading, by title only, Draft Ordinance B, approving a Zoning Text Amendment to establish Planned Development Overlay Zone No. 38 (PD38) over the Barrel Creek project site.

DISCUSSION:

The Barrel Creek project was heard at the March 14, 2023 City Council meeting. The meeting was held entirely virtual due to the emergency storm declaration. Council was informed during public comment that power had gone out in a nearby neighborhood and potentially disrupted the ability of interested citizens to fully participate in the hearing. Based on this, the Council continued the item to the March 28, 2023 meeting.

The Barrel Creek Project is proposed on a large, generally vacant site on the west side of Highway 101 within the area that has been identified as the Del Rio commercial node. This location has long been viewed as an opportunity site. Now, a new mixed residential and commercial development project is being proposed on one of the few remaining “opportunity sites” in the City. The project proposes a small-lot single-family subdivision fronting Del Rio and San Ramon Roads with hotel and commercial uses along Highway 101. There is a proposed cottage hotel use along Del Rio Road to the east of the single-family units. Apartments are located between the commercial area and the existing residential properties to the east. The commercial area is designed around a central pedestrian plaza to encourage restaurants and similar outdoor uses. Access to the commercial and multi-family uses is off Del Rio Road with access to the single-family portion off San Ramon Road.

The project includes:

- 20 residential single-family lots
- 40 apartment units
- A 120-room hotel
- 16 short-term cottage lodging units
- 53,500 square-feet of commercial tenant space

Associated entitlements requested include a General Plan Map Amendment and associated Zoning Map Change, a Zoning Text Amendment to establish a custom Planned Development Overlay Zone, a Conditional Use Permit to establish a Master Plan of Development for the site, and Tentative Tract Map.

The City Council heard the item at the March 28, 2023 meeting and adopted resolutions to approve the project, including certification of the environmental document prepared for the project and approval the Master Plan of Development and Tentative Tract Map. The ordinances for zoning map amendment and establishment of the custom PD38 overlay zone were also introduced for first reading.

At the March 28, 2023 meeting, modifications were included to Draft Ordinance B, establishing Planned development Overlay Zone 38. The changes are included in attached Ordinance B, and include:

- Added lighting restrictions for signage on west facing commercial walls, specifically requirements related to dimmability and ensuring lower light levels during the nighttime hours.
- Reformatting of hotel signage section
- Deletion of allowances for outdoor amplified sound with this approval.
- Deletion of “Social and Service Organizations” from the conditionally allowed use list.
- Adding “Personal services – restricted” to the disallowed use list
- Specifying owner occupancy requirements for any short-term rental in the single-family neighborhood.
- Modifications to setback standards limiting additional rear yard setback for second story on northern project lots only and eliminating “wedding cake” setback requirement.
- Clarifying building coverage percentage.

FISCAL IMPACT:

The commercial section of the project is expected to be net positive with estimated sales tax and transient occupancy tax revenues exceeding costs to service the commercial uses. The project is also conditioned to annex into the Citywide CFD to help offset residential service costs in excess of revenues generated by the new residential units.

ATTACHMENTS:

1. Draft Ordinance A
2. Draft Ordinance B

DRAFT ORDINANCE A

**ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA,
MODIFYING THE OFFICIAL ZONING MAP CONVERTING
APPROXIMATELY 15.2 ACRES FROM RESIDENTIAL SUBURBAN TO
RESIDENTIAL MULTI-FAMILY – 10 AND COMMERCIAL PARK
FOR THE BARREL CREEK PROJECT**

**BARREL CREEK
(DEV21-0066)
6010, 6020, 6030 Del Rio Rd and 1505, 1855 San Ramon Rd
APNs 049-131-043, 044, 052, 058, and 066**

WHEREAS, an application has been received from Legacy Realty and Development, LLC (5390 E. Pine Avenue, Fresno, CA 93727), Applicant and First Assembly of God Church (5545 Ardilla Ave, Atascadero, CA 93422) Owner, to consider a General Plan Amendment, Zone Change, Vesting Tentative Tract Map, Tree Removal Permit, and Master Plan of Development (Conditional Use Permit) including a Commercial Sign Program and height exception; and

WHEREAS, the site’s current General Plan Land Use Designation is Suburban Estates (SE); and

WHEREAS, the site’s current Zoning Designation is Residential Suburban (RS); and

WHEREAS, the site has previously been identified by the City Council as a key development opportunity site based on the site’s adjacency to Highway 101 and proximity to the key commercial node at El Camino Real and Del Rio Road; and

WHEREAS, the City Council reviewed the request for General Plan Amendment and Zone Change at their regularly scheduled meeting on April 28, 2020 at which time the Council authorized the applicants to submit a formal application; and

WHEREAS, City Council Policy requires that a neighborhood meeting be held by the applicant to receive input from surrounding property owners, residents, and interested persons to assist in achieving neighborhood compatibility; and

WHEREAS, the project held a neighborhood meeting to gather input from surrounding residents and interested persons on September 23, 2020; and

WHEREAS, the proposed amendment is in conformance with the other elements of the adopted General Plan Goals, Policies, and Programs and the overall intent of the General Plan; and

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and

WHEREAS, a timely and properly noticed Public Hearing upon the subject application was held by the Planning Commission of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of said application; and

WHEREAS, the Planning Commission heard the item at their January 17, 2023 meeting and February 7, 2023 meeting and recommended that the City Council approve the Barrel Creek project and associated entitlements, and

WHEREAS, a timely and properly noticed Public Hearing upon the subject application was held by the City Council of the City of Atascadero on March 14, 2023 and continued to March 28, 2023, at which hearing evidence, oral and documentary, was admitted on behalf of said application; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Recitals: The above recitals are true and correct.

SECTION 2. Public Hearing. The City Council of the City of Atascadero, at a Public Hearing held on March 14, 2023 and continued to March 28, 2023, considered testimony and reports from staff, the applicants, and the public and introduced for first reading, by title only, an Ordinance modifying the official Zoning Map converting approximately 15.2 acres from Residential Suburban to Residential Multi-Family-10 and Commercial Park for the Barrel Creek Project.

SECTION 3. Facts and Findings. The City Council makes the following findings and determinations:

A. Findings for approval of a Zoning Map Amendment

FINDING: The Zoning Map Change is consistent with General Plan policies and all other applicable ordinances and policies of the City.

FACT: The project includes a request for a General plan Amendment and Zone Map Amendment with associated entitlements for the Barrel Creek project. The proposed zoning map amendment changes the development potential of a currently rural residential site adjacent to Highway 101 to a mix of commercial and residential uses. The project has been designed to provide transitions from the adjacent single-family neighborhoods and will provide increased economic benefit to the City.

FINDING: This Amendment of the Zoning Map will provide for the orderly and efficient use of lands where such development standards are applicable.

FACT: The proposed project is located adjacent to Highway 101 at Del Rio Road. The project site was previously identified as a key development opportunity site. The site is adjacent to the key commercial node at Del Rio Road and El Camino Real. The Apple Valley development to the south of the project site is comprised of a small-lot single family development with similar lot patterns to the proposed single-family portion of the

project. Frontage and intersection improvements will be complete prior to occupancy of the project to ensure that the adjacent street system is designed to accommodate added traffic.

FINDING: The Map Change will not, in itself, result in significant environmental impacts.

FACT: The proposed project is consistent with the City’s economic and land use policies. The project site was previously identified as a key site for commercial expansion and opportunities for increased housing. Infrastructure and services are available to serve the project and the project is consistent with the General plan EIR and subsequent Mitigated Negative Declaration prepared for the project.

SECTION 4. CEQA. An Initial Study was prepared to determine if the proposed project would have a significant adverse effect on the environment. The Initial Study found that the project results in no significant impacts with mitigation measures incorporated. Consequently, a Mitigated Negative Declaration was prepared and circulated for public review on December 28, 2022. Based on public testimony, the document was revised and re-circulated for public review on February 2, 2023. The City Council resolved to certify the Mitigated Negative declaration prepared for the Barrel Creek Project at the March 28, 2023 meeting.

SECTION 5. Approval. The City Council of the City of Atascadero, California, in a regular session assembled on March 28, 2023, introduced for first reading, by title only, and ordinance to approve the Zoning Map Amendment for the Barrel Creek Project consistent with the following:

EXHIBIT A: Zoning Map Amendment Diagram

SECTION 6. Interpretation. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7. Preservation. Repealing of any provision of the Atascadero Municipal Code or of any previous Code Sections, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8. Effect of Invalidation. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the Atascadero Municipal Code or other City Ordinance by this Ordinance will be rendered void and cause such previous Atascadero Municipal Code provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 9. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 10. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of Atascadero’s book of original ordinances, make a note of the passage and adoption in the records of this meeting and within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 11. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on March 28, 2023, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____, 2023.

AYES:
NOES:
ABSTAIN:
ABSENT:

CITY OF ATASCADERO

Heather Moreno, Mayor

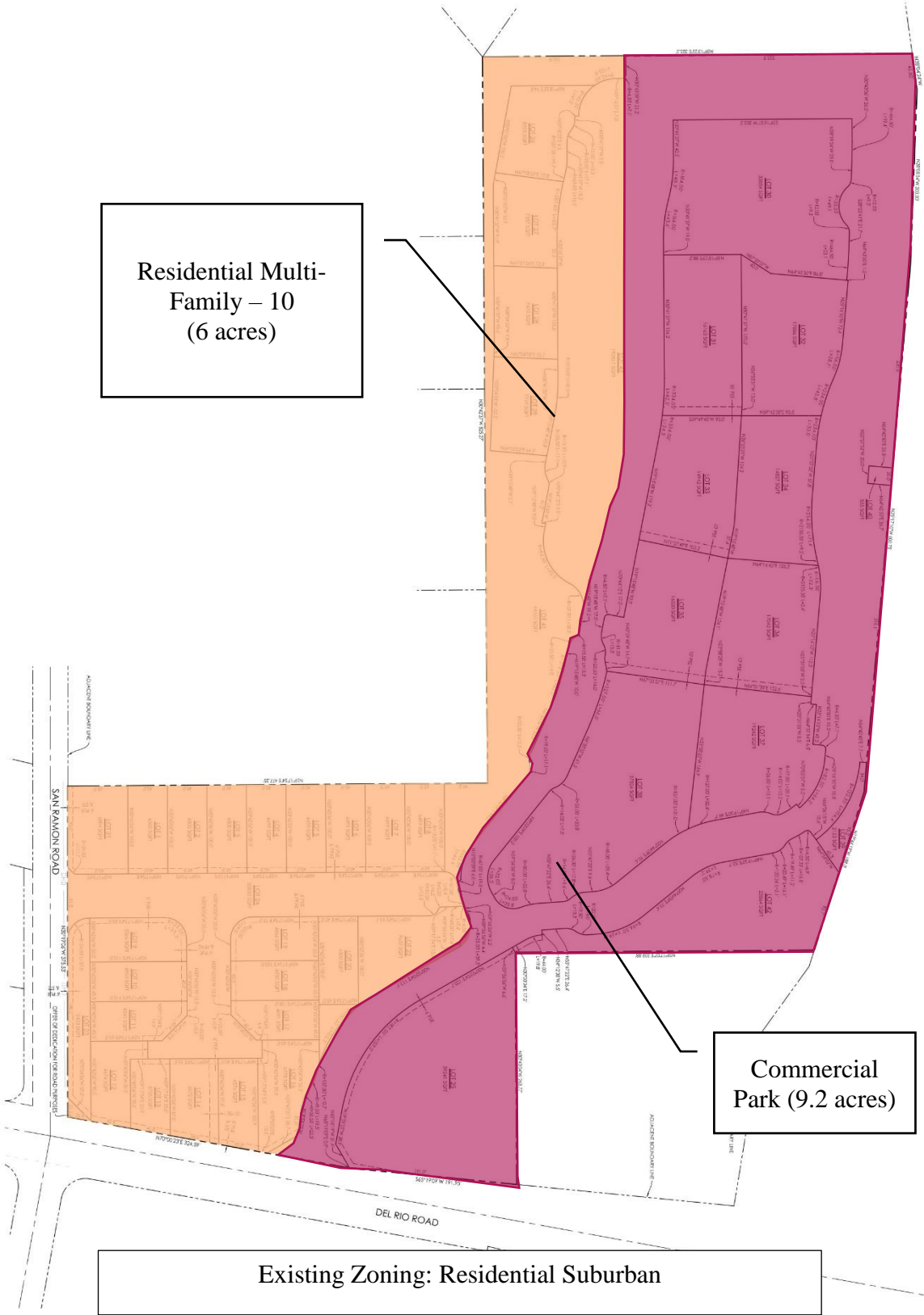
ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

EXHIBIT A: Zoning Amendment Diagram



DRAFT ORDINANCE B

**ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA,
AMENDING TITLE 9 (PLANNING AND ZONING), CHAPTER 3
(ZONING DISTRICTS), ARTICLE 28 (PLANNED DEVELOPMENT
OVERLAY ZONE) OF THE ATASCADERO MUNICIPAL CODE TO
ESTABLISH PLANNED DEVELOPMENT NO. 38 (PD38)
FOR THE BARREL CREEK PROJECT**

**BARREL CREEK
(DEV21-0066)
6010, 6020, 6030 Del Rio Rd and 1505, 1855 San Ramon Rd
APNs 049-131-043, 044, 052, 058, and 066**

WHEREAS, an application has been received from Legacy Realty and Development, LLC (5390 E. Pine Avenue, Fresno, CA 93727), Applicant and First Assembly of God Church (5545 Ardilla Ave, Atascadero, CA 93422) Owner, to consider a General Plan Amendment, Zone Change, Vesting Tentative Tract Map, Tree Removal Permit, and Master Plan of Development (Conditional Use Permit) including a Commercial Sign Program and height exception; and

WHEREAS, the site's current General Plan Land Use Designation is Suburban Estates (SE); and

WHEREAS, the site's current Zoning Designation is Residential Suburban (RS); and

WHEREAS, the site has previously been identified by the City Council as a key development opportunity site based on the site's adjacency to Highway 101 and proximity to the key commercial node at El Camino Real and Del Rio Road; and

WHEREAS, the City Council reviewed the request for General Plan Amendment and Zone Change at their regularly scheduled meeting on April 28, 2020 at which time the Council authorized the applicants to submit a formal application; and

WHEREAS, City Council Policy requires that a neighborhood meeting be held by the applicant to receive input from surrounding property owners, residents, and interested persons to assist in achieving neighborhood compatibility; and

WHEREAS, the project held a neighborhood meeting to gather input from surrounding residents and interested persons on September 23, 2020; and

WHEREAS, the proposed amendment is in conformance with the other elements of the adopted General Plan Goals, Policies, and Programs and the overall intent of the General Plan; and

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and

WHEREAS, a timely and properly noticed Public Hearing upon the subject application was held by the Planning Commission of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of said application; and

WHEREAS, the Planning Commission heard the item at their January 17, 2023 meeting and February 7, 2023 meeting and recommended that the City Council approve the Barrel Creek project and associated entitlements, and

WHEREAS, a timely and properly noticed Public Hearing upon the subject application was held by the City Council of the City of Atascadero on March 14, 2023 and continued to March 28, 2023, at which hearing evidence, oral and documentary, was admitted on behalf of said application.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Recitals: The above recitals are true and correct.

SECTION 2. Public Hearing. The City Council of the City of Atascadero, at Public Hearings held on March 14, 2023 and March 28, 2023, considered testimony and reports from staff, the applicants, and the public and introduced for first reading, by title only, an Ordinance amending Title 9, Chapter 3, Article 28 of the Atascadero Municipal Code to establish Planned Development No. 38 (PD38) for the Barrel Creek Project.

SECTION 3. Facts and Findings. The City Council makes the following findings and determinations:

A. Findings for approval of a Zoning Map Amendment

FINDING: The Zoning Map Change is consistent with General Plan policies and all other applicable ordinances and policies of the City.

FACT: The project includes a request for a General plan Amendment and Zone Map Amendment with associated entitlements for the Barrel Creek project. The proposed zoning map amendment changes the development potential of a currently rural residential site adjacent to Highway 101 to a mix of commercial and residential uses. The project has been designed to provide transitions from the adjacent single-family neighborhoods and will provide increased economic benefit to the City.

FINDING: This Amendment of the Zoning Ordinance will provide for the orderly and efficient use of lands where such development standards are applicable.

FACT: The proposed project is located adjacent to Highway 101 at Del Rio Road. The project site was previously identified as a key development opportunity site. The site is

adjacent to the key commercial node at Del Rio Road and El Camino Real. The Apple Valley development to the south of the project site is comprised of a small-lot single family development with similar lot patterns to the proposed single-family portion of the project. Frontage and intersection improvements will be complete prior to occupancy of the project to ensure that the adjacent street system is designed to accommodate added traffic.

Establishment of a custom Planned Development Overlay Zone will allow the property to transition to the surrounding neighborhoods with custom attention to compatible uses and development standards to ensure a quality and well-integrated project.

FINDING: The Text Change will not, in itself, result in significant environmental impacts.

FACT: The proposed project is consistent with the City's economic and land use policies. The project site was previously identified as a key site for commercial expansion and opportunities for increased housing. Infrastructure and services are available to serve the project and the project is consistent with the General plan EIR and subsequent Mitigated Negative Declaration prepared for the project.

FINDING: Modification of development standards or processing requirements of the Zoning Ordinance through the PD overlay is warranted to promote orderly and harmonious development; and

FACT: The PD38 zoning overlay establishes development standards that promote a cohesive neighborhood development and ensure that City goals related to traffic mitigation, aesthetic character, inclusionary housing, and pedestrian connectivity, among others, are achieved.

FINDING: Modification of development standards or processing requirements of the zoning ordinance through the PD overlay will enhance the opportunity to best utilize special characteristics of an area and will have a beneficial effect on the area.

FACT: The Planned Development 38 overlay text modifies standard development requirements to allow for a mixed residential and commercial project adjacent to existing residential neighborhood and commercial properties, including Highway 101. Modified standards for the development enable the project to provide adequate transitions to the existing neighborhood and ensure compatible uses within the commercial portion.

FINDING: Benefits derived from the Planned Development Overlay Zone cannot be reasonably achieved through existing development standards or processing requirements.

FACT: The Planned Development Overlay Zone 38 ensures that development within the area provides certain benefit as identified by Council Policy. Development under the PD38 standards will maintain and enhance neighborhood character and provide transition between commercial and single-family uses.

FINDING: Proposed plans offer certain redeeming features to compensate for requested modifications of the Planned Development Overlay zone.

FACT: City Council Planned Development Policy requires project benefits such as affordable inclusionary housing, pocket parks, and high-quality landscape and architecture in exchange for modified development standards. As conditioned, the project satisfies these requirements.

SECTION 4. CEQA. An Initial Study was prepared to determine if the proposed project would have a significant adverse effect on the environment. The Initial Study found that the project results in no significant impacts with mitigation measures incorporated. Consequently, a Mitigated Negative Declaration was prepared and circulated for public review on December 28, 2022. Based on public testimony, the document was re-circulated for public review on February 2, 2023. The City Council resolved to certify the Mitigated Negative declaration prepared for the Barrel Creek Project at the March 28, 2023 meeting.

SECTION 5. Approval. The City Council resolved to approve an Amendment to Title 9 of the Atascadero Municipal Code for the Barrel Creek Project consistent with the following:

EXHIBIT A: 9-3.683 Establishment of Planned Development Overlay No. 38 (PD38)

SECTION 6. Interpretation. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7. Preservation. Repealing of any provision of the Atascadero Municipal Code or of any previous Code Sections, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8. Effect of Invalidation. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the Atascadero Municipal Code or other City Ordinance by this Ordinance will be rendered void and cause such previous Atascadero Municipal Code provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 9. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 10. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of Atascadero’s book of original ordinances, make a note of the passage and adoption in the records of this meeting and within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 11. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on March 28, 2023, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____, 2023.

AYES:
NOES:
ABSTAIN:
ABSENT:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

EXHIBIT A: 9-3.683 Establishment of Planned Development Overlay No. 38 (PD38)

The following shall be added to the Atascadero Municipal Code Title 9, Chapter 3, Article 28:

9-3.683 Establishment of Planned Development Overlay Zone No. 38: (PD38).

Planned Development Overlay Zone No. 38 is established as shown on the official zoning maps (Section 9-1.102 of this title) on parcels APNs 049-131-043, 044, 052, 058, and 066 (Parcels 1-42 of TR3177). The following development standards shall be applied to all development within the PD38 overlay district:

General Requirements:

- (a) All utilities, including electric, telephone and cable, along the frontage of and within the PD shall be installed underground.
- (b) All lighting shall be fully shielded, directional, and dark sky compliant unless specifically exempted below.
- (c) All mitigation measures listed in the Mitigation Monitoring Program shall be adhered to for the life of the project.

Commercial Development:

- (a) A Master Plan of Development must be established for the commercial development area and all development shall be consistent with the approved Master Plan of Development.
- (b) All building mounted and parking lot lighting shall be dark sky compliant and designed to reduce off-site glare. All lighting shall be directed downward. The following exceptions shall be permitted:
 - 1. Festoon lighting shall be permitted within the commercial plaza and hotel inner courtyard
 - 2. Lower level up-lighting is permitted within the commercial plaza and inner hotel courtyard to highlight architectural building features.
 - 3. Low level bollard lighting is permitted adjacent to pedestrian paths.
- (c) All building signage shall comply with the following:
 - 1. All wall signs shall be externally or halo lit.
 - 2. No cabinet signs shall be permitted
 - 3. Each business shall be allowed a wall sign over the entry in addition to a parking lot facing sign if the tenant space is adjacent to the parking area. Commercial signs facing west toward the parking lot between the commercial area and the apartments shall be dimmable and shall be dimmed between the hours of 10PM and 7AM.
 - 4. Projecting signage shall be permitted as well as an extruded metal sign on the metal canopy(ies).
 - 5. Window graphics shall be permitted per the Atascadero Municipal Code
 - 6. A center identification sign in the form of a water tower shall be permitted along Highway 101 in the area designated in the Master Plan of

development. The water tower shall have a maximum height of 65-feet. The water tower sign shall display the name of the project only.

7. ~~The hotel shall be allowed the following:~~

- i. No hotel signage shall be permitted facing residential uses. Lighting facing the freeway shall be externally illuminated with downward lighting. All lighting shall be set on a timer to turn off or dim between the hours of 10pm and 7am.

(d) All parking lot trees shall be maintained in a manner which allows the trees to reach their natural height and width. No growth inhibitors shall be permitted.

~~(e) Amplified sound shall be permitted within the commercial plaza, amphitheater, and hotel courtyard area between the hours of 11am and 10pm. Amplified outside of these hours or locations shall require approval of an AUP.~~

~~(f)~~(e) All uses shall comply with the listed uses for the CPK zone, with the following modifications:

1. The following uses shall be allowed by right

- i. Bar/Tavern
- ii. Hotels, Motels

~~2. The following uses shall be allowed with the approval of a conditional use permit~~

~~—Social and Service Organizations~~

~~4-2.~~ The following uses shall not be permitted

- i. Accessory storage
- ii. Auto Dealers (New and Used) and supplies
- iii. Auto Repair and Services
- iv. Bed and Breakfast
- v. Building Materials and Hardware w/ outdoor storage areas
- vi. Collection Stations
- vii. Drive-Through Sales or Services
- viii. Farm Equipment and Supplies with outdoor storage areas
- ix. Financial Services and Banks
- x. Fuel Dealer
- xi. Health Care Services
- xii. Horticultural Specialties
- xiii. Laundries and Dry-Cleaning Plants
- xiv. Medical Extended Care Services

~~xv.~~ Mini-Storage

~~xv-xvi.~~ Personal Services - Restricted

~~xvi-xvii.~~ Retail Sales – Restricted

~~xvii-xviii.~~ Sales Lots

~~xviii-xix.~~ Small Family Day Care

~~xix-xx.~~ Transit Stations

~~xx-xxi.~~ Vehicle and Equipment Storage

Multi-family Development:

- (a) All multi-family buildings shall include consistent materials and building styles. Color variations are permitted.
- (b) All materials and finishes shall be consistent with the approved entitlement design package.

- (c) All windows shall be non-sliders. No wide vinyl casings or stiles shall be permitted.

Single-Family Parcels:

- (a) No subsequent tentative parcel or tract map shall be approved within the single-family development area. Urban Subdivisions shall not be permitted.
- (b) Second units shall be permitted consistent with the City's standards for single-family parcels.

~~(c) (e)~~—No Urban Dwelling Units shall be permitted

~~(e)~~(d) Short term rentals shall be permitted on owner occupied sites only.

~~(d)~~(e) Maximum height shall be 30-feet.

~~(e)~~(f) A minimum of 2 parking spaces are required per lot. These may not be located within the front setback area. On-street parking shall not be used to satisfy the parking requirements. Driveway areas within the setback may provide for guest parking.

~~(f)~~(g) Building setbacks shall be as follows:

Primary Front at porch	9 feet
Primary Front at dwelling – 1 st story	15 feet
Primary Front at dwelling – 2 nd story	20 feet
Primary Front at garage/required on-site parking	20 feet
Secondary street setback (corner lot)	10 feet
Interior Side	5 feet
Rear Yard first story	10 feet
Rear Yard at second story <u>on Lots 1 through 8 only</u>	<u>15-feet greater than the first story</u>
Accessory structure side and rear yards	5 feet

1. Garages shall be recessed from the front of the residence by at least ten (10) feet.
 2. Architectural projections shall be allowed per the Atascadero Municipal Code.
- (g) Building coverage (residence plus garage footprint) shall not exceed forty-five percent (45%) of the individual lot area. Landscaping shall constitute a minimum of ~~forty-twenty-five~~ percent (25%) of the lot area. The measurement of landscaped areas shall be exclusive of driveways, patios, decks, etc.
 - (h) Two- (2) story residences shall have a second floor that is limited to seventy-five percent (75%) of the gross area of the first floor inclusive of the garage.
 - (i) Architectural Features: Use of at least five (5) of the following architectural features on all street facing elevations, and at least three (3) of the following architectural features on all interior and rear yard elevations, as appropriate for the building type and style, is required.
 1. Dormers;
 2. Gable roof form;
 3. Recessed entries (at least 3 feet);
 4. Covered porch entries with a minimum projection of 6-feet;

5. Cupolas or towers;
 6. Pillars or posts;
 7. Eaves (minimum 12-inch projection);
 8. Off-sets in building face (minimum 16 inches);
 9. Window trim;
 10. Bay or oriel windows;
 11. Balconies;
 12. A minimum of 2 decorative patterns on exterior finishes (e.g., scales/shingles, wainscoting, board and batten, and similar features); and
 13. Decorative cornices and roof lines (e.g., for flat roofs).
- (j) All mechanical equipment, including HVAC units and utility meters, shall be screened from view from adjacent streets and properties.
- (k) Exterior fencing shall be consistent throughout the single-family area. Privacy fencing shall be setback a minimum of 2-feet from the front building façade. Wood fencing shall include a top rail. No dog-eared fencing shall be allowed. Rear yard fencing of lots adjacent to the Del Rio Road Frontage shall be setback a minimum of 3-feet from any retaining wall in excess of 2-feet.
- (l) Accessory buildings (sheds, etc.) will be allowed; however, the footprint of such accessory buildings will count toward the maximum percent of allowable building coverage. Patio covers open on at least 3 sides shall not count toward maximum coverage.
- (m) Laundry hook-ups shall be provided in each unit.
- (n) All front yards and street facing side yards shall be landscaped.
- (o) Individual trash collection shall be used for each residential unit. Provisions shall be made for storage of trashcans within the garage or fenced area.
- (p) Alterations or additions to established dwelling units shall be subject to the density standards of the underlying zone and shall be reviewed pursuant to the City's Appearance Review Guidelines.
- (q) No farm animals may be kept on a lot.

Cottage Hotel Development:

- (a) A Master Plan of Development shall be approved prior to development of the site. All site development shall be consistent with the approved Master Plan.
- (b) A 10-foot landscape buffer shall be provided between all public and private road rights-of-way and the units.
- (c) A minimum 5-foot setback shall be maintained between the units and the side property line shared with the adjacent commercial property.



Atascadero City Council

Staff Report - Public Works Department

Emergency Contract Award for Graves Creek Slope Stabilization Project at Del Rio Road Bridge

RECOMMENDATION:

Council ratify, by review and determination, that there is a need to continue the Emergency Services Director's authorization to contract with Michael Frederick Paving Company, Yeh & Associates, and SWCA Environmental Consultants to complete emergency Graves Creek Slope Stabilization Project at the Del Rio Road Bridge, pursuant to City's Purchasing Policy and Public Contract Code Section 22050.

DISCUSSION:

Background:

As result of the January and March 2023 storms, flood water levels in Graves Creek resulted in the erosion of a portion of the creek bank and undermining of the eastern abutment at the Del Rio Road Bridge. Loss of this creek bank exposed one of the reinforced concrete piles and threatens the structural stability of the bridge, which is owned and maintained by the City. Further undermining of the bridge posed a clear and imminent risk to the public, requiring immediate action to prevent or mitigate the loss or impairment of this essential bridge.

Due to the need to protect essential infrastructure, the Emergency Services Director made a finding that the emergency would not permit a delay resulting from a competitive solicitation for bids, and that hiring a contractor to stabilize the creek bank below the Del Rio Road Bridge is necessary to respond to the emergency. The Emergency Services Director directed City staff to urgently contact and request a proposal from a contractor with immediate availability and experience in this type of slope stabilization. Michael Frederick Paving Corporation (MFPC) was contacted due to their recent experience constructing a similar embankment repair and armoring project on Atascadero Creek behind Lift Station #5 in February. The City contracted separately with and was provided a slope stabilization design by a geotechnical engineer, Yeh & Associates, and MFPC supplied an itemized cost proposal for a total of \$205,284 to complete this work.

The Emergency Services Director determined that this project is emergency work and needs to be completed immediately since its completion is imperative before further storm events. The slope condition is currently unstable and soil materials remaining below the bridge abutment have been determined to be very erosive. Further destabilization of the creek bank will risk further undermining of the bridge abutment and may result in closure of the bridge and further potential damage to the structure requiring significant additional repair.

Analysis:

The City lacks the capacity and/or expertise to repair the damages at this location in a timely manner. Even when expedited, the normal procurement process to hire needed contractors takes between two to three months, from a minimum advertising period through assessing bids and awarding and executing contracts. This delay would mean that it would not be possible to make repairs and stabilize the creek bank in a timely manner.

Under the California Public Contract Code, public projects exceeding \$200,000 should be let to contract by formal bidding procedure (§ 22032). However, Section 22035 allows that in cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, or giving notice for bids to let contractors. Section 22035 further stipulates that Section 22050 be followed for projects that would otherwise be formally bid, but are instead awarded as emergency projects. Section 22050(c) allows for the governing body's delegated person (Emergency Services Director/City Manager) to order emergency action be taken, with the governing body to review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action. The contractor was authorized to commence work on Thursday, March 30.

City Public Works staff prepared an Independent Cost Evaluation (ICE) prior to receiving the proposal from MFPC. This analysis was estimated based upon recently completed projects and the County of San Luis Obispo Standard Unit Costs for Project Bonding. Using these unit costs, they estimated project cost at \$250,000. Subsequently, staff believes the \$205,284 cost proposal from MFPC is fair and reasonable.

Due to significant risk to public safety and City facilities, it is recommended that this contract be awarded on an emergency basis to MFPC. Based upon review of the proposal's scope and fees, staff believes this proposal meets the intention of the Public Contract Code (and City Purchasing Policy) under this emergency situation.

City staff has also contracted with SWCA Environmental Consulting to provide environmental permitting and construction biological monitoring services, and with Yeh & Associates to provide slope stabilization design and construction oversight services. This project is considered emergency work and eligible for permitting under the expedited process for San Francisco District Regional General Permit (RGP) No. 5 (RGP 5) for

Repair and Protection Activities in Emergency Situations. SWCA completed and submitted the permit application under RGP 5 for this project on April 7, 2023.

FISCAL IMPACT:

The fiscal impact of this action is to ratify the expenditure of \$244,756 in unbudgeted funds. The City has submitted a Damage Assessment Form (DAF) for available Federal Highway Administration (FHWA) Emergency Opening (EO) funds, which has been submitted through Caltrans for review. This work is eligible for EO funds since this portion of Del Rio Road is an off-system FHWA roadway. If the DAF is approved for EO funding, up to 100% of the project costs are eligible for reimbursement. If the project does not receive funding through that program, staff will aggressively pursue funding from City insurance claims, the Federal Emergency Management Agency (FEMA), and other potential disaster assistance.

ESTIMATED EXPENDITURES	
Construction Contract	\$ 205,284
Environmental Permitting and Biological Monitoring	15,000
Design	14,472
Construction Engineering / Testing / Administration	10,000
Total Estimated Expenditures:	\$ 244,756

ATTACHMENTS:

None



Atascadero City Council

Staff Report - City Attorney

Participation in Settlements with Teva, Allergan, Walgreens, Walmart, and CVS in the National Opioid Litigation

RECOMMENDATION:

Council authorize the City Manager to execute the five California State Subdivision Agreements and any other required documents to participate in settlements with Teva, Allergan, Walgreens, Walmart, and CVS defendants in the National Opioid Litigation.

DISCUSSION:

OVERVIEW

The national opioid crisis created by opioid manufacturers, distributors, and dispensers has been well-documented over the last decade as communities have struggled to address its devastating impacts. Since 2018, numerous jurisdictions across the country have been engaged in a multi-jurisdictional lawsuit against some of the principal parties responsible for creating the crisis. After years of Court-supervised negotiations, the parties reached a resolution of the case against several defendants.

The first two settlements in the National Opioids Multidistrict Litigation were confirmed in court judgments in April 2022 and May 2022, respectively, with opioid distributors AmerisourceBergen, Cardinal Health and McKesson (the "Distributors") and one of the manufacturers, Janssen Pharma ("Janssen"). There are now five new settlement agreements in the national opioids multidistrict litigation covering two additional pharmaceutical manufacturing groups Teva and Allergan, and pharmacy groups Walgreens, Walmart, and CVS. The deadline to submit the participation forms for these five settlements and approve the associated California State Subdivision Agreements is April 18, 2023.

BACKGROUND

A national multi-district litigation regarding the opioid crisis is being adjudicated in federal court by Judge Dan Aaron Polster in the Northern District of Ohio and is referred to as: MDL 2804 Opiate Litigation. The Settlement Agreements are highly complex, spanning hundreds of pages. Copies of the five settlement agreements, as well as the California State Subdivision Agreements which govern the distribution of settlement funds to

participating subdivisions, as well as helpful flowcharts and FAQs, can be accessed at the following website: <https://oag.ca.gov/opioids/faqs>.

California expects to receive up to 9.92% of the national settlement funds, or approximately \$1.8 billion, assuming widespread participation by eligible subdivisions. To be eligible, the city must have had a population greater than 10,000, based on the U.S. Census Bureau's population estimates for July 1, 2019 (released May 2020), or be a named litigating party. This is in addition to the up to \$2.2 billion that California expects to receive through the Distributors and Janssen settlements which were finalized in 2022. The amount of funds distributed to each participating jurisdiction is based on an allocation model specified in the agreements, based on nationally available federal data on opioid use disorder, overdose deaths, and opioid shipments into California, and was developed by lawyers and experts in the national opioid litigation.

DETAILS ON SETTLEMENT ALLOCATION

These agreements include significant incentive structures in order to encourage participation, up to maximum amount of \$1.8 billion. The General structure for the intrastate allocation agreement for distributing the roughly \$1.8 billion coming to California under these five settlement agreements is as follows:

- 15% will be given to the State,
- 70% will be made available to Cities and Counties (that have greater than 10,000 in population). This is referred to as the "Abatement Fund." These funds can be paid directly to the local agencies, if the agency elects. The default is that the money will be directed to the County, unless an entity elects for the direct payment. Local subdivisions have the ability to change their election regarding the direct payments.
- 15% will be given to the litigating entities to defray costs they have expended in the litigation to this point. It was noted in the webinar that this group of litigating entities is rather large by representation. It reportedly includes agencies which represent 86% of the population of the state.

Small cities that are not named plaintiffs will only receive an allocation out of the 70% Abatement Fund. If a city or county does not join, the total settlement amount California may receive may be reduced since that amount is dependent upon participation by cities and counties. In addition, if a city or county does not join, its share of the CA Abatement Accounts Fund will go to the State.

A city that chooses to participate in the Teva or Allergan settlements must participate in both. A city or county may choose to participate in any or all of the pharmacy settlements with Walgreens, Walmart, and CVS.

IV. USES OF THE SETTLEMENT FUNDS

Under the Settlement Agreements, all of the proceeds received by non-litigating entities such as the City of Atascadero must be spent on activities to abate the impacts of the opioid crisis, such as providing matching funds for operating costs for substance use disorder (SUD) facilities, creating new or expanded SUD treatment infrastructure,

addressing the needs of communities of color and vulnerable populations that are disproportionately impacted by SUD, preventing addiction in vulnerable youth, dispensing Narcan, etc.

Attached as Exhibit E from the Teva Settlement Agreement is a List of Opioid Remediation Uses which identifies the permitted uses for the expenditure of settlement funds (the other settlement agreements have identical use restrictions). Additionally, not less than 50% of the funds received by each participating jurisdiction must be used, in each calendar year, for one or more of the following High Impact Abatement Activities:

- (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
- (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
- (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
- (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; (5) interventions to prevent drug addiction in vulnerable youth.

Additional uses can be approved by California Department of Health Care Services.

Note that receiving the funds is accompanied by reporting requirements where the City will need to file reports with the State documenting how the money is spent.

If the City elects to receive the funds directly, the City will be required to prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. The City will have to certify that all funds received through the settlement have been used in compliance with the Settlement Agreements. The report will be in a form determined by the California Department of Health Care Services (“DHCS”). The forms have not been specified at this time. However, at a minimum the City will have to track all deposits and expenditures, which are otherwise subject to the normal budgetary and expenditure process.

Instead of accepting direct payment, participating entities can choose to have their funds directed to the County for abatement purposes. Based on the language in the Settlement Agreements, the City could change its mind even after it has made an election provided that the change is communicated at least 60 days prior to the next payment due date. For example, the City could elect to have its funds directed to the County for the first five years, but then elect to receive direct payment thereafter so long as the City is able to meet the funding requirements.

NEXT STEPS/PARTICIPATION

To participate in the settlements each non-plaintiff local subdivision such as the City of Atascadero has to complete the relevant agreements and timely submit it prior to the April 18, 2023 deadline. Participation in all five settlements will require ten signatures total:

1. signature agreeing to participate in the Teva Settlement;
2. signature agreeing to the Proposed California State Subdivision Agreement – Teva Settlement;
3. signature agreeing to participate in the Allergan Settlement;
4. signature agreeing to the Proposed California State Subdivision Agreement – Allergan Settlement;
5. signature agreeing to participate in the Walgreens Settlement;
6. signature agreeing to the Proposed California State Subdivision Agreement – Walgreens Settlement;
7. signature agreeing to participate in the Walmart Settlement;
8. signature agreeing to the Proposed California State Subdivision Agreement – Walmart Settlement.
9. signature agreeing to participate in the CVS Settlement as modified by the incentive changes described in the CVS Letter Agreement; and
10. signature agreeing to the Proposed California State Subdivision Agreement – CVS Settlement.

The City's share of the Abatement Fund established under the five settlement agreements is 0.029%. Assuming that the City participates in all five settlements and that full participation occurs in the settlements by other eligible jurisdictions, then the City's share of the \$1.8 billion of settlement proceeds would be approximately \$365,400. If the rates of participation in the 2022 settlements continues to these five settlements, then the City is realistically expected to receive approximately \$64,000 under the Teva settlement, \$37,000 under the Allergan settlement, \$92,000 under the Walgreens settlement, \$48,000 under the Walmart settlement, and \$84,000 under the CVS settlement. Payments would be received annually, but would the amounts would decrease over time: the Teva settlement is paid over 13 years, the Allergan settlement over 7 years, the Walgreens settlement over 15 years, the Walmart settlement over 6 years, and the CVS settlement over 10 years.

FISCAL IMPACT:

Participation in the five settlement agreements would result in an estimated \$365,400 over 15 years to be used for eligible activities to abate the impacts of the opioid crisis.

ALTERNATIVES:

Council may decide not to join the proposed five settlements with Teva, Allergan, Walgreens, Walmart, and CVS in the National Opioid Multidistrict Litigation.

ATTACHMENTS:

1. Exhibit E: List of Opioid Remediation Uses

Exhibit E
List of Opioid Remediation Uses

Schedule A
Core Strategies

Settling States and Exhibit G Participants may choose from among the abatement strategies listed in Schedule B. However, priority may be given to the following core abatement strategies (“*Core Strategies*”).¹

A. NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES

1. Expand training for first responders, schools, community support groups and families; and
2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.

B. MEDICATION-ASSISTED TREATMENT (“MAT”) DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT

1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;
2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;
3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and
4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

¹ As used in this Schedule A, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

C. PREGNANT & POSTPARTUM WOMEN

1. Expand Screening, Brief Intervention, and Referral to Treatment (“*SBIRT*”) services to non-Medicaid eligible or uninsured pregnant women;
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for women with co-occurring Opioid Use Disorder (“*OUD*”) and other Substance Use Disorder (“*SUD*”)/Mental Health disorders for uninsured individuals for up to 12 months postpartum; and
3. Provide comprehensive wrap-around services to individuals with OUD, including housing, transportation, job placement/training, and childcare.

D. EXPANDING TREATMENT FOR NEONATAL ABSTINENCE SYNDROME (“*NAS*”)

1. Expand comprehensive evidence-based and recovery support for NAS babies;
2. Expand services for better continuum of care with infant-need dyad; and
3. Expand long-term treatment and services for medical monitoring of NAS babies and their families.

E. EXPANSION OF WARM HAND-OFF PROGRAMS AND RECOVERY SERVICES

1. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments;
2. Expand warm hand-off services to transition to recovery services;
3. Broaden scope of recovery services to include co-occurring SUD or mental health conditions;
4. Provide comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare; and
5. Hire additional social workers or other behavioral health workers to facilitate expansions above.

F. TREATMENT FOR INCARCERATED POPULATION

1. Provide evidence-based treatment and recovery support, including MAT for persons with OUD and co-occurring SUD/MH disorders within and transitioning out of the criminal justice system; and
2. Increase funding for jails to provide treatment to inmates with OUD.

G. PREVENTION PROGRAMS

1. Funding for media campaigns to prevent opioid use (similar to the FDA's "Real Cost" campaign to prevent youth from misusing tobacco);
2. Funding for evidence-based prevention programs in schools;
3. Funding for medical provider education and outreach regarding best prescribing practices for opioids consistent with CDC guidelines, including providers at hospitals (academic detailing);
4. Funding for community drug disposal programs; and
5. Funding and training for first responders to participate in pre-arrest diversion programs, post-overdose response teams, or similar strategies that connect at-risk individuals to behavioral health services and supports.

H. EXPANDING SYRINGE SERVICE PROGRAMS

1. Provide comprehensive syringe services programs with more wrap-around services, including linkage to OUD treatment, access to sterile syringes and linkage to care and treatment of infectious diseases.

I. EVIDENCE-BASED DATA COLLECTION AND RESEARCH ANALYZING THE EFFECTIVENESS OF THE ABATEMENT STRATEGIES WITHIN THE STATE

Schedule B
Approved Uses

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (“*OUD*”) and any co-occurring Substance Use Disorder or Mental Health (“*SUD/MH*”) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:²

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment (“*MAT*”) approved by the U.S. Food and Drug Administration.
2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (“*ASAM*”) continuum of care for OUD and any co-occurring SUD/MH conditions.
3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
4. Improve oversight of Opioid Treatment Programs (“*OTPs*”) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.
5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.
6. Provide treatment of trauma for individuals with OUD (*e.g.*, violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (*e.g.*, surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.

² As used in this Schedule B, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.
8. Provide training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.
9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.
10. Offer fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
11. Offer scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD/MH or mental health conditions, including, but not limited to, training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.
12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (“*DATA 2000*”) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
13. Disseminate web-based training curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service–Opioids web-based training curriculum and motivational interviewing.
14. Develop and disseminate new curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service for Medication–Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the programs or strategies that:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.
2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.

3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.
4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved medication with other support services.
5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.
6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.
7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.
8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.
9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.
11. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.
12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.
14. Create and/or support recovery high schools.
15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

**C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED
(CONNECTIONS TO CARE)**

Provide connections to care for people who have—or are at risk of developing—OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.
2. Fund SBIRT programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.
3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.
6. Provide training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.
7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically appropriate follow-up care through a bridge clinic or similar approach.
8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.
9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.
11. Expand warm hand-off services to transition to recovery services.

12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.
13. Develop and support best practices on addressing OUD in the workplace.
14. Support assistance programs for health care providers with OUD.
15. Engage non-profits and the faith community as a system to support outreach for treatment.
16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

D. ADDRESS THE NEEDS OF CRIMINAL JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:
 1. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (“*PAARP*”);
 2. Active outreach strategies such as the Drug Abuse Response Team (“*DART*”) model;
 3. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;
 4. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (“*LEAD*”) model;
 5. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or
 6. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.

2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.
3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.
4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison or have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.
6. Support critical time interventions (“CTP”), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.
7. Provide training on best practices for addressing the needs of criminal justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome (“NAS”), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women—or women who could become pregnant—who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.

3. Provide training for obstetricians or other healthcare personnel who work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.
4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; and expand long-term treatment and services for medical monitoring of NAS babies and their families.
5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with NAS get referred to appropriate services and receive a plan of safe care.
6. Provide child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.
7. Provide enhanced family support and child care services for parents with OUD and any co-occurring SUD/MH conditions.
8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.
9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including, but not limited to, parent skills training.
10. Provide support for Children’s Services—Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding medical provider education and outreach regarding best prescribing practices for opioids consistent with the Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).
2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
3. Continuing Medical Education (CME) on appropriate prescribing of opioids.

4. Providing Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Supporting enhancements or improvements to Prescription Drug Monitoring Programs (“*PDMPs*”), including, but not limited to, improvements that:
 1. Increase the number of prescribers using *PDMPs*;
 2. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using *PDMPs*, by improving the interface that prescribers use to access *PDMP* data, or both; or
 3. Enable states to use *PDMP* data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within *PDMP* data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.
6. Ensuring *PDMPs* incorporate available overdose/naloxone deployment data, including the United States Department of Transportation’s Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.
7. Increasing electronic prescribing to prevent diversion or forgery.
8. Educating dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding media campaigns to prevent opioid misuse.
2. Corrective advertising or affirmative public education campaigns based on evidence.
3. Public education relating to drug disposal.
4. Drug take-back disposal or destruction programs.
5. Funding community anti-drug coalitions that engage in drug prevention efforts.
6. Supporting community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction—including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (“*SAMHSA*”).

7. Engaging non-profits and faith-based communities as systems to support prevention.
8. Funding evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.
11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.
12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or another drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increased availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.
2. Public health entities providing free naloxone to anyone in the community.
3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.
4. Enabling school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.
5. Expanding, improving, or developing data tracking software and applications for overdoses/naloxone revivals.
6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.
8. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.
10. Expanding access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.
11. Supporting mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.
12. Providing training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.
13. Supporting screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items in section C, D and H relating to first responders, support the following:

1. Education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, coordination, facilitations, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment intervention services, and

- to support training and technical assistance and other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
2. A dashboard to (a) share reports, recommendations, or plans to spend opioid settlement funds; (b) to show how opioid settlement funds have been spent; (c) to report program or strategy outcomes; or (d) to track, share or visualize key opioid- or health-related indicators and supports as identified through collaborative statewide, regional, local or community processes.
 3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
 4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, those that:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (*e.g.*, health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (*e.g.*, Hawaii HOPE and Dakota 24/7).
7. Epidemiological surveillance of OUD-related behaviors in critical populations, including individuals entering the criminal justice system, including, but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring (“ADAM”) system.
8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.
9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.



Atascadero City Council

Staff Report – Administrative Services Department

Comprehensive Financial Strategy

RECOMMENDATION:

Council review and file the Comprehensive Financial Strategy.

DISCUSSION:

Staff has updated the Comprehensive Financial Strategy. This report includes information on issues relevant to future planning and the upcoming two-year budget process. The report has six main sections:

1. Key Actions
2. Revenues
3. Operating Expenses
4. Long-term Costs
5. Reserves
6. Financial Policies

The report discusses each of the above topics in detail and can be summarized by the following points:

- The City has a Comprehensive Financial Strategy
- The City's Financial Strategy is reviewed often and remains flexible
- Continued responsible fiscal policy is important now and in the future

Council has been consistently sticking to the Financial Strategy that puts away funds in reserves in the good times for use when the economy dips. That strategy has positioned the City well to maintain consistent levels of service even as the economy goes through periods of expansion and contraction.

Adherence to the Council's fiscal policy will be a key component in moving forward. The City's finances are stable, economic recovery continues, and new opportunities exist with the passage of Sales Tax Measure D-20. Nonetheless, resources continue to be limited, and the attached comprehensive plan keeps the City's focus on Council's top priorities. Ultimately, teamwork and collective efforts to achieve the same goals will keep the City's financial foundation strong, now and into the future.

FISCAL IMPACT:

None

ATTACHMENT:

1. Atascadero Comprehensive Financial Strategy – April 2023



Atascadero

Comprehensive Financial Strategy April 2023

City of Atascadero

Financial Strategy – April 2023

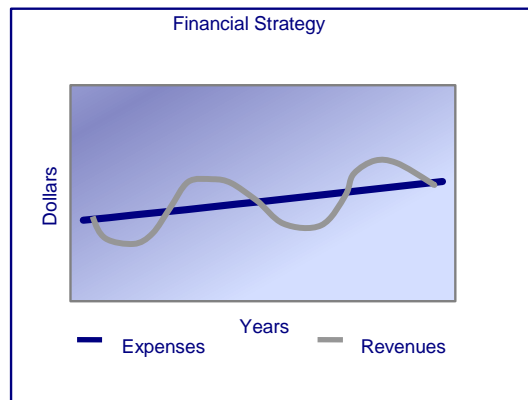
Introduction:

The City of Atascadero has worked hard to maintain fiscal stability through the ups and downs in the economy that have occurred over the years. The effects of the state, national, and worldwide financial environments all have an impact on the local economy. The ability of an organization to navigate through a changing environment is often times directly related to the planning and preparation that was done in advance. Fortunately, through Atascadero’s visionary leadership, appropriate policies and strategies have been put in place and continue to be used to help maintain consistent City services, regardless of the state of the economy. Of course, to make this happen, tradeoffs have been, and will continue to need to be agreed upon in order to keep the organization strong and resilient.

The City of Atascadero has experienced its share of financial challenges over the last three or more decades. In the early 1990s, a sharp slow-down of the economy devastated the City’s budget and brought the staff to a skeleton crew. In more recent years, the state budget crisis brought more challenges as the State sought to balance their budget on the backs of local government. Then there was the Great Recession in 2008, the loss of redevelopment in 2012, and, of course, the pandemic-induced recession in 2020. The importance of a well-defined financial strategy to anticipate and conquer difficult issues cannot be understated. Equally as important, is the privilege and responsibility of the recent Sales Tax Measure D-20 Essential Service Tax revenue. The maintenance of a strong organization is shared community wide, but as the City Council and City employees, we agree to be the leaders in this effort. The Council has shown great leadership in its forward-thinking members and continues to look toward ensuring a sustainable future.

As with all successful organizations, the City needs to continue to revisit and update the long-term plan. A current yet fluid Fiscal Strategy is a key element of building a solid foundation upon which to move into the future. The City first adopted a Financial Strategy in 1998 and by focusing its resources, its financial condition has improved dramatically since that time.

The financial plan should outline general strategies and guidelines to mold the City’s decisions. The plan should identify actions and describe the current belief of the organizational needs. However, it should also be flexible as the economy or situations change, direction and efforts can be modified to best suit the needs of the City and community. The plan requires periodic updates to ensure the City’s financial strategy remains current and reflects the priorities of the citizenry.



The overall strategy has consistently been to maintain a conservative outlook by putting aside reserves in good times and then using those reserves during down periods to achieve stable operations. By employing this conservative strategy, the City can avoid the undesirable peaks and valleys in services due to revenue fluctuations and can better maintain its long-term financial vitality.

Comprehensive Financial Strategy:

The first section of this plan highlights some of the actions that Council and staff have taken to accomplish Council's Strategic Goals and focus on financial health.

The second section reviews some of the major revenues for the City. This section includes a description of these sources, how they've changed over the years, and what that means to the City now and into the future.

The third section analyzes ongoing operating costs. This includes employee and benefits costs, trends and assumptions. Additionally, this section reviews operating service costs, supplies, and capital expenditures.

The fourth section discusses long-term costs. These include discussions on long-term funding for maintenance and replacement of streets and bridges, storm drains, buildings, technology, vehicles, and equipment. Additionally, employee leave accruals are reviewed and analyzed.

The fifth section discusses reserves. The City has several different types of reserves to serve different purposes. The organization must retain some reserves to deal with cash flow issues, personnel, equipment, liabilities, and other unexpected expenses. Having a prudent plan to deal with ongoing operating costs and reserves will allow the Council and community to understand levels of risk in the City's financial operation.

The sixth and last section reviews the City's fiscal policies. These policies guide our budget process, projects, purchases and general City business. The City has taken a variety of steps over the years to maximize limited resources including economic development, strengthening of reserves, short- and long-term budget reductions, Strategic Planning, and revenue enhancement solutions. Staff continues to search for ideas to better the financial condition of the organization.

As we noted, all organizations must have a plan to succeed. This plan keeps the City's focus on the top priorities. The plan is dynamic and change is always expected. Improvements will occur and good ideas are invited from all sources. The underlying belief is that through our collective knowledge and teamwork, the City will continue to have a strong financial foundation that will withstand adversity.

Atascadero

Comprehensive Financial Strategy April 2023

Section 1- Key Actions

Highlights of Key Actions

Council and employees have worked as a powerful team to maintain the organization as fiscally nimble as possible. Critical indicators and influences are continuously monitored and analyzed so adjustments and modifications can be made as new information is available. Detailed below are highlights of some of the key actions completed, in progress, or as future action items to move forward Council's priority goals determined during the 2021/23 Budget Cycle.

Economic and Community Vibrancy

- Restart events
- Plan and execute events at the new Zoo event center
- Design events around new plaza
- Hold new/recurring events in Centennial plaza to ensure the space is shared by all in the community
- Encourage events on privately owned vacant properties downtown (interim until developed)
- Encourage more events that focus on downtown (Music, Food, Host a stage)
- Pursue funding and complete construction documents for Downtown Infrastructure Enhancement Plan
- Assist development of new restaurants
- Explore ways to reduce start-up costs
- Maximize utilization of the plazas (food trucks, etc.)
- Look for funding and opportunities to fix existing street trees & sidewalks in the downtown
- Pursue opportunities along East Mall
- Develop land use options for the adapted re-use options of the City-owned property near Centennial Plaza
- Explore programs such as infrastructure assistance, parking flexibility, and zoning changes to promote new desired development of underutilized space
- Promote the preservation of the theater in Colony square
- Pursue the Armory site as a potential location for replacement of fire station #1
- Develop and implement a plan to increase utilization of parking in City-owned alleys
- Communicate collaboratively with businesses to encourage a sense of pride, ownership, positive attitude, and harmony that promotes downtown vibrancy
- Work to enhance broadband infrastructure
- Evaluate areas for restricted time parking
- Expand the Outreach for Underrepresented Residents (OUR)Team
- Increase pedestrian safety/access downtown through the Downtown Infrastructure Enhancement Plan
- Commence citywide General Plan Update

- Creatively support development at Del Rio, Dove Creek & San Anselmo nodes
- Implement an online payment and tracking system for City fees and tax payments
- Discuss potential policies related to wastewater capacity charges and other development fees that may discourage desired business types
- Look for opportunities and grants to fund infrastructure
- Create and incentivize a new customer satisfaction survey for permit/planning processes
- Support expansion of Bridgeworks through SB1090
- Update City Engineering Standards to provide safe and consistent public improvements
- Perform critical third-party review of permitting process towards essentialism
- Explore Community Choice Energy (February 2022)

Fiscal and Infrastructure Efficiency and Sustainability

- Purchase and implement an asset management system
- Prepare a detailed inventory w/condition assessment
- Develop a sustainable replacement plan for City assets
- Begin funding vehicle, technology, equipment, infrastructure and facility reserves
- Replace failing/vulnerable and vital equipment and facilities and citywide apparatus
- Begin Replacement of Fire Station #1
- Prepare needs assessment
- Explore use of Armory site for Fire Station #1 replacement project
- Complete design phase and engineer's estimates
- Prepare financing plan
- Ensure that the resources (tools, equipment, facilities) are available to assist staff and to build staff capacity.
- Identify and invest in equipment and facilities to increase long-term operational efficiencies
- Use technology where appropriate/right technology applications to save staff time
- Expand energy infrastructure (back-up generators, redundancy)
- Consider sidewalk repair amnesty or other limited assistance program
- Develop responsible reserves for unfunded liabilities (non-asset)
- Explore and consider funding Section 115 Trust for pension
- Consider additional payments for unfunded pension liability (UAL)
- Look for ways to fund reserve for future State and Federal mandates
- Adopt budgets and fiscal strategies that:
 - Continue conservative Council/general fiscal strategy
 - Prepare the City for changing economic conditions

- Consider and plan for lifecycle costs and long-term cost savings/cost-effectiveness
- Develop balanced strategy of operational expenditures vs. capital/one-time expenditures that will accommodate future growth for Measure D-20 funds
- Implement opportunities, strategies and plans to grow the organization as the community grows
- Identify and modestly invest in programs to increase long-term operational efficiencies
- Capitalize on grant opportunities to accomplish action plan goals
- Explore public and private partnerships to achieve action plan goals
- Use technology for transparency and accountability
- Overhaul/modernize/simplify/make more efficient website
- Develop and implement strategy to maintain website and accessibility
- Implement records management program to facilitate access to public records
- Prepare, publicize and widely distribute an annual report on the use of Measure D-20 funds. While the Measure D-20 annual report will not include detailed accounting of spending, it should include information on the general areas where the funding was targeted, the goals to be achieved with the Measure D-20 funding, and objective metrics for measuring the success in achieving those goals.

Ensuring Public Safety and Providing Exceptional City Services

- Hire and retain an adequate number of staff to achieve our priorities
- Complete an essentialism evaluation of each department
- Provide competitive salaries/benefits and appropriate classifications for all employees
- Provide opportunities for employee growth & succession
- Explore other retention and attraction strategies
- Provide training and professional development opportunities
- Hire for heart- look to hire employees that care and are vested in the community
- Encourage growth and development of local workforce
- Expand police department explorer program
- Explore a wider City employee recognition/commendation program
- Work to ensure that employees have the tools necessary to do their job
- Train and educate staff and community members on available support resources for our unhoused population
- Train and educate staff and community members on compassionate interactions with our underrepresented residents
- Establish needed Outreach for Underrepresented Residents (OUR) Team (formerly known as CAT)

- Support partner non-government organizations outreach efforts
- Support regional combined approach related to unhoused population
- Perform regular clean-ups of problem encampments
- Perform vegetation management activities in the Downtown District
- Implement strategies to encourage existing unhoused residents to reduce trash and litter in public and sensitive environmental areas
- Implement strategies for ongoing areas of public concern including design of public spaces
- Provide staff resources to maximize effectiveness (use technology)
- Look for opportunities and grants to provide resources to respond to future opportunities to support underrepresented residents
- Hold more public safety outreach events
- Ensure that all messaging is accessible and consistent across all media platforms
- Look for more opportunities for public engagement
- Continue online and in-person engagement in decision-making discussions
- Improve emergency planning communications with business community through the fire inspection program

Quality of Life

- See Action Items under the “Economic and Community Vibrancy” section
- Discuss long-term capital needs of the zoo and the viability of continuing AZA accreditation
- Begin to address key deferred maintenance issues in parks and public spaces
- Fund lake quality program to mitigate algae blooms
- Work with and support community partners and volunteers to advance diversity, inclusion, and community beautification
- Use technology to facilitate volunteer opportunities
- Encourage regional organizations that bring attention to childcare needs in the community
- Continue on-going successful partnerships with organizations such as ECHO, LINK, and AUSD
- Remain involved in regional efforts to improve broadband access to residents and businesses
- Educate staff and community members of availability of mental health resources that are available in the community
- Continue to implement affordable housing policies of the General Plan Housing Element including minimum densities, objective design standards, small lot standards, ADU ordinance, and inclusionary housing ordinance
- Explore Community Choice Energy (February 2022)

During Council's Strategic Planning Sessions in February, 2023, the Council, community and staff highlighted some recent "wins" for the City. These are items that have been accomplished, achieved, or occurred that have had a positive impact on the community and city organization.

- Traffic Way sewer project
- Partnerships with the community
- La Plaza development completion
- COVID response/navigation
- East Mall Properties
- Keeping the community safe
- Additional Dwelling Units (ADU) Stock Plans
- Cooperation with the school district
- Social media engagement
- Teamwork between staff and council
- Staff approachability and staff engagement
- Good customer service
- Good City Council
- Downtown infrastructure enhancement
- Measure F-14 Road work and improvements
- Property improvement at the corner of El Camino Real and Traffic Way
- Joy Playground completion
- Zoo Garden Event Center
- Zone Haven and Evacuation Plan
- Creation of new Mission Statement
- Passage of Measure D-20 and retention of personnel
- Public engagement
- Good new staff hires
- Del Rio Specific Plan
- 2023 Storm flood response and pre-storm preparation
- Pickleball courts
- Alleyway paving project
- Traffic Way change to 3 lanes
- Wastewater lift station #2 renovation
- Emergency equipment replacement to include radio and repeaters
- Adoption of new fee schedule
- Fall Festival
- The Plaza on El Camino Real
- Keeping people engaged during COVID
- Collaboration with other agencies during emergencies and future planning

- Meeting and exceeding Regional Housing Needs Allocation numbers
- Funding of \$3 million through Senator Laird
- Fire Department 100-year anniversary
- Public Safety Plan
- General Plan work
- Maintaining City's urban status
- Credit card acceptance program for Central Reception
- CAD/RMS Project replacement
- Fully staffed City Manager's office
- Management of Senate Bill 1383, Organics Recycling
- First Fridays
- Friends of the Zoo
- Active movie theater
- Transient Occupancy Tax revenue increases
- Assistance with ECHO expansion
- CAT/OUR Team foundation
- New business opportunities near The Plaza on El Camino Real
- Fiscal solvency
- Success through staff turnover
- Resumed in-person recognitions
- Transparency with City spending
- Small Business Grant Program
- Community Choice Energy
- Fire Marshall position added
- Peer Support/Mental Health for our employees
- Events
- Zoo boxes and virtual engagement
- Countywide Five-year plan
- ARPA funding
- Broadband grant
- Economic development position addition
- Bridgeworks expansion
- Chamber of Commerce teamwork
- Clean financial audit report
- Conservative fiscal approach
- Introduction of kickball league
- Strong City executive team
- Sewer fee update

Conclusion

These actions are but a small sampling of the work that has been done, and continues to be done, to successfully move toward the Council's goals. This will continue to position the City to respond to the ebbs and flows of an uncertain economy and to make the community an even better place to live and visit.

Seven Year Projection

In preparation of the two-year budget process, staff prepared a Seven Year Projection to more fully understand the long-term impacts of the two-year budget. The Seven Year Projection is an excellent planning tool to get a broader perspective of how the organization will fare and to ensure that the level of reserves currently available are appropriate. Similar to the planning horizon for Strategic Planning purposes, the seven year view is generally believed to be a reasonable time frame for projecting the future. Staff has updated the projection's key revenues and expenses and extended them out to seven years.

A ten-year history and a Seven Year Projection are displayed on the following pages.

Ten Year History *

General Fund
 (excluding Sales Tax Measure F-14 Activity)

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022
Taxes										
Property Tax (Current Secured & VLF)	\$ 6,766,432	\$ 7,183,294	\$ 7,462,645	\$ 7,853,744	\$ 8,308,110	\$ 8,743,471	\$ 9,197,648	\$ 9,480,157	\$ 9,857,013	\$ 10,282,677
RDA Dissolution Distributions	2,374,020	150,565	131,077	181,523	283,066	759,176	460,501	465,449	527,383	497,884
Other Property Taxes	176,693	218,048	278,887	280,534	336,496	296,515	332,067	396,138	408,113	433,071
Sales Tax *	3,295,061	3,510,813	3,428,731	3,812,457	3,620,027	4,058,583	4,133,073	4,188,715	4,728,862	5,169,751
Sales Tax - Measure D-20	-	-	-	-	-	-	-	-	1,415,443	6,239,847
Franchise Fees	1,009,974	1,058,736	1,041,578	1,047,677	1,168,572	1,099,534	1,117,791	1,146,994	1,232,615	1,301,298
Transient Occupancy Tax	703,990	771,019	852,154	1,238,431	1,337,528	1,376,498	1,390,972	1,123,619	1,385,896	2,049,160
Other Taxes	270,090	269,684	318,826	313,844	319,124	368,885	350,047	333,635	433,722	454,656
Permits	404,420	648,501	619,182	518,013	542,181	472,398	585,524	614,507	754,420	787,086
Intergovernmental	101,364	100,786	203,137	137,993	139,698	184,415	164,735	1,182,335	557,292	3,829,655
Grants	269,330	72,451	166,837	103,203	13,455	272,265	180,817	275,881	155,648	385,669
Service Fees										
Safety Fees	239,274	233,012	220,911	191,158	194,113	204,270	213,082	212,763	233,544	230,548
Mutual Aid	688,182	590,311	511,899	758,524	473,670	643,165	342,543	239,292	1,442,644	693,598
Development Fees	767,005	1,001,012	644,836	596,370	728,993	535,114	697,321	632,008	689,401	643,780
Recreation Fees	312,422	313,738	311,583	339,714	362,792	326,418	332,099	223,025	77,986	309,724
Administrative Fees	49,117	56,175	50,842	47,591	56,654	54,096	58,884	59,118	65,619	70,945
Pavilion & Other Rental Fees	149,811	158,579	108,698	115,140	115,069	148,550	135,392	85,682	19,991	132,591
Parks Fees	36,156	33,304	35,191	32,983	36,980	25,123	50,373	25,747	9,860	48,852
Zoo Fees	334,174	350,179	352,610	376,252	377,732	417,983	438,779	336,927	682,418	746,188
Fines	60,418	66,730	108,839	92,007	76,981	87,647	117,943	90,707	49,312	58,580
Interest Income	51,961	61,127	46,308	105,686	3,231	9,741	270,995	385,548	95,125	(525,334)
Other										
Interfund Charges	1,002,650	980,999	923,738	1,056,563	1,189,488	1,088,534	1,055,347	1,113,639	1,214,010	1,363,975
Donations	99,337	74,501	791,833	486,556	242,282	48,333	176,967	47,360	55,071	65,390
Other	160,964	112,125	124,665	78,906	45,654	27,818	31,645	66,680	115,634	125,419
Transfers	752,219	363,600	372,470	391,090	494,190	540,250	548,350	690,450	698,950	703,570
Total Revenues	20,075,064	18,379,289	19,107,477	20,155,959	20,466,086	21,788,782	22,382,895	23,416,376	26,905,972	36,098,580
Employee Services										
Operations	(12,926,538)	(12,286,188)	(13,254,966)	(13,429,637)	(14,213,908)	(14,882,845)	(14,886,317)	(15,755,553)	(16,722,868)	(18,665,393)
Special Projects & Community	(4,946,518)	(4,555,813)	(4,490,717)	(4,834,594)	(4,896,276)	(5,383,830)	(5,373,114)	(5,871,187)	(5,844,712)	(7,518,538)
Funding										
Capital Outlay	(514,586)	(844,797)	(789,322)	(370,934)	(1,351,509)	(338,333)	(1,005,181)	(585,561)	(975,754)	(610,243)
Other Uses	(136,425)	(77,967)	(732,778)	(713,773)	(236,948)	(315,252)	(86,124)	(111,429)	(1,139,757)	(1,036,630)
Write-off of RDA Loans	(10,491)	(1,080)	(1,020)	(1,400)	(1,400)	(1,400)	(2,690)	(3,250)	(3,250)	(4,000)
Total Expenses	(18,534,558)	(17,765,845)	(19,268,803)	(19,350,338)	(20,700,041)	(20,921,660)	(21,353,426)	(22,326,980)	(24,686,341)	(27,834,804)
Net changes in fund balance prior to extraordinary item	1,540,506	613,444	(161,326)	805,621	(233,955)	867,122	1,029,469	1,089,396	2,219,631	8,263,776
Extraordinary gains/(losses)-	-	-	-	-	-	-	-	-	(1,375,175)	-
Write-off of RDA Loans	-	-	-	-	-	-	-	-	-	-
Net changes in fund balance	1,540,506	613,444	(161,326)	805,621	(233,955)	867,122	1,029,469	1,089,396	844,456	8,263,776
Fund Balance Beginning of Year	6,466,562	8,007,068	8,620,512	8,459,186	9,264,807	9,030,852	9,897,974	10,927,443	12,016,839	12,861,295
FUND BALANCE END OF YEAR	\$ 8,007,068	\$ 8,620,512	\$ 8,459,186	\$ 9,264,807	\$ 9,030,852	\$ 9,897,974	\$ 10,927,443	\$ 12,016,839	\$ 12,861,295	\$ 21,125,071
Fund Balance as % of Expenses	43.2%	48.5%	43.9%	47.9%	43.6%	47.3%	51.2%	53.8%	52.1%	75.9%

* Sales Tax Measure F-14 funds are not included

Seven Year Projection*

General Fund									
(excluding Sales Tax Measure F-14 Activity)									
	Adopted Budget 2022/2023	Estimated 2022/2023	Estimated 2023/2024	Estimated 2024/2025	Estimated 2025/2026	Estimated 2026/2027	Estimated 2027/2028	Estimated 2028/2029	Estimated 2029/2030
Taxes									
Property Tax (Current Secured & VLF)	\$ 10,619,020	\$ 10,975,430	\$ 11,414,560	\$ 11,872,880	\$ 12,291,490	\$ 12,724,730	\$ 13,172,180	\$ 13,635,290	\$ 14,141,280
RDA Dissolution Distributions	527,500	519,830	566,220	604,330	642,160	682,390	721,060	682,700	720,980
Other Property Taxes	443,970	450,200	452,900	455,620	458,370	464,950	467,760	470,590	473,450
Sales Tax *	4,654,950	5,244,780	5,204,540	5,324,240	5,483,970	5,648,490	5,817,940	5,992,480	6,172,250
Sales Tax - Measure D-20	5,430,000	6,425,270	6,404,870	6,564,990	6,761,940	6,964,800	7,173,740	7,388,950	7,610,620
Franchise Fees	1,255,480	1,346,100	1,385,680	1,405,080	1,420,000	1,435,090	1,450,350	1,465,790	1,481,410
Transient Occupancy Tax	1,490,830	2,065,000	2,090,100	2,131,900	2,174,500	2,218,000	2,262,400	2,307,600	2,353,800
Other Taxes	368,620	317,800	319,900	322,030	324,190	326,380	328,600	330,850	333,150
Permits	700,550	782,600	808,960	824,720	832,620	840,890	849,230	866,090	883,290
Intergovernmental	211,540	3,807,260	3,211,830	221,900	226,440	185,800	190,730	195,840	201,130
Grants	19,240	268,320	-	-	-	-	-	-	-
Service Fees									
Safety Fees	219,340	224,010	216,610	220,190	223,140	226,160	229,230	232,360	235,540
Mutual Aid	250,000	350,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Development Fees	614,670	828,300	782,540	796,260	801,950	807,700	813,490	824,940	836,620
Recreation Fees	305,780	263,880	287,330	317,860	331,190	345,340	361,380	377,370	395,380
Administrative Fees	60,200	70,870	69,400	70,320	70,950	71,610	72,280	73,140	74,040
Pavilion & Other Rental Fees	128,610	111,000	113,770	116,620	119,530	122,520	125,570	128,710	131,930
Parks Fees	26,160	40,500	42,110	43,170	44,260	45,370	46,500	47,670	48,860
Zoo Fees	463,450	679,950	682,570	690,260	697,240	706,760	716,400	726,180	736,090
Fines	61,600	46,140	41,200	41,700	42,410	43,140	43,880	44,630	45,390
Interest Income	61,000	188,190	236,580	256,590	256,600	256,610	256,620	256,630	256,640
Other									
Interfund Charges	1,327,640	1,318,380	1,353,960	1,354,920	1,356,110	1,359,280	1,362,450	1,365,520	1,368,930
Donations	24,500	21,070	24,500	24,500	24,960	24,960	25,430	25,910	26,400
Other	24,960	41,710	37,870	38,290	38,730	39,170	39,620	40,070	40,540
Transfers	746,460	746,460	768,850	791,920	815,680	840,150	865,350	891,310	918,050
Total Revenues	30,036,070	37,133,050	36,766,850	34,740,290	35,688,430	36,630,290	37,642,190	38,620,620	39,735,770
Employee Services									
Operations	(20,631,090)	(19,729,440)	(21,321,560)	(22,195,000)	(22,595,110)	(23,272,970)	(24,080,560)	(24,872,170)	(25,823,420)
Special Projects & Community	(7,979,780)	(8,118,890)	(8,637,290)	(8,845,710)	(9,003,320)	(9,023,320)	(9,175,130)	(9,355,450)	(9,452,850)
Funding	(912,680)	(2,963,190)	(1,600,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Capital Outlay	(1,208,970)	(2,677,100)	(4,200,000)	(6,894,580)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Other Uses	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Total Expenses	(30,736,520)	(33,492,620)	(35,762,850)	(38,039,290)	(33,502,430)	(34,200,290)	(35,159,690)	(36,131,620)	(37,180,270)
Net changes in fund balance prior to extraordinary item	(700,450)	3,640,430	1,004,000	(3,299,000)	2,186,000	2,430,000	2,482,500	2,489,000	2,555,500
Extraordinary gains/(losses)- Write-off of RDA Loans	-	-	-	-	-	-	-	-	-
Net changes in fund balance	(700,450)	3,640,430	1,004,000	(3,299,000)	2,186,000	2,430,000	2,482,500	2,489,000	2,555,500
Fund Balance Beginning of Year	8,764,760	21,125,070	24,765,500	25,769,500	22,470,500	24,656,500	27,086,500	29,569,000	32,058,000
FUND BALANCE END OF YEAR	\$ 8,064,310	\$ 24,765,500	\$ 25,769,500	\$ 22,470,500	\$ 24,656,500	\$ 27,086,500	\$ 29,569,000	\$ 32,058,000	\$ 34,613,500
Fund Balance as % of Expenses	26.2%	73.9%	72.1%	59.1%	73.6%	79.2%	84.1%	88.7%	93.1%

* Sales Tax Measure F-14 funds are not included

Atascadero

Comprehensive Financial Strategy April 2023

Section 2- Significant Revenues

Significant Revenues

The General Fund is the City's primary operating fund, providing resources for most of the City's ongoing activities including police, fire, parks, recreation and general government. It is this fund that the Council has the most discretion in directing expenditures and accomplishing Council priorities. For many years, the City's top three General Fund revenues were 1) Property Tax revenue, 2) Sales Tax revenue, and 3) Development Fee revenue, in that order. Property Tax and Sales Tax, while they have evolved over the years, still maintain the top two positions for percentage of General Fund revenue. Transient Occupancy Tax revenue (TOT) is now the third largest source of general fund revenue.

Sales Tax Measure D-20 was passed by Atascadero Voters in November 2020, and placed an additional one cent of sales tax on applicable purchases. Council understood the importance of transparency and the need to ensure that the public would have multiple opportunities to provide input on the City's priorities and the expenditure of both the tax measure funds and other City funds, and planned a series of 20 public outreach meetings to discuss the funding. Measure D-20 Revenue is coming in stronger than originally expected, and is estimated to be about \$6.2 million per year. Although the Bradley-Burns base sales tax revenue is charged at one percent like Measure D-20, Measure D-20 actually brings in more revenue due to the fact Atascadero collects Measure D-20 on certain items purchased by residents outside the area, while the Bradley-Burns portion of that same sale goes to the City where the purchase takes place.

The local, state and national economies all impact revenues in Atascadero. While there continue to be challenges associated with COVID-19, by and large things are back to the new normal. Property tax revenues are stable, and other revenues such as sales tax and transient occupancy tax have increased more than projected.

Revenue projections in this discussion are based on information at the time of this writing, and staff will continue to adjust them as more is known.

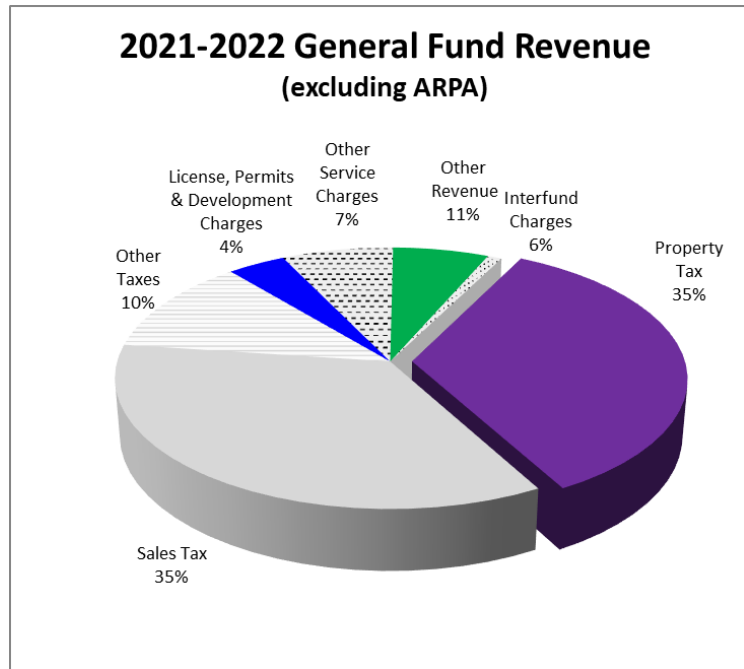
Following will be a review of all these key income sources in detail, as well as other important, but smaller, revenue sources. Although both Sales Tax Measure D-20 and Sales Tax Measure F-14 are General Fund Taxes, the discussion below will include Measure D-20 impacts, but will exclude Measure F-14 impacts, as Measure F-14 is focused on local road maintenance projects and not for ongoing City services.

Property Tax Revenue

The City of Atascadero currently receives around 30%-35% of its General Fund revenues from property tax revenues.

WHAT ARE PROPERTY TAX REVENUES?

Property tax revenues are taxes imposed on real property (land and permanently attached improvements) and tangible personal property (movable property). The tax is based on the value of the property rather than on a fixed amount or benefit to the property or person. Proposition 13 (Article XIII A of the State Constitution) limits the real property tax rate to 1% of a property’s assessed value, plus rates approved by the voters. The amount of the tax is based on an annually determined assessed valuation. The property tax is paid to the county tax collector and allocated to local taxing agencies pursuant to a statutory allocation formula. The property tax is guaranteed by placing a lien on the real property.



The City of Atascadero participates in the Teeter Plan. This means that the City receives its entire amount of the property tax levy regardless of whether or not the tax has been paid to the County. In exchange, the County is entitled to all future penalties and interest collected on the levy.

In order to understand property taxes, it is important to understand assessed value. Proposition 13 calls for a base year assessed value to be established when the property undergoes a change of ownership (typically a sale) or when new construction occurs. After the base year value is established, the value is factored annually for inflation, which is the lesser of the change in cost of living or 2%. The assessed value may also be adjusted by a Proposition 8 factor. Proposition 8 allows a property to be temporarily reassessed at a lower value. It requires that the lower of either the adjusted base year value or the current market value determine a property’s annual assessment. A significant number of property values were written down to market value during the 2008 recession. When the prices recover, the assessed value is adjusted back up to the lower of the new fair market value or the original base value adjusted annually for inflation. The table below illustrates how assessed value would be calculated for a fictional property.

EXAMPLE OF ASSESSED VALUE FOR FICTIONAL HOME							
Date	Description of Changes in Assessed Value	CCPI Factor	Inflation Factor	Base Value ¹	Fair Market Value (FMV)	Assessed Value	Percent Change ²
1/1/X1	Market Value when Purchased	N/A	N/A	\$ 300,000	\$ 300,000	\$ 300,000	N/A
1/1/X2	Annual 2% inflation applied	2.46%	2.00%	306,000	335,000	306,000	2.00%
1/1/X3	CCPI inflation rate applied	1.85%	2.00%	311,670	375,000	311,670	1.85%
1/1/X4	Declining Real Estate Market	2.10%	2.00%	317,904	290,000	290,000	-6.95%
1/1/X5	Slight Improvement in RE Market	4.37%	2.00%	324,262	300,000	300,000	3.45%
1/1/X6	Drastic Improvement in RE Market	2.08%	2.00%	330,747	350,000	330,747	10.25%
1/1/X7	Annual 2% inflation applied	2.08%	2.00%	337,362	360,000	337,362	2.00%
1/1/X7	Home addition adds \$50,000 to base value	N/A	N/A	380,747	410,000	380,747	12.86%
1/1/X8	CCPI inflation rate applied	1.01%	2.00%	384,592	437,000	384,592	1.01%
1/1/X9	Annual 2% inflation applied	2.76%	2.00%	392,284	450,000	392,284	2.00%

¹ Base Value is calculated on lessor of CCPI or Inflation Factor
² Amount of Change from prior year assessment

The City receives various forms of property tax revenues each with its own distinct issues and trends as follows:

Current Year Secured - Current secured revenues usually make up about 65% of the City's property tax revenues and are what most people think of when discussing property taxes. Assessed values are established as of January 1 of each year and taxes are paid to the Tax Collector in two installments, due on December 10 and April 10. As the Tax Collector receives the funds, they are then allocated and distributed to the various agencies, including the City. Amounts levied but not collected by the County are distributed to the City under the Teeter Plan at the end of the fiscal year.

Property Tax in Lieu of Vehicle License Fees - This revenue source grew out of a state-local budget agreement as part of the State 2004 budget package. Under this arrangement, the Vehicle License Fee (VLF) was reduced to Californians and the reduction in city and county revenues was replaced with a like amount of property taxes. Subsequent to the fiscal year 2004/05 base year, the property tax in lieu of VLF fluctuates in proportion to the gross assessed valuation in the City.

Current Year Unsecured - Unsecured property tax is collected on items such as mobile homes that are not on a permanent foundation, machinery and equipment owned by businesses, and personal property such as airplanes and watercraft. Unsecured roll taxes are due on August 31.

Total Adjusted Gross Secured and Unsecured Assessed Value in Atascadero *

Fiscal Year	Atascadero	% Change in Assessed Value
2003/04	1,964,719,525	9.58%
2004/05	2,166,790,995	10.29%
2005/06	2,424,564,670	11.90%
2006/07	2,796,694,310	15.35%
2007/08	3,090,464,606	10.50%
2008/09	3,153,920,008	2.05%
2009/10	3,048,359,883	-3.35%
2010/11	2,974,274,420	-2.43%
2011/12	2,905,011,491	-2.33%
2012/13	2,911,262,172	0.22%
2013/14	3,016,930,596	3.63%
2014/15	3,194,259,931	5.88%
2015/16	3,378,519,547	5.77%
2016/17	3,578,899,913	5.93%
2017/18	3,775,528,569	5.49%
2018/19	3,990,810,592	5.70%
2019/20	4,172,031,404	4.54%
2020/21	4,361,659,685	4.55%
2021/22	4,536,122,089	4.00%
2022/23	4,830,807,720	6.50%

* County of San Luis Obispo Auditor Controller's Office

Current Year Supplemental - This property tax is an extra assessment that occurs when new construction is completed on real property or when a property changes ownership. The assessed value of the property is then increased to the current market value as of the date of the title transfer or completion of construction. Supplemental property tax is the amount due on the difference between the pre-event assessed value and the new market value of the property. Because there is a time lag between the change of ownership or completion of construction and the actual change of assessed value to the tax roll, supplemental property taxes are generally collected six months to a year or more after the event.

Redevelopment Property Tax Trust Fund (RPTTF) Distributions- This revenue category was created as a result of the dissolution of Redevelopment in 2012. As part of the dissolution of redevelopment agencies, all revenues and assets of the former redevelopment agency that are not needed to pay to the required obligations of the former agency must be distributed to the taxing agencies. The City of Atascadero is a taxing agency within the former Atascadero Community Redevelopment Agency and thus is entitled to approximately 18% of the “excess” revenues and assets.

WHAT IS THE CURRENT STATUS OF PROPERTY TAXES?

Property taxes are a function of assessed value and assessed value is a function of the base year adjusted for inflation and/or the fair market value. According to the San Luis Obispo Auditor Controller’s data, assessed value of adjusted secured and unsecured property has increased more than 4% over the prior year, in each of the last eight fiscal years.

The median home price is the midpoint price of homes being sold and is therefore a function of both the value of real estate and number of high-end versus low-end properties being sold.

The median home price in San Luis Obispo County has continued to rise since the Great Recession. In 2020/21, the pandemic pushed mortgage rates to record and near-record lows. Homes were in high demand not only due to the low interest rates, but also due to shifts in the work environment. Many metropolitan-dwelling employees started looking for houses in rural areas to work remotely as the pandemic caused remote work environments to become more mainstream. Supply in the residential market was limited and with the low mortgage rates, the prices shot up significantly and most homes sold quickly and well over the asking price.

SLO County Single Family Residence
 Median Home Prices *

For the Month of October	SLO County Existing Detached Median Home Price *
2002	\$ 348,684
2003	401,724
2004	492,372
2005	619,949
2006	568,965
2007	584,302
2008	411,956
2009	379,166
2010	371,740
2011	364,540
2012	395,140
2013	440,380
2014	455,660
2015	526,650
2016	538,500
2017	560,000
2018	586,000
2019	627,000
2020	700,500
2021	800,000
2022	815,000

* California Association of Realtors

Interest rates began to rise in early 2022. Even with the rising inflation, salaries didn't keep up with the increase in interest rates so buying power became more limited. In addition, many people with low fixed 30-year mortgages who may have otherwise sold to upgrade their homes are now waiting because 1) their buying power is reduced due to both higher interest rates and increased sales prices, and 2) they don't want to refinance their great low interest rate loan for the higher rates that are currently available. Sales volume of homes started to decline in 2022, however the supply of housing continues to be tight. Therefore, even when interest rates begin to lessen, the increase in buyers will likely put upward pressure on home prices. Given that tight supply, it is unlikely that residential real estate will lose value. While 6%+ interest rates are high in the current environment relative to the 2%-3% rate level during the height of the pandemic, they are still moderate when compared to a fifty-year history. Rates peaked in the early 1980s at over 18%! Now *those* were high interest rates.

WHAT ARE PROPERTY TAX REVENUES EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

Current Secured Property Tax

When projecting out future property tax revenues, staff tried to consider the factors that go into assessed value: What will the economy and annual inflation look like? What will the real estate market look like? What is the housing demand? Will Proposition 19 have a significant impact on assessed values? How much new construction can be expected?

Spurred by pandemic-related stimulus, consumer demand for goods has increased recently. The heightened demand exceeded the production capacity of the economy. Amid continued global supply chain challenges, businesses have strained to meet surging consumer demand. This led to inflation as there was too much disposable income chasing too few products. Consumer prices have risen 8 percent over the last year, more than three times the norm of the last three decades. However, buyer behavior hasn't reacted to the increase in inflation too drastically, as demand hasn't correspondingly diminished.

The State Board of Equalization has recently released the inflation factor for the 2023/24 property tax assessments. The California Consumer Price Index (CCPI) is the metric that determines this factor and it has increased by 7.27%, which is much more than the 2% Proposition 13 cap. The county of San Luis Obispo, using the maximum assessed value increase of 2%, along with other additions and changes to the assessed values, is projecting a 4% countywide increase in current secured assessed values for fiscal year 2023/24. However, commercial and industrial properties continue to experience relatively more difficulty bouncing back from the impact of the pandemic.

Proposition 19 is expected to have a negative impact on assessed values. Proposition 19 was enacted in late 2021 and allows intergenerational transfers of family homes or farms between parents and their children without causing a change in ownership for property tax purposes. A Proposition 19 transfer is an exclusion from the change in ownership trigger that would otherwise adjust the property to market value. This Proposition will allow

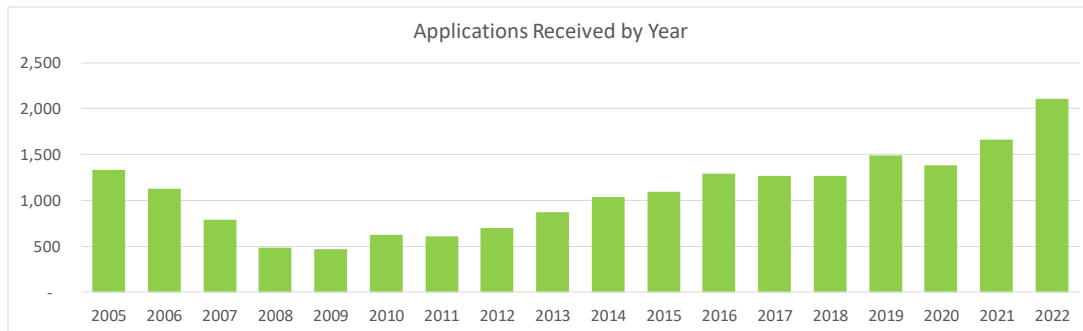
homeowners to move across California and bring their lower property tax base with them. The result of this Proposition will keep assessed values of some properties at levels well under market value for generations, resulting in lower property tax revenues than would otherwise be collected.

Beacon Economics' *Winter 2023 The Beacon Outlooks: California* indicates that California's housing market shows signs of slower sales and is projecting prices will drop throughout the majority of the year. The report indicates that the decelerating real estate industry will slow the economy in 2023. However, strong demand for goods will likely continue to drive the economy in the near future. Beacon Economics goes on to indicate that because most consumer debt consists of fixed rate mortgage debt, the rise in interest rates will not cause existing debt to become excessively expensive for most households. Ultimately, the hike in interest rates will do little to cool consumer demand, and hence do little to cool inflation. Beacon Economics believes that while inflation has peaked, it is expected to be higher than normal for the next two or more years.

The State Legislative Analyst's Office's (LAO's) 2023/24 California Fiscal Outlook indicates that State estimated income tax payments for 2022 are notably weaker than those from 2021, due in part to falling stock prices. Of the State's "big three" revenues, Personal Income Tax is expected to continue to decrease slightly in 2023/24, and then resume increases in 2024/25. Corporation Tax is expected to increase in 2023/24 and 2024/25, before starting a downward trend in the years following. The LAO estimates that Sales Tax revenue will decrease slightly in 2023/24 and then continue to increase through the remainder of their outlook period. The LAO anticipates total overall state revenue collections are expected to decrease in 2022/23, remain relatively flat in 2023/24 and 2024/25, before growing again in the two years after that. The LAO expects the State will face a \$24 billion budget shortfall in 2023/24 and ongoing deficits.

The Economic Outlook from the California Governor's Budget Summary (Attachment D) indicates that economic growth is expected to continue, albeit at a slow pace, through 2024 as high interest rates decrease demand. The Federal Reserve has signaled ongoing increases to the target federal funds rate in order to return inflation to its long-term target of around 2 percent, and policy could be tighter than expected if high inflation persists longer than expected. It goes on to indicate that global unrest could further disrupt the supply chain. The report notes that California home prices fell in the second half of 2022. If a steeper decline in home prices occurred, it could depress statewide permit activity more than expected, reducing construction employment and overall economic activity in the state in the short term.

In Atascadero, however, permit and construction activity is the strongest it has been since the Great Recession. Permit activity is a good indicator of the level of private investment in the community. There is a substantial number of commercial and residential projects in the works, and once built out, will increase the assessed valuation in the City. Permit applications were up 27% in 2022 when compared to 2021.



A portion of the City's growth in assessed valuation is due to this significant construction activity. Atascadero's assessed valuation will continue to reflect this added value. For every \$1 million that is added in new construction, \$10,000 a year is paid to the County in property tax, and about \$1,600-\$1,800 of that comes back to Atascadero's General Fund.

Housing trends are often difficult to predict because they are influenced by so many of these factors including income and employment growth, mortgage interest rates, affordability, savings rates, tax policy and consumer confidence. That being said, the demand for housing across the State, while slowed, is still strong and statewide rental rates continue to increase. While some of the factors determining housing values, demands, and trends conflict, there continues to be an overriding growth in real estate market values.

When refining property tax for the budget and projecting what the real estate market may hold, staff will continue to consult with experts.

Assumptions

Assumptions that went into the projected property tax revenues were as follows:

- 2022/23- Assumed that Current Secured, Redevelopment Agency Pass-Through, and Property Tax in Lieu of Vehicle License Fees are equal to the amounts estimated by the County Auditor's Office as of January 2023 (increase of 6.9%.) Current Year Supplemental revenues are expected to come in slightly above budgeted levels.
- 2023/24- Assumes that all current secured property tax increases by 4.0% as new residential and commercial construction comes online. Current Year Supplemental revenue and Current Unsecured revenue are expected to see some modest

- growth, reflecting the residential turnover, additions, and new unsecured purchases. RPTTF will grow slightly with the tax base in the former RDA area.
- 2024/25- Assumes that all current secured property tax increases by 4% as new residential and commercial construction comes online. Current Year Supplemental revenue is expected to be fairly flat, and Current Unsecured revenues are expected to see minimal increases. RPTTF will grow slightly with the tax base in the former RDA area.
 - 2025/26- Assumes a positive inflation factor. Assumes some continued growth due to new construction. Overall, current secured rolls are increased by 3.5% and supplemental rolls continue to be flat.
 - 2026/27- Assumes a stable growth of 3.5%, and assumes some new commercial construction will add to the City's assessed value. As homes sell, supplemental rolls continue to increase.
 - 2027/28- Similar assumptions of prior year, including positive inflation factor of 3.5% and assumes new commercial construction will slightly increase the assessed value.
 - 2028/29- Assumes a 3.7% inflation factor with adjustment for additional construction and increases in fair market value.
 - 2029/30- Assumes a 3.7% inflation factor with adjustment for additional construction and increases in fair market value.

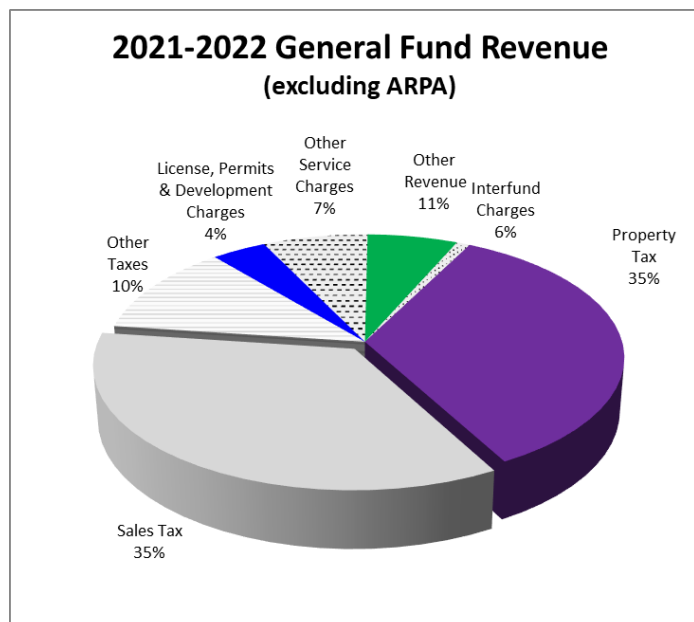
Sales Tax Revenue

The City of Atascadero currently receives 30%-35% of its General Fund revenues from the combination of Bradley Burns sales tax and Measure D-20 revenues.

WHAT ARE SALES AND USE TAXES?

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. Sales tax is imposed on all retailers for the privilege of selling tangible personal property and is measured by the retailer's gross receipts. Use tax is imposed on the purchaser of tangible personal property from any retailer for storage, use or other consumption in California.

As of March 2023, the City's



sales tax rate is 8.75%. This includes the State's base sales tax amount of 7.25%, plus Measure D-20 of 1%, and another 0.5% from Measure F-14. Sales Tax is distributed to the City by the State in monthly installments which lag significantly behind the period in which the sales occur.

HOW IS SALES TAX HANDLED ON INTERNET PURCHASES?

Atascadero has seen a revenue boost following the implementation of Assembly Bill 147 (AB 147), which expanded the collection of sales and use taxes from out-of-state sales via the implementation of the landmark U.S. Supreme Court decision in *South Dakota v. Wayfair* (2018).

The *Wayfair* decision addressed a longstanding problem associated with the rapid growth of online sales, resulting in the under-collection of billions in local sales and use tax revenues across the country. Previous court decisions were based on antiquated catalogue sales disputes that pre-dated the internet and required retailers to have physical nexus with each state prior to imposing an obligation on an out-of-state retailer to collect and remit applicable sales and use taxes from customers for remote sales. In *Wayfair*, the court reversed those decisions.

AB 147 provides important direction in the law for the implementation of *Wayfair* in California. The bill (1) adds "economic nexus" for retailers with sales for delivery in California that exceed \$500,000 to collect and remit sales tax effective April 1, 2019, and (2) defines a "marketplace facilitator" as the retailer responsible for the collection and remittance of sales and use taxes effective October 1, 2019. Marketplace facilitators contract with sellers to sell goods on their on-line platforms. Facilitators generally list products, process payments, collect receipts, and in some cases, take possession of a seller's inventory, hold it in warehouses, and ship it to the customers.

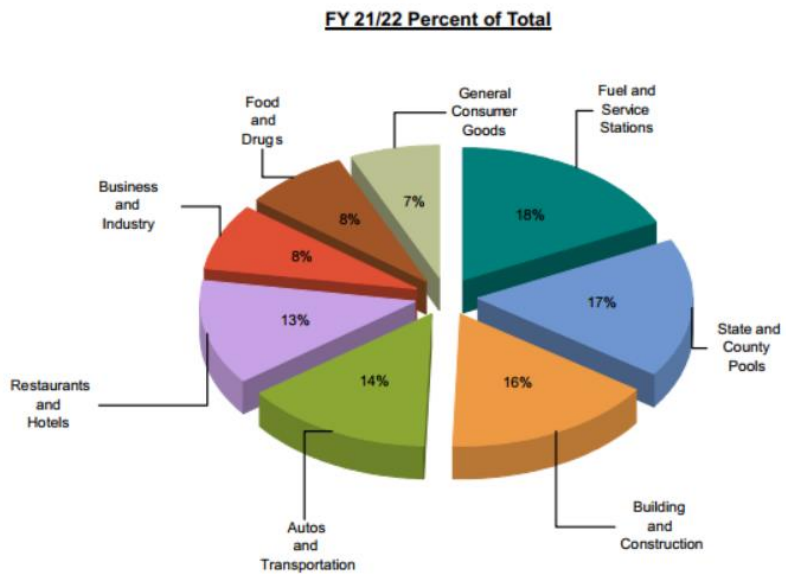
Under the California Department of Tax and Fee Administration rules, the revenue collected under AB 147 is distributed through state and countywide "pools" in proportion to the rest of taxable sales within the county. This type of allocation puts Atascadero at a disadvantage. Without significant brick and mortar retail locations in the City, many residents either shop in neighboring communities or online for taxable goods. Shopping outside of city limits lowers Atascadero's tax base, which in turn lowers the city's proportionate share of the pools. The allocation of sales tax revenue to jurisdictions has long been considered inequitable and not reflective of what is actually occurring. However, substantive change is difficult and results in winners and losers. In the event that changes did occur to more accurately reflect the purchases of Atascadero residents, the additional funds Atascadero received would reduce the funds that other agencies receive. Often, those agencies with biggest revenues are the current winners and would end up losing revenues if the rules were changed. They have the most money to fight change and are highly motivated to do so.

WHAT IS THE CURRENT STATUS OF SALES TAX REVENUES?

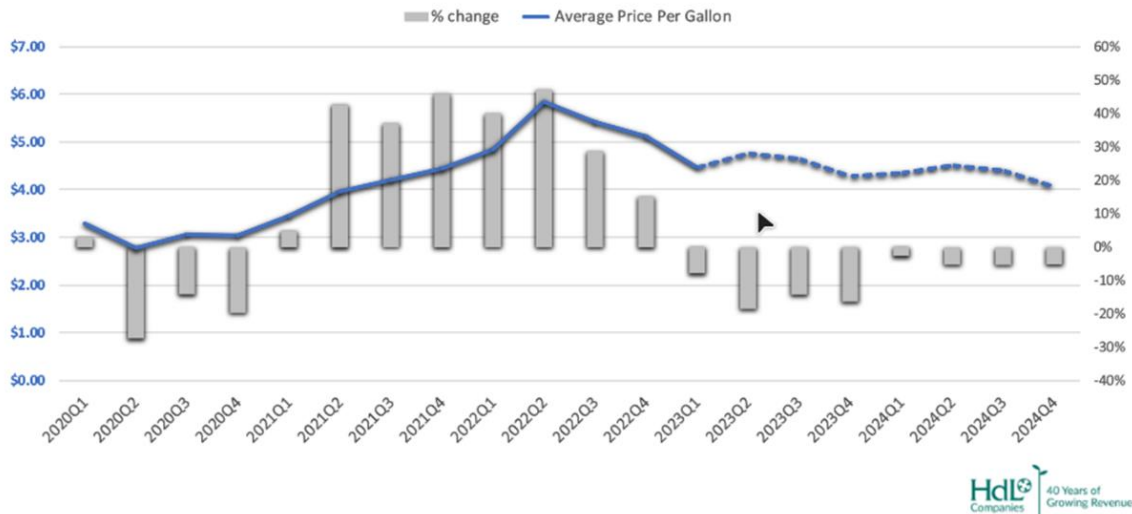
The City's sales tax consulting firm, The HdL Companies (HdL), provides information to the City's staff periodically to track sales tax revenues. HdL bases their reporting on data from the California Department of Tax and Fee Administration (CDTFA).

Widespread fear was common as COVID-19 began; fear for personal safety, and fear of how the economy would survive. The data was surprising. While the pandemic closed entire sales tax generating industries so vital for governments, expectations were that sales tax revenue would be drastically reduced across the board. However, the pandemic-induced unemployment primarily affected lower wage service sector workers that produced a lesser share of total sales tax revenues. Other, less affected employees were able to work from home and found they had extra cash due to pandemic-related stimulus payments, reduced commutes, cancelled travel plans, and few opportunities overall to spend money due to the stay-at-home orders. Low interest rates and favorable lending practices allowed that extra money to be spent on previously put off items such as autos and home improvement. Sales and sales tax revenue continue to rise, although curbed by increasing inflation, decreasing supplies, and the end of the stimulus funds.

Fuel and service stations are the largest sector of Atascadero sales tax, making up about 18% of the sales tax revenue. Sales tax from fuel prices has historically been very volatile in California, and this can have an impact on revenues. COVID-19 struck the Fuel and Service Stations industry hard. People stayed home and did not travel or participate in many road trips. This industry experienced decreases in fiscal year 19-20 and again in 20-21. Fiscal year 21-22 has since recovered as both unit price and volume sold of fuel are up from COVID level reductions.

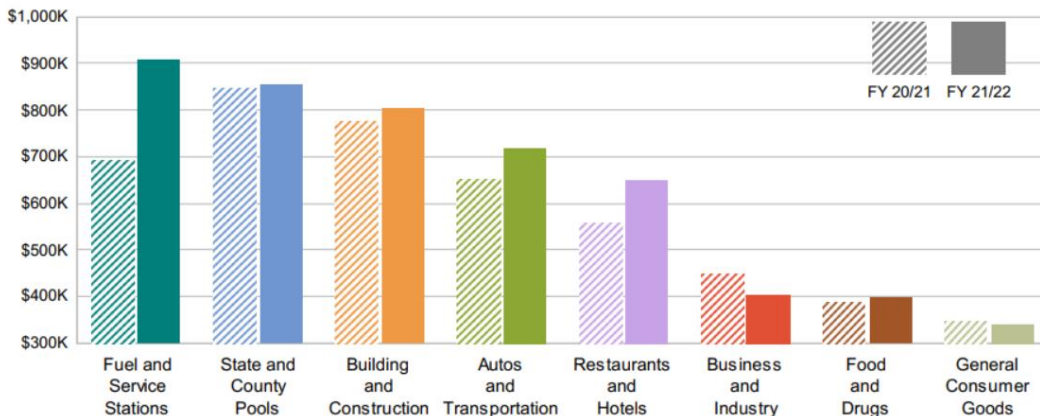


CA Retail Gas Price Per Gallon – Quarterly Average



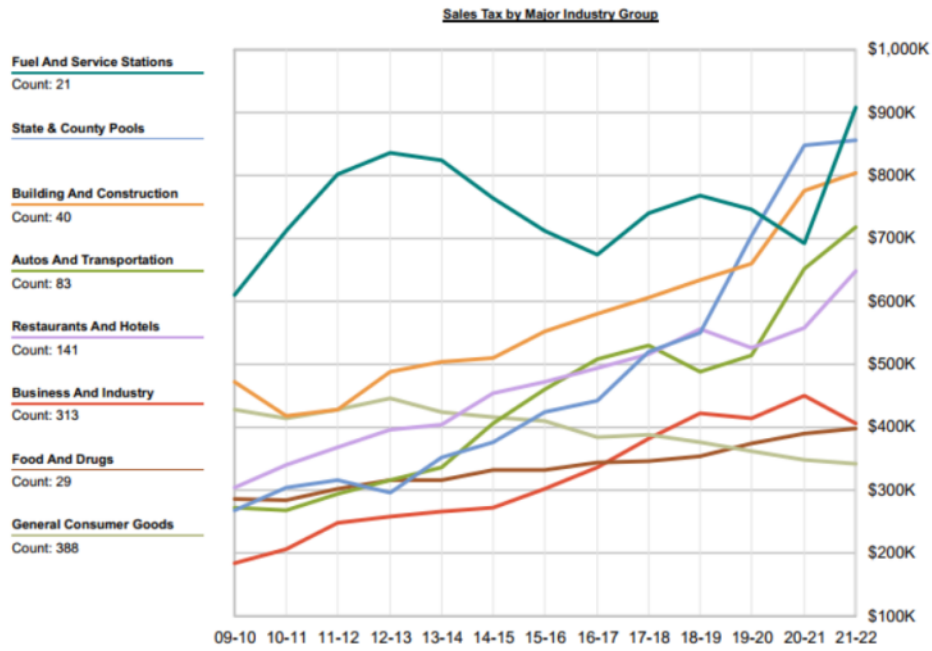
Second quarter 2022 versus 2021 revenue by industry group is illustrated in the following graph. It shows how each of Atascadero’s sectors performed during the two-year comparison period.

FY 20/21 Compared To FY 21/22

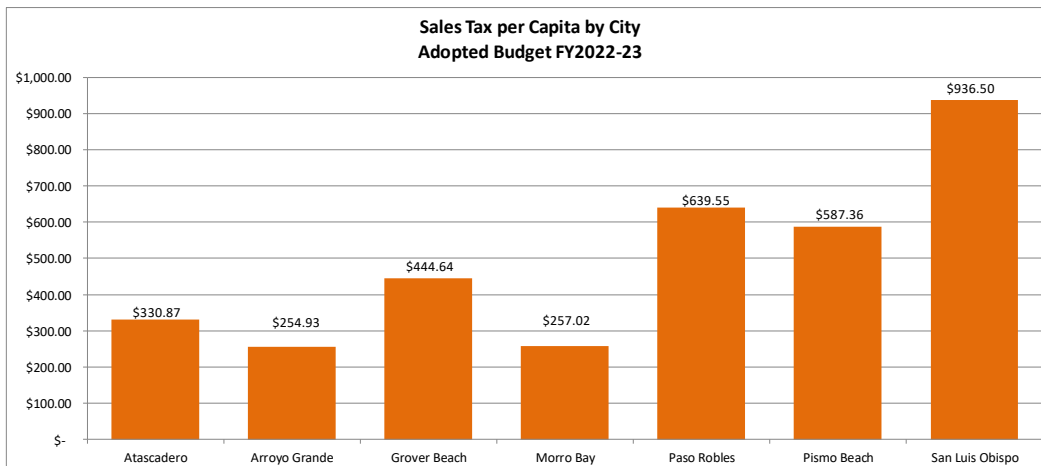


Revenue from the state and county pools are now the second largest contributor to the sales tax base for the City, followed closely by the building and construction industry. Together, the City’s top three industries, 1) fuel and service stations, 2) state and countywide pools, and 3) building and construction make up just over half of the City’s sales tax revenue base.

The 13-year history graph by industry below illustrates the changes in each sector. The increases in pool revenue due to AB 147 is quite significant.



Atascadero has historically had one of the lowest per capita revenues in the County. As shown on the following graph, the amount that the City earns in sales tax per capita has improved with the introduction of Measure D-20 revenue, but is still lower than the majority of cities in the county and is indicative of some of the reasons why the community can't sustain the same level of services and amenities as some of our neighbors. Atascadero receives just under \$331 per resident compared with the receipts of San Luis Obispo at about \$937 per resident, almost three times the amount! This is a significant difference and is important to understand as we continue to address concerns for expansion of City services.



Sales tax overall was up 7.8% in fiscal year 2021/22 versus the prior year. AB 147, COVID-19 recovery, high fuel prices, and strong sales in building and construction helped to continue to grow sales tax revenues.

WHAT ARE SALES TAX REVENUES EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

Sales tax is arguably the most volatile of the major revenues and is therefore the hardest to estimate in the Seven Year Projection. When looked at as a whole, sales tax is closely tied to state and national indicators such as consumer confidence, availability of money, savings rates, and other trend projections. It can be assumed that a portion of the City's sales tax may follow State projected trends.

An important component of making sales tax revenue projections is considering the unique business mix here in Atascadero and the Central Coast. Valuable questions to consider are: Which businesses are building? Which are closing? Which sectors are strong or currently being established in Atascadero? Where are competitors opening? What are local businesses expecting? What are the trends in businesses here in Atascadero?

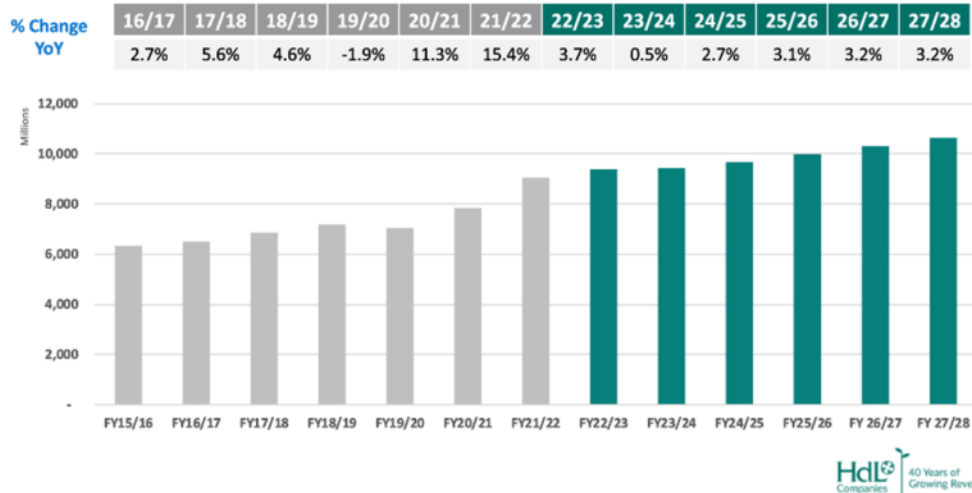
All this information and the ebbs and flows of the City's historic sales tax revenue can help to project future revenue. Sometimes the trends can get clouded with inconsistent data, as what happened with the introduction of the CDTFA's new reporting software program that caused numerous timing issues in reporting and payments, the impact of the pandemic-related shut down and associated repercussions, and the Federal Reserve's repetitive rate hikes.

The LAO forecasts a slight decrease in sales tax revenue statewide in fiscal year 2023/24, before increasing about 3% in each of the remaining years of their forecast.

LAO Multiyear Revenue Outlook						
(In Billions)						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Personal Income Tax	\$135.9	\$125.2	\$122.6	\$127.1	\$144.1	\$171.9
Corporation Tax	45.5	37.0	38.6	40.6	33.8	25.1
Sales Tax	32.9	33.3	33.1	34.1	35.3	36.5
Total "Big Three" Revenue	(\$214.3)	(\$195.5)	(\$194.3)	(\$201.8)	(\$213.1)	(\$233.5)
Federal Cost Recovery	\$1.3	\$6.9	\$7.0	\$0.5	\$0.3	\$0.1
Other Revenues	6.0	6.2	6.8	7.1	7.1	7.2
Total Revenues	(\$221.5)	(\$208.7)	(\$208.1)	(\$209.4)	(\$220.6)	(\$240.8)
Transfers	\$2.6	-\$0.4	\$0.2	-\$1.2	-\$0.8	-\$1.7
Total Revenues and Transfers	\$224.1	\$208.3	\$208.3	\$208.2	\$219.7	\$239.1

Statewide, HdL expects slow statewide growth in the near term, before returning to more typical growth rates of 3% - 3.5% in fiscal year 2025/26 through fiscal year 2027/28.

HdL Statewide Trend – Annual Outlook (FY)



As shown in Attachment C- *HdL’s California Forecast – December 2022*, HdL is projecting statewide decreases in 2023/24 in Fuel and Service Stations of -7.7%, increases in pool allocations of 4.5%, and increases in Building and Construction of 1.0%.

For Atascadero specifically, HdL is projecting fiscal year 2022/23 will end about 1.5% higher over the prior year. They expect fiscal year 2023/24 will be flat, and then slow, but steady growth of about 2.5% will resume in fiscal year 2024/25. Consistent with statewide projections, HdL’s projections for Atascadero in 2023/24 include a drop in revenue from Fuel and Service Stations at -7.7%, and increase in state and countywide pools of 4.5%, and an increase in building and construction of 0.6%.

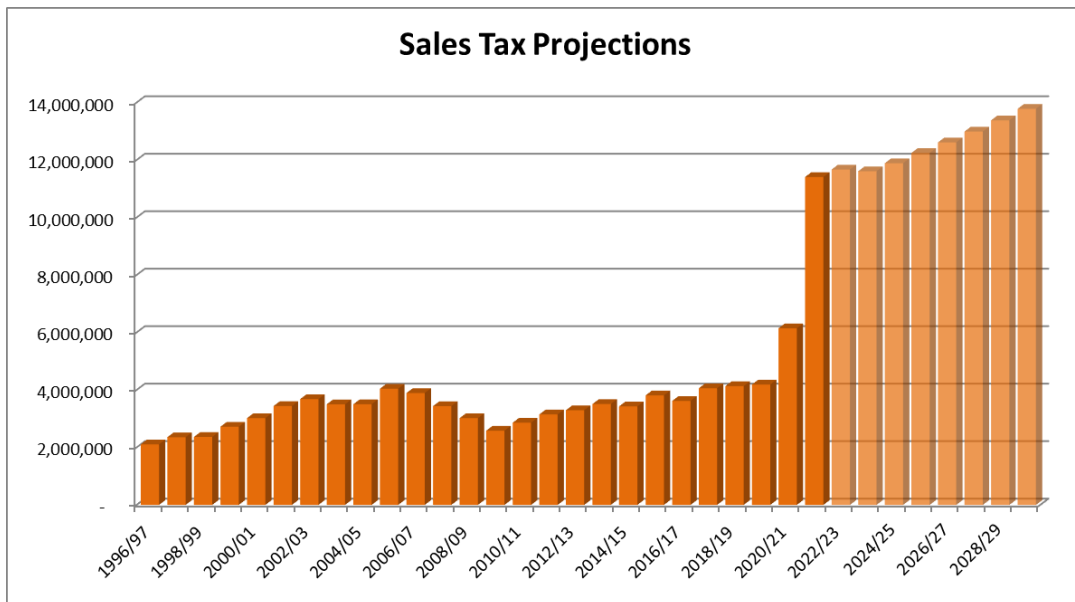
In order to update the sales tax projections for the next few years, staff met with HdL Companies sales tax experts, looked at projections from the LAOs office, discussed building trends, and looked at the expected effects of Council’s current economic development policies and strategies. Over the next few months, staff will continue to meet with experts and refine sales tax revenue projections.

Current assumptions that went into the projected sales tax revenues were as follows:

- 2022/23- Assumes strength in some of the city’s sales tax sectors, with an increase of 1.5% overall.
- 2023/24- Assumes tentative consumer confidence, inflation, and limited consumer supplies. Estimates revenues are essentially flat.

- 2024/25- Assumes more stabilization and recovery in economy and 2.3% growth.
- 2025/26- Assumes continuing underlying growth of 3%, spurred by Atascadero’s economic development efforts.
- 2026/27- Assumes continuing underlying growth of 3%, spurred by Atascadero’s economic development efforts.
- 2027/28- Assumes continuing underlying growth of 3%, spurred by Atascadero’s economic development efforts.
- 2028/29- Assumes continuing underlying growth of 3%, spurred by Atascadero’s economic development efforts.
- 2029/30- Assumes continuing underlying growth of 3%, spurred by Atascadero’s economic development efforts.

The Sales Tax revenue projections graph on the next page shows the revenues since fiscal year 1996/97. The first quarter of Measure D-20 was collected and included in fiscal year 2020/21 below. Fiscal year 2021/22 was the first full year of collections of Measure D-20, and is evident by the large increase in that year.



As with all projections, these assumptions are based on the information, policies and actions that are in place today. Changes in Council or State policies and/or additional information could and should adjust these projections. Staff will continue to monitor and update projections as things evolve.

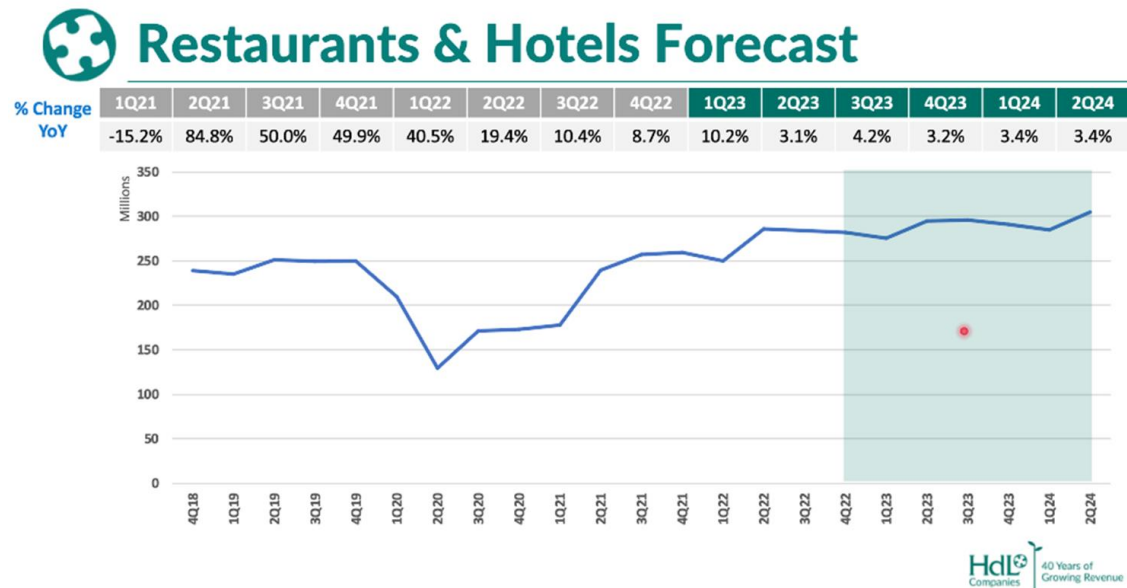
Other Revenue

Property tax and sales tax account for about 60%-70% of the City’s General Fund revenues, however there are a couple of other significant revenues that should be discussed.

Transient Occupancy Tax (TOT)

TOT is collected from guests staying at hotels within the City. Revenues were steadily trending up through February 2020, but then began to decline in March 2020 due to impacts of COVID-19. As restrictions began to loosen, revenue picked up again in fiscal year 2020/21, where it came back up to 2018/19 levels. In fiscal year 2021/22, TOT revenue broke the two-million-dollar mark for the first time ever and ended the year at \$2,049,160, or 48% over the prior (COVID impacted) year.

HdL expects the Restaurant and Hotel industry to increase 8.6% statewide in fiscal year 2022/23, as compared to the prior year, and expects an increase of 2.5% for 2023/24. In Atascadero, the projection is a 6.1% increase in 2022/23, and 1.2% increase in 2023/24, and 4.0% in 2024/25. In their California Consensus Forecast for December 2022, HdL notes leisure travel remains strong. Demand for experiences has been high. Ever-increasing prices are pushing hotels and leisure outlets to post strong gains. Below is HdL’s most recent statewide quarterly forecast for the restaurant and hotel sector.



According to Visit California, the statewide occupancy rate in January 2023 was 57%, up 10% over the prior year. Tourism spending in California is on course to reach \$154.4 billion in 2023, 107% of the 2019 amount. The average statewide daily rate was \$181 in January 2023, which was a 10% year-over-year increase. This higher average daily rate helped to offset some of that continued weakness in the occupancy levels.

Visit California forecasts that travel-related spending from domestic visitors is expected to recover to 113% of 2019 levels in 2023, while international travel into California will continue to recover from COVID impacts for the remainder of 2023. Canadian and Mexican visitors will lead the trend, with almost complete recovery to pre-COVID spending levels. Overall, leisure travel (person trips) should recover to 100% of 2019 volume in 2023, while business-related travel will recover to 88%.

Intergovernmental Revenues

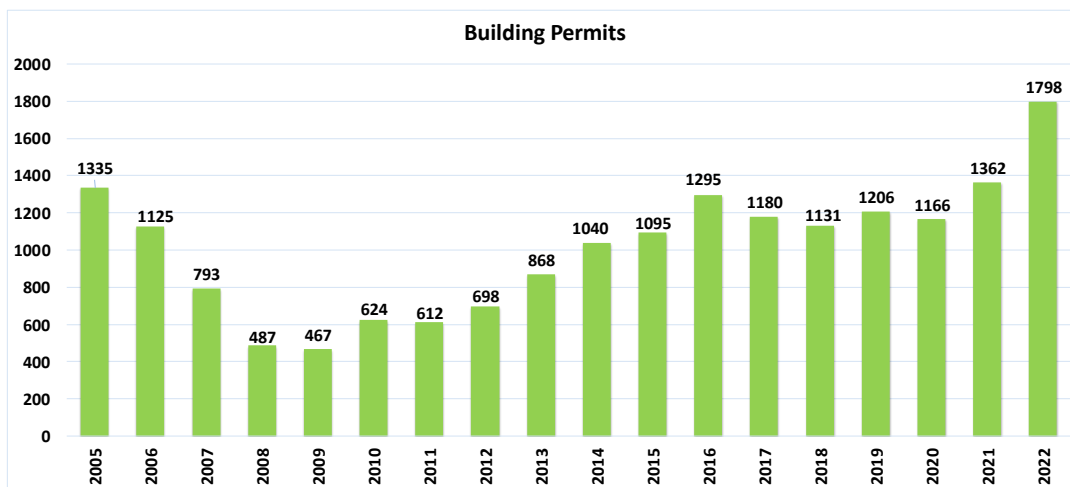
In fiscal year 2021/22, the City’s received the first of two payments from the Federal government under the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds, for additional financial relief in the wake of the COVID-19 pandemic. The City received the first payment of \$3,597,290 in July 2021. Funds may be used for specific purposes as designated in the US Department of Treasury’s Final Rule. The Final Rule offers a standard allowance for revenue loss of up to \$10 million. Recipients, such as Atascadero, that select the standard allowance may use the funds for general government services. The second of the two payments was received in July 2022.

Franchise Fees

The City receives around \$1.3 million a year from franchise fees. These are a tax charged on cable, electric, garbage disposal, gas, wastewater, recycling and the local landfill. These fees are based on the revenues collected by each of the entities charged. These revenues have remained fairly flat over the years. However, significant increases in natural gas and electricity are expected to prompt higher franchise revenues.

Building Permit Activity

Atascadero has seen significant building activity increases in recent years. In 2022, staff issued a record number of building permits, 1,798 in total. That is a 32% increase over the prior year. Some of this increase may have been associated with the update in the building code that went into effect January 1, 2023. Some large projects are in various stages of development including multiples projects in the area of Del Rio and El Camino Real, Barrel Creek, California Manor, Emerald Ridge, Dove Creek, and Woods Humane Society expansion.



Building permit activity in Atascadero has typically been relatively volatile, reflecting the real estate ebbs and flows that occurred nationally. In 2005, the City received 1,335 building permit applications and issued permits for 330 housing units. By 2009, overall permit activity dropped to 467 permits with only 12 housing permits issued. In 2016, building permit activity increased to a level that was only just slightly below the pre-real estate boom in 2005. Of the 1,798 permits issued in 2022, 76 were for new residential units.

Other Fees for Service

The City typically receives \$2-\$3 million a year in various fees for other services (including mutual aid). These fees include many items such as development services, zoo admissions, pavilion rentals, softball field rental fees, park rental charges, weed abatement charges, and vehicle release fees. The closures due to the pandemic reduced or shut down many of the programs impacting this category, but most have largely recovered since then. The Zoo, in particular, has seen a positive resurgence since the pandemic-related closures. Zoo revenues (admissions, education, special events, and gift shop) were up 9% in fiscal year 2021/22, and up a whopping 87% over the pre-COVID fiscal year 2018/19.

A Service Fee Study was performed and services fees were updated in the summer of 2022 to better reflect current costs. Smaller scaled reviews and adjustment are made to the Service Fee Schedule annually to adjust for changes in the consumer price indexed inflation.

Interfund Revenues

The 2021/22 audited financial statements included \$1.3 million in interfund revenues. These are typically charges to other funds and departments within the city for services provided by the General Fund (such as legal, finance, capital project management, grant administration, affordable housing services, etc.). Staff has found it more efficient to allocate these charges out as Administrative Fees rather than charging a small portion of each support employee's time or a portion of each invoice to each fund directly.

Summary

The overall revenue projections show a slow but steady climb in revenues over the next seven years. The Sales Tax Measure D-20 – Essential Services Tax will add additional revenue to the General Fund.

Atascadero

Comprehensive Financial Strategy April 2023

Section 3- Operating Costs

Operating Costs

A healthy organization needs to review inflows (revenues) and outflows (expenses) on a regular basis in order to achieve balance over the long-run. Certainly, the Council has successfully navigated this balanced path over the years by holding to the fiscal strategy of saving up a little extra in the good years to use in the down years. Just as the City began recovery from the effect of the Great Recession, rising pension costs and other costs continued to limit the City's ability to increase operating budgets to the level they needed to be. Expense reductions were made over the last decade or so to artificially low levels in order to better balance the inflow and outflow equation. Funding from Measure D-20 is providing some needed relief toward better funding for necessary and existing services, but it will most certainly not be enough to provide all of the services, programs, and amenities that people might desire. It is important to set clear priorities on which items need to be addressed first.

Ongoing operating costs are typically the bulk of the outflow side of the equation. Given the City's relative lack of direct control of the inflow side of the equation (property tax, sales tax, TOT, development revenue), operating costs are an area where the City has more control to determine its own fate.

Operating costs are typically broken into four different categories in the budget document, some are ongoing and some are one-time expenditures:

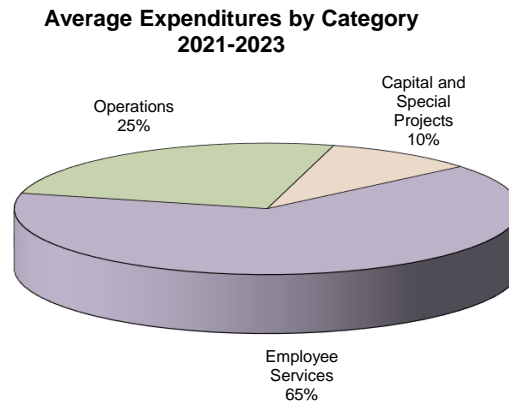
- Employee Services (ongoing)
- Operations (ongoing)
- Special Programs & Projects (usually one-time)
- Capital Projects (usually one-time)

Each of these categories will be defined in this section, and assumptions of the projected costs of each of these will be reviewed. The effective growth management of these categories is what helps the City to influence the bottom line.

EMPLOYEE SERVICES

WHAT ARE EMPLOYEE SERVICES COSTS?

Employee services are the backbone of the community. The City is a service organization, so the largest portion of General Fund expenditures is dedicated to employee services. In fact, an average of 65% of General Fund expenditures for the budget cycle 2021-2023 were allocated directly toward the cost of employee services. It is critical that the significance of this component to the budget is well understood since it plays such a major role.



Employees are grouped into six different categories or bargaining units. (Atascadero Police Association, Atascadero Firefighters Bargaining Unit, Local 620 Service Employees International Union, Mid Management / Professional Employees, Non-Represented Professional and Management Workers and Confidential Employees, and Non-Represented Part-time employees.) Salaries and benefits for each of the four represented bargaining units are set forth in Memorandums of Understanding (MOUs). Pay and benefits for Management and Confidential employees are governed by a resolution of the Council and pay for part-time employees are governed by administrative policy.

The following are the general categories of labor costs that are found in the City's budget:

- **Salaries**- This base pay figure for full-time City employees represents 53% of the City's total General Fund labor costs.
- **Wages**- This is the pay for part-time or hourly employees such as scorekeepers, recreation workers and fire reserves. (2%)
- **Overtime**- This represents the amount paid in overtime to both full-time and part-time personnel. (4%)
- **Other Pay**- This category includes amounts paid to employees for items other than base pay. Items charged to this category include stand-by pay, holiday pay-off, uniform allowance, pay-off of vacation upon leaving the City and other similar pay types. (2%)
- **Benefits, Taxes and Insurance**- This category is made up of the following:
 - **Health Benefits**- Each full-time employee receives health benefits upon employment. The City contributes varying amounts towards medical insurance, dental insurance, vision insurance and life insurance. The amounts

vary between bargaining units and whether coverage is for the employee only, the employee plus one dependent or for the employee and his/her family. Employees who were hired prior to September 1, 2000 are entitled to a “medical payback” stipend if they elect employee only coverage. The stipends range from \$240.56 - \$319.53 per month. Current MOUs require the City to pick up 100% of the increased health benefits cost for the employee and 50% of the increased cost for dependents annually. (13%)

- *Retirement-* The City and City employees do not contribute to Social Security and are therefore required to participate in another retirement program. For part-time employees who work less than 1,000 hours per year, the City contributes 2.5% to a FICA Substitute / Defined Contribution plan. For full-time employees and part-time employees who work more than 1,000 hours a year, the City participates in CalPERS. The City is now on a three-tiered system for both sworn safety personnel and miscellaneous (non-sworn personnel) as discussed later in this Section. This is a defined benefit plan which means that the City is guaranteeing the benefit that the employee will receive upon retirement (in the case of tier 1 sworn personnel, 3% of the highest year’s salary for each year of service the employee has upon retirement at age 50 or older). Contribution rates for this benefit change annually based on actuarial studies performed by CalPERS. (22%)
- *Medicare-* The City contributes 1.45% of pay to Medicare. (1%)
- *Workers Compensation-* The City participates in California Joint Powers Insurance Agency (CJPIA) for workers compensation coverage. Cost of workers’ compensation coverage is a formula based on payroll, the City’s loss experience and the overall loss experience of CJPIA. (2%)
- *Unemployment-* the City is self-insured for unemployment through the Employment Development Department (EDD). The EDD bills the City quarterly for actual unemployment benefits paid to former employees. (0.25%)
- *Other Benefits-* There are other minor benefits afforded to employees such as the education reimbursement program, deferred compensation match, and long-term disability. (1.25%)

Payroll is not just a function of salary and benefit amounts, but is also a function of the number of employees. The current budget includes funding for 137 full-time employees, up from 130 in fiscal year 2020/21. With a few exceptions, part-time employees are budgeted with a lump sum dollar amount, rather than the number of employees. In fiscal year 2021/22, 58 part-time employees worked almost 30,000 hours or the equivalent of about 14 full-time employees. Prior to COVID, the City typically used about 81 part-time employees working over 39,000 hours per year, equal to almost 19 full-time equivalents.

WHAT IS THE CURRENT STATUS OF EMPLOYEE SERVICES?

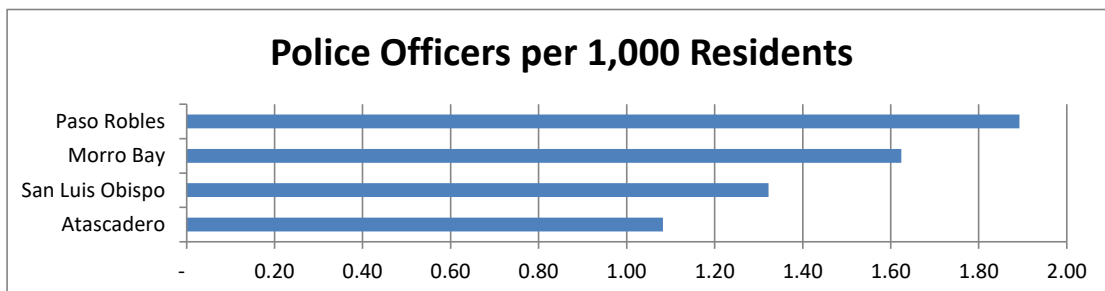
Staffing Levels

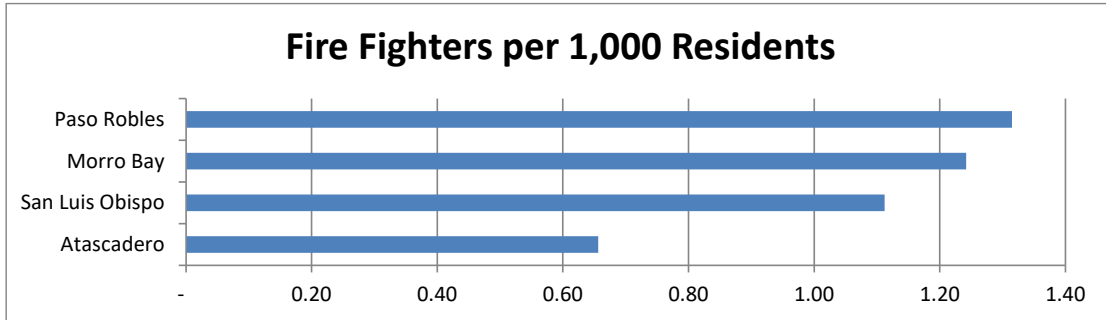
There is no group of people that can do more with less than the City staff here in Atascadero. Of course, budgets have always been lean, but starting with the 2009-2011 budget cycle, lean took on a whole new meaning. With the loss of fifteen laid off positions (seven of which were vacant at the time), the remaining staff did their best to carry the load. During the 2011-2013 and 2013-2015 budget cycles, a continuing policy of “hiring chills” was also in place. This was a process where management evaluated each position that became empty due to attrition to determine if that position was a priority in the short run.

While this staffing policy kept costs to a minimum, it also caused staffing levels to be deficient in all departments. With the improvement in the economy, however, the City was able to add six full-time staff members during the 2015-2017 budget cycle. The City also added one full-time staff member during the 2017-2019 budget cycle, and then four more in 2019-2021. With the addition of Measure D-20 funds, seven positions were able to be added to budgeted positions: five police officers, one public safety dispatcher, and one fire battalion chief. This certainly provided some needed relief and is a significant movement in the right direction. However, the City continues to lag behind other local jurisdictions when it comes to staffing level metrics.

Per capita staffing for both police officers and fire fighters is low compared to surrounding cities, making it difficult to effectively staff these 24/7 operations without using excessive overtime. This situation becomes even more difficult when employees are out on vacation, are sick, or have been injured on the job.

The two charts below show the 2022/23 budgeted staffing levels per capita for police officers and fire fighters in Atascadero compared to other local cities:





The Police Department is a good example of the challenges associated with limited staffing levels. The Department was established in 1980 with 19 sworn officers serving 16,232 residents. The department grew commensurate with the population through the 80s and early 90s. In 1994, the Department reached 29 sworn officers to keep pace with 23,982 residents. The Department peaked at 30 officers in the early 2000's; however, three sworn positions were lost during the great recession in 2007 to 2009. The current population of Atascadero is estimated at 30,480 and the Atascadero Police Department has just three more officers than it did in the early 2000s - 33 sworn officer positions.

The Department is experiencing increased calls associated with the population growth along with concerns in the community including opioid epidemic and an influx of homeless related calls for service. Along with these calls, there are mental health problems associated with these issues. Communities across California, including Atascadero, are also suffering the unintended consequences of the recent trend to decriminalize narcotics and other crimes. In 2011, Assembly Bill 109 shifted much of the prison population to county jails, which were not designed or equipped for this function and quickly caused the jails to be become overcrowded. Proposition 47 in 2014 reduced certain theft and drug offenses from felonies to misdemeanors and Proposition 57 in 2016 allowed parole consideration instead of incarceration for nonviolent offenders, which all combined has resulted in a substantial increase in offenders released without incarceration. This has, and will continue to, leave more offenders in the community and increase criminal activity in Atascadero.

Combine this with other recent requirements, such as the new reporting standards which have increased the amount of reports officers are required to take, the change in medical clearance and procedures for mental health detentions, county jail bookings, and increased training standards all result in task saturated officers that spend less time on patrol. This directly impacts officers' availability to respond to calls for service and increase response times.

Although this narrative has focused on the police department's staffing shortages, every department in the City is understaffed. When compared to other communities of our size, the staffing history and numbers for Planning, Public Works, Finance, and Administration are all similar to those in the Police Department. This affects staff's ability to provide the expected level of City services across the board.

Employee Retention

The City has been able to stay within its financial constraints with the cooperation of its employees. The employees are used to doing more with less and this often carries over into salaries and wages. There is significant competition from other agencies whom are able to offer more generous salaries than Atascadero is able to. The market for labor is tight and employers are competing. With one of the historically lowest per capita revenue cities in the county, Atascadero has always had a difficult time offering salaries that are on par with other agencies. Below are the current comparisons to other jurisdictions for top step police officer and sergeant positions:

Jurisdiction	Monthly Salary	
	Officer	Sergeant
City of San Luis Obispo	\$ 9,880	\$ 11,960
City of Paso Robles	\$ 9,116	\$ 11,480
City of Grover Beach	\$ 8,540	\$ 10,624
City of Pismo Beach	\$ 8,247	\$ 10,821
City of Atascadero	\$ 7,932	\$ 10,162
City of Morro Bay	\$ 7,785	\$ 9,981
City of Arroyo Grande	\$ 7,435	\$ 9,516

While there are some differences in benefit packages between jurisdictions, the City is consistently amongst the lowest total compensation for most positions at the City. While compensation is often not the only reason an employee chooses to work for an employer, when there are significant differences in pay, it is an important consideration. Because the cost of living is high in the Central Coast area, and neighboring jurisdictions are able to pay more, the City's low wages are often a barrier to attracting, hiring and most importantly, retaining, professional employees. This has a large effect on City operations as vacancies lead to even lower staffing levels, inefficiencies, additional incurred costs as new employees are trained, and losses of institutional knowledge when key employees leave.

Measure D-20 made large strides toward enhancing staff salaries and helping to bring them into better alignment with other agencies. However, at the same time that Atascadero voters passed Measure D-20, voters in other cities passed similar measures. Those other agencies were able to use their new sales tax measure revenues toward increasing salaries at *their* agencies. The labor market is a dynamic environment, and while strides forward definitely help Atascadero from falling further behind, they don't necessarily put us near the head of the pack as neighboring agencies continue to sharpen their competitive edge as well.

Minimum Wage

California's minimum wage has seen significant increases in recent years, and has increase to \$15.50 per hour. This continues to impact City operations. Since the budgeted amounts allocated to part-time employees are based on a lump sum dollar amount versus hourly rates times the number of expected hours, the increases in hourly wages have affected how many hours the lump sum budget will buy, or alternatively, the lump sum amount will require increases in order to provide the same number of staff hours at a higher hourly rate. Increases are difficult due to the limited resources the City has to work with. This will impact the City's ability to hire part-time staff to provide City services. Many of the part-time employees work in recreation-related activities where additional recovery of costs may not be the best option.

CalPERS Retirement

The City is enrolled in CalPERS to provide employees fixed benefit retirement plans. In 2012, the Council adopted pension reform that separates the City's retirement benefits into three different tiers: 1) existing employees, 2) employees hired after 7/14/12, but already part of CalPERS, and 3) employees hired after 1/1/13 not previously part of CalPERS. Each tier has a related formula that is used to calculate future benefits. These changes to retirement plans are consistent with the California Public Employees' Pension Reform Act (PEPRA).

Details of each of the tiers for Safety and Miscellaneous are in the following tables:

Miscellaneous			
	Tier 1	Tier 2	Tier 3
Employees Affected	Existing employees	PERS members hired after 7/14/12	Non-PERS members hired after 1/1/13
Formula	2.5% @ 55	2.0% @ 55	2% @ 62
Contribution	4.7% of employee contribution rate	4.7% of employee contribution rate	6.5% of employee contribution rate
Salary Factor	single highest year compensation	3 year average compensation	3 year average compensation

Safety			
	Tier 1	Tier 2	Tier 3
Employees Affected	Existing employees	PERS members hired after 7/14/12	Non-PERS members hired after 1/1/13
Formula	3% @ 50	3% @ 55	2.7% @ 57
Contribution	9.0% of employee contribution rate	9.0% of employee contribution rate	11.5% of employee contribution rate
Salary Factor	single highest year compensation	3 year average compensation	3 year average compensation

The calculation of the pension costs is a complicated actuarial process and involves a number of different assumptions and strategies. CalPERS Board of Administration (Board) authorizes changes to the assumptions and structural changes to risk pooling as they see appropriate to ensure the program remains properly funded. A number of changes have occurred in recent years that affect the City's pension costs including a change in the smoothing policy, changes to the risk pools, changes to the method of allocating the pool's unfunded liability, retiree life expectancy assumptions, investment impacts due to the state of the economy, and actual investment rates differing from assumed earnings rates.

The City has two components to the CalPERS annual contributions. The first is the "normal rate", or the cost of pension benefits for one year. CalPERS' actuaries determine what the normal cost percentage is for each employer, and the employer pays an amount throughout the year equal to the percentage multiplied by the applicable payroll. The second component is a flat dollar amount known as the Unfunded Accrued Liability, or UAL. The UAL is also determined by CalPERS actuaries and the City pays it as a flat dollar amount at the beginning of the fiscal year.

In December 2016, the CalPERS Board voted to change the discount rate from 7.5% to 7.0%, and the impact of this change was spread over a three-year period. The discount rate is the assumed rate of return on investments, or essentially, interest earnings. Decreasing the rate means the Board assumes that CalPERS will earn less interest income on its investments each year. As the discount rate is decreased, employers like Atascadero typically see large increases in the costs required to fund the retirement plans.

In July 2021, a strong 21% fiscal year (2020/21) investment return automatically triggered a discount rate reduction to 6.8% under CalPERS's Funding Risk Mitigation Policy. This Mitigation Policy was adopted by the CalPERS Board in 2015 and is triggered when investment returns during the fiscal year exceed the current target rate of return by 2 or more percentage points. When this happens, the discount rate for the Public Employees' Retirement Fund (PERF) is automatically lowered by an amount commensurate with the excess returns. The higher the excess returns, the more the discount rate drops. The maximum amount the discount rate can be reduced in any one year is 0.25% (25 basis points).

The positive returns earned from fiscal year 2020/21 helped increase PERF assets, and the overall funding status was estimated at 82%. However, the reduction in the discount rate to 6.8% dropped the funding status to 80%. While the better-than-expected positive investments returns will help to decrease future City contribution rates, the reduction in the discount rate will increase City contributions in the future.

In fiscal year 2021/22, CalPERS' investment return was negative 6.1%. Between the drop of the discount rate to 6.8% in 2021 and the fiscal year 2021/22 negative return, the overall funded status of the PERF dropped to 72%. These two items will offset the positive impact to the City's contribution rates due to CalPERS' positive earnings from fiscal year 2020/21.

The City's normal rate (excluding any City-paid employee portion) and the annual UAL for each tier for both the Miscellaneous and Safety Pools are listed in the following charts.

Miscellaneous

	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Tier 1 - normal rate	12.99%	13.02%	14.92%	14.90%	14.90%	14.90%	14.90%	14.90%	14.90%
Tier 2 - normal rate	11.06%	11.06%	12.63%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%
Tier 3 - normal rate	7.73%	7.76%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Tier 1 -UAL	\$ 1,098,400	\$ 1,239,825	\$ 1,043,388	\$ 1,035,000	\$ 995,000	\$ 952,000	\$ 890,000	\$ 924,000	\$ 924,000
Tier 2 - UAL	\$ 9,240	\$ 9,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 3 - UAL	\$ 50,630	\$ 52,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Safety

	21/22	22/23	23/24	24/25	25/26	26/27	24/25	25/26	26/27
Tier 1 - normal rate	23.71%	23.75%	27.11%	27.10%	27.10%	27.10%	27.10%	27.10%	27.10%
Tier 2 - normal rate	20.64%	20.64%	22.83%	22.80%	22.80%	22.80%	22.80%	22.80%	22.80%
Tier 3 - normal rate	13.13%	12.78%	13.54%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
Tier 1 -UAL	\$ 1,516,603	\$ 1,704,066	\$ 1,684,329	\$ 1,679,000	\$ 1,251,000	\$ 1,192,000	\$ 1,109,000	\$ 1,152,000	\$ 1,152,000
Tier 2 - UAL	\$ 7,914	\$ 8,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 3 - UAL	\$ 26,210	\$ 27,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Vacation accruals

Vacation accruals are another issue to consider. Details on vacation and other leave accruals are discussed at length in Section 4 of this document. At this point, it is critical to simply understand that as employees utilize more of their vacation time, there are less people to accomplish the tasks for the vacationing employees. While in some cases the work could be delayed, in most cases, the work still has to get done on schedule and/or works shifts have to be covered. At the end of the day, what this really translates into is additional overtime costs. Overtime is an unavoidable component of spending down the vacation accrual.

Health Care

The City has been on the offense regarding health care costs. Health care benefits are important to the well-being of the employee group. As health care costs continue to be on the rise, the City continues to search for efficient options to meet the employees' health care needs. The health care cost trend increases in California have averaged about 8% over the last five years. The City's costs increases have averaged 5.5% over the last five years. This average is unusually low due to a highly atypical zero percent increase for calendar year 2023. Increases in future years are expected to be approximately 7% per year, consistent with market trends.

WHAT ARE EMPLOYEE SERVICE COSTS EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

In order to project labor costs, a spreadsheet was developed which details salary and benefits for each employee. Every employee's expected labor costs were developed for each of the seven years. Step increases and other expected pay changes as an employee moves through his/her career were built into the projections.

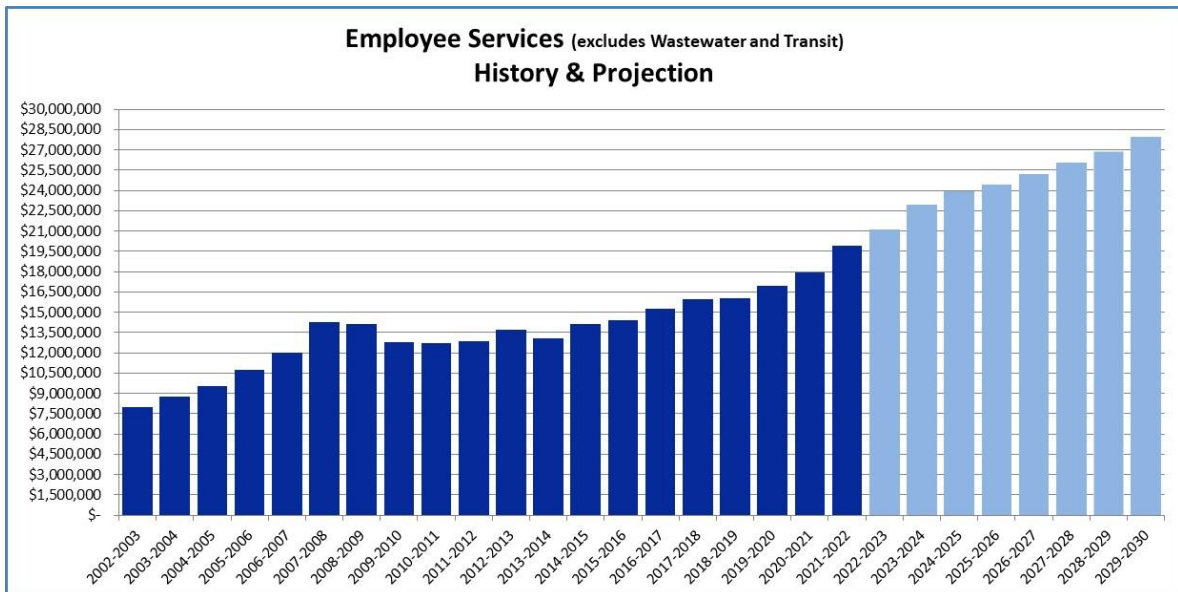
The projections include a cost of living salary increase for the first fiscal year, 2023/24, based on the current negotiated Memorandums of Understanding (MOUs) and very modest increases in the remaining years. A one percent cost of living salary increase for the current employees would amount to about \$164,000 of additional ongoing costs annually. This is not to say that staff is recommending a policy of no salary increases for the next seven years. Instead, these projections are intended to illustrate that labor costs will continue to need to be a function of available funding and the market. Currently, the existing Memorandums of Understand with all employee groups expire at the end of fiscal year 2023/24.

Annual Cost of 1% Salary Increase Fiscal Year 2023/24	
	Cost of 1%
Police	\$ 52,600
Fire	29,800
SEIU	37,200
Mid Management	3,500
Management and Confidential	40,700
Total	\$ 163,800

Assumptions that went into the projected employee service costs were as follows:

- 2022/23- Assumes that current employees remain in place, step increases are given to eligible employees, and cost of living salary increases are consistent with current Memorandums of Understanding. No increases were included for the part-time staff. Assumes no medical insurance costs increase, workers compensation increases of 20%, unemployment rates remain flat, CalPERS rates are 7.7%-13% for non-sworn employees and 12.8%-23.8% for sworn safety employees, and UAL payment of \$3.04 million (CalPERS actuarially determined rates). CalPERS rates for vacant positions are assumed to be Tier 3 for most positions.
- 2023/24- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 5%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.72 million (CalPERS actuarially determined rates). CalPERS rates for vacant positions are assumed to be Tier 3 for most positions.
- 2024/25- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 5%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.71 million.
- 2025/26- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 5%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.25 million.

- 2026/27- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 5%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.14 million.
- 2027/28- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 3%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.0 million.
- 2028/29- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 3%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.1 million.
- 2029/30- Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7%, workers compensation increases 3%, unemployment rates remain flat, CalPERS rates are 8%-14.9% for non-sworn employees and 13.5%-27.1% for sworn safety employees, and UAL payment of \$2.1 million.



OPERATIONS COSTS

WHAT ARE OPERATIONS COSTS?

Operations costs are expenditures related to the regular ongoing operation of the department, including supplies, tools, utilities, insurance, contract services, and other similar expenditures.

Each year as the budget is being prepared, a target is established for the operations category. Even with some expenses increasing at rapid rates, departments were asked to target either very minimal increases or even some decreases in each of the last ten budget cycles. These minor escalations (and the reductions) in operations were effective in closing the deficit gaps in the tight years to an amount that was consistent with Council's strategic plan. Certainly, these cuts were not easy, but in the short term were achievable. As the cost of doing business continues to rise, additional increases will be needed to sustain service levels in the long-run. Targeted operating cost increases averaged 1% per budget cycle for the last ten cycles (or twenty years). According to the US Bureau of Labor Statistics, inflation increased about 64% during that same twenty-year period.

These operating budgets were exceptionally tight with the understanding that the reductions were a temporary solution. Atascadero employees continue to work hard at keeping costs down and are always looking for better and more cost-effective ways to get things done. There are, however, a few areas of particular concern as the 2023-2025 budget cycle approaches:

- Utilities – The cost of utilities such as electricity, natural gas, and water have been increasing over recent years, but there have been even steeper increases in electricity and natural gas over the last 6-8 months. Electricity is expected to increase as much as another 25%-30% during this cycle. These increase affects all of the City's facilities.
- Automotive Fuel - The cost of fuel for the City's fleet has gone up over 30% in the last five fiscal years.
- Janitorial and Other Services – Labor services, such as janitorial services, have been increasing as well. The City has seen an increase of over 25% just in the last few budget cycles.
- Insurance – Liability, property, pollution and crime insurance costs have gone up over 50% since 2017/18. Costs are expected to continue to grow into the next budget cycle. Property insurance will increase 21% from fiscal year 2022/23 to 2023/24.
- Other Underfunded Operating Costs – There are a number of other costs in the operational budgets that have been outpacing the operational budget increases. Continued increases are being seen in medical supplies, recycled paper products, zoo animal diets, and computer software licenses and maintenance agreements.

- Issues Related to Transients and Homelessness - The human impact of the homeless crisis is tragic. While not as visible, there is also a very real impact to government services and in particular, local services, as cities that were never designed, nor funded to provide social services and deal with the inherent conflicts and problems of people living on the streets. It is important that we point out that staff are not classifying individuals because of their housing status. The reference is to those people who are engaged in behavior that precipitates a call for service for public safety or other City resources.

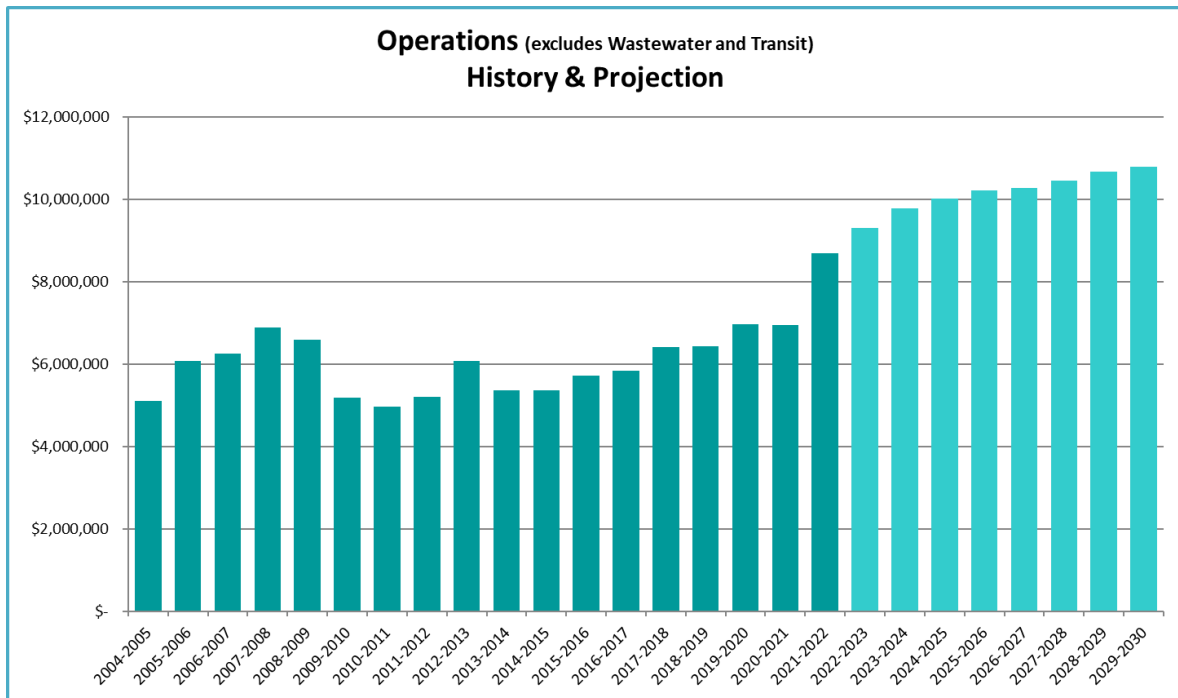
The illegal camps that exist throughout the City have a significant impact on the environment and the general quality of life for the neighborhoods. The creeks, rivers, underpasses and other areas of encampment were never designed to be someone's home. The homeless crisis/addiction issues have led people to establish camps where there are no sanitary services, no heat, no water and other basic necessities for life. The camps contain a large amount of trash and personal refuse. Legally, notices must be posted at the camps before cleanup and property removed must be retained for a substantial period of time before disposal. Clean-up of these camps is also a fairly time-consuming job as clean-up workers must be extremely cautious as dirty needles and other bio hazards are often found amongst the camp debris. The workload involved in the cleanups and debris removal must be balanced with the workload and primary responsibilities of a Public Works Department that is stretched too thin to maintain the 106 acres of parks, the 140 miles of streets and the many City facilities that are the responsibility of the personnel. The existing budget includes some funding for camp clean-up, but this will be a continued area to address in the 2023-2025 budget cycle.

- Regulations – While state and federal regulating agencies have good intentions with their various programs, compliance becomes more burdensome and costly with each new regulation. The Air Pollution Control District, the Regional Water Quality Control Board, the National Fire Protection Association, Occupational Safety and Health Administration and other similar agencies have specific requirements that the City must meet. Programs such as the Short-Lived Climate Pollutant Reduction Strategy (AB 1383), Storm Water Management Plan, the Storm Water Trash Amendment, Groundwater Monitoring, the National Pollutant Discharge Elimination System, and the Federal Highway Administration's Retro-Reflectivity are just a few of the many regulations that affect the City and its budget. There are also additional requirements of the Public Safety departments, such as the new Police Department reporting standards, changes in medical clearance and procedures for mental health detentions and county jail bookings, increased training standards, and radio system/security protocol changes. The trend is toward greater regulation in a number of different areas which increases City costs for permits, monitoring, equipment replacement, training, and compliance.
- 2023 Storm Response Costs – In January and March of 2023, the State of California experienced a series of severe storms caused by atmospheric river systems that produced significant damage throughout the state. The City

sustained damages to roads, creeks, parks, buildings and other public infrastructure. The City declared a local emergencies in January, and again in March. Estimates of the damage caused by these storms are still being determined. The City has performed (and continues to perform) emergency repair and cleanup work at considerable cost. The City has filed a property insurance claim and will actively pursue all avenues for reimbursement for storm repairs. The Governor of California and the President of the United States declared a state of emergency in January 2023, and then again in March 2023, which qualifies the City to seek reimbursement from FEMA and Cal OES for storm related damages. The City’s goal is to achieve full cost recovery for all damage repairs, but ultimately, it is the City’s financial responsibility to repair and restore the affected public areas, regardless of reimbursement funding.

WHAT ARE OPERATIONS COSTS EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

The projections assume a target increase of 4% in 2023/24 and 2% in 2024/25. The Seven Year Projection assumes modest increases of 2% in operations costs in the outer five years. This assumes a continued focus on keeping costs lean, smart, and effective, but also understanding the reality that costs are, and will continue to, increase.



SPECIAL PROJECTS AND PROGRAMS COSTS

WHAT ARE SPECIAL PROJECTS AND PROGRAMS COSTS?

Special Projects and Programs are costs that are either atypical expenses or other projects or programs that are not part of the City's regular operations. Included in this category are items such as minor equipment, studies, intangible assets, community programs, and infrequent repairs or maintenance.

WHAT ARE SPECIAL PROJECTS AND PROGRAMS COSTS EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

The Seven Year Projection assumes \$100,000 annually in special project costs throughout the lookout period. Also included in this section for fiscal year 2023/24 is \$500,000 for the Restaurant Loan Program, and \$1,000,000 for the Broadband Enhancement Project.

CAPITAL PROJECTS COSTS

WHAT ARE CAPITAL PROJECTS COSTS?

Capital Projects costs are expenditures for new capital equipment with a life in excess of one year and costing over \$2,500, and capital improvement projects. Capital purchases are included in the budget only after supplemental budget requests effectively identify and justify the need for such a purchase. Historically, many capital expenditures have been minimized in order to keep costs down. Measure D-20 has made it possible to begin replacement of some of the City's assets and equipment. Staff will continue to pursue grants and effectively use donations when available for the purchase of these and other items as well.

WHAT ARE CAPITAL PROJECTS COSTS EXPECTED TO BE FOR THE NEXT SEVEN YEARS?

The Seven Year Projection assumes a flat \$200,000 each year to cover anticipated capital projects and expenses. Also included in the fiscal year 2023/24 is \$1,000,000 for the replacement of Fire Station #1/Public Safety Center and \$3,000,000 for the Downtown Infrastructure Enhancement Project. Fiscal years 2024/25 through fiscal year 2029/30 include \$1,500,000 annually as a place holder for debt service for Fire Station #1/Public Safety Center replacement. Fiscal year 2024/25 also includes \$5,194,580 for the Downtown Infrastructure Enhancement Project. Revenue for the Downtown Infrastructure Enhancement Project was received in years prior to the expenditure and is currently reflected in the General Fund Reserves.

Summary

Across the last two decades, Council has shown strong leadership in sticking to its financial strategy; tucking away reserves in the good years and judiciously using them as the economy dipped and now continues to improve. The Council, the community, and the staff have responsibly budgeted much of the funding made available by Sales Tax Measure D-20 funds. While these funds have brought some needed relief, they aren't sufficient to fund everything. Prioritization and compromise will continue to be key factors to consider while analyzing the opportunities to come.

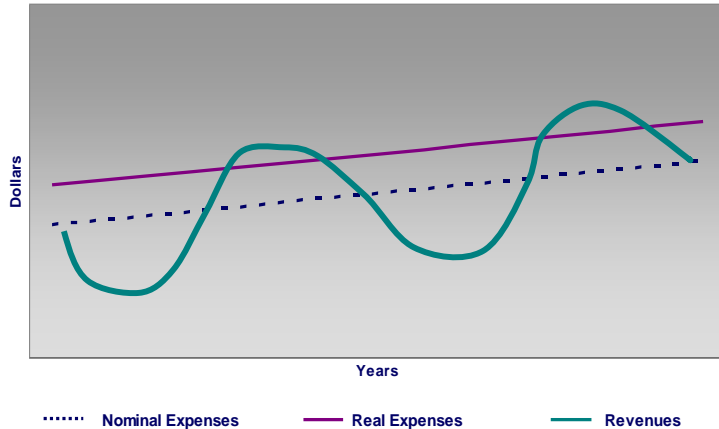
Atascadero

Comprehensive Financial Strategy April 2023

Section 4- Long-Term Costs

Long-Term Costs

In the financial strategy diagram to the right, there are two expenditure trend lines. The lower dotted line represents the strategic plan. That is the limit at which the expenditures are budgeted. However, there are many services that are being consumed that are not included in the bi-annual budget. The upper solid line includes not only the budgeted items, but also all of the unseen expenses that will eventually come due.



The City currently doesn't put any funding into Storm Drain Reserves, yet the storm drains are used constantly, and wear out a little more each day. At some point, they will need replacing and there will be a large price tag associated with this. This has become even more evident after the January 2023 storms. Similarly, there are only minor reserves being set aside for replacement of park equipment or building components. The parks in our community are heavily used and are exposed to the elements. Building components like roofs, HVAC units, and plumbing have a life span and will eventually need to be replaced. The City has made long strides in funding some of these hidden costs like vehicles and technology, but not all of the categories of long-term costs have been funded or funded consistently. In order to make ends meet during some of the economic downturns, many of the reserves that had historically been funded on some level were reduced or not funded at all. Although this expense holiday is helpful to keep the immediate use of reserves to a minimum, these unseen costs continue to incur and escalate each year, and should be understood for thoughtful future planning since the City's infrastructure and facilities will eventually fail and need to be replaced. The economic impacts from the recent storms will exacerbate the unfunded infrastructure liabilities in the short to mid-term, but Measure D-20 could assist in lessening this effect and provide stable funding to address deferred and unfunded needs.

Let's take the example of a hard-working teenager named Dominic. His parents agree to **give** him his first car as long as he can pay for its expenses. He thinks getting a free car sounds great, so he agrees to the deal and gets a job flipping burgers making \$12.00/hour. He works 10-15 hours a week. He feels good about himself. After taxes, he takes home \$5,800 annually. That's just the right amount to pay for his insurance, gas, minor car repairs, and of course, his girlfriend and a few video games.

Take home pay	\$ 5,800
Insurance	(2,000)
Gas	(2,200)
Repairs	(800)
Girlfriend	(350)
Video Games	(450)
Net	<u>\$ -</u>

Satisfied that he makes enough money to accommodate all of the important things in life, our friend Dominic continues on his merry way.

Time moves on, and eventually Dominic finds himself several years down the road. Feeling successful that he's always been able to take care of himself without getting a loan from mom and dad, he hasn't made any lifestyle changes to improve his ability to earn more income or tuck away extra in savings. Therefore, he still works flipping burgers, an honest living. Thankfully, he gets a cost of living raise each year, so he has been able to keep up with inflation. Tragedy strikes when his beloved car finally breaks down and he has to buy a new one. He has not been saving up any money over the last several years, so he has to apply for a loan. Now, with the new car payment, he is unable to make ends meet. Dominic truly regrets not looking forward to prepare for this day by having made the changes that could have allowed him options now that his car is broken and he still has to get to work. As we plan for the City's future, understanding some of the City's unfunded costs will help us to avoid making the same mistake that Dominic made.

Take home pay	\$ 6,300
Insurance	(2,100)
Gas	(2,400)
Repairs	(300)
Girlfriend	(400)
Video Games	(520)
Car payment	<u>(1,380)</u>
Net	<u>\$ (800)</u>

This section analyzes some of the annual hidden costs facing the City. The information developed within the following pages has been verified to the extent possible. However, as more information becomes known or as experience modifies the facts or assumptions, the information will be modified. The intent is one of information; to provide general facts about significant business concerns facing the City. This information is essential to establishing a practical financial strategy.

This section of the report includes an in-depth discussion of issues surrounding street and bridge maintenance, storm drains, building and component replacement, technology replacement, vehicle replacement, and equipment replacement (collectively referred to as infrastructure); a discussion of long-term leave liability, followed by a general discussion of unfunded liabilities and wastewater assets.

In former editions of the Comprehensive Financial Strategy, estimates were provided in each of the categories for the Reserve Deficit, or the total amount of money that should have been placed aside in the reserve fund to date. These estimates have been eliminated from this edition, as they were based on historical costs. The historical cost methodology took the historical cost of each asset when it was built, and then estimated how much of that cost had been used up.

While this is useful information to know for accounting purposes, it is not as useful for planning for future needs of the community. For instance, we know that Fire Station #1 has a historical cost basis of approximately \$177,000 and of that historical investment amount, about \$113,000 has been depreciated or used up. We also know that the costs to rebuild the Fire Station to essential services building standards is in the tens of millions of dollars, not hundreds of thousands of dollars, and using the \$177,000 figure would give

the wrong understanding of the financial picture. Data is not available for the precise costs of Fire Station #1, other City facilities, equipment and infrastructure, as adequate resources have not been available to further update the valuation data. Information is provided, where possible, to give the reader a sense of the magnitude of replacement cost deficits in each category.

Infrastructure

Infrastructure includes the basic facilities and assets needed to run the City. It includes public infrastructure such as roads, storm drains, street lights, traffic signals, sidewalks, bridges, wastewater collection and treatment, and other large capital items needed to support households, businesses, and industries. It includes facilities such as fire stations, police station, parks, the zoo, City Hall and other large capital assets that are needed to provide services to the public. It also includes the basic underlying capital assets needed for the day-to-day operations of the City including computers, software, radios, breathing apparatus, police cars, tractors, fire engines, etc.

The research into these areas illustrates the need for reserve funds to deal with these business costs. The following table summarizes the findings contained in this Section. The Reserve Fund Strategy is the average amount budgeted for each year in the current budget cycle. The Annual Reserve Fund Requirement is the annual need for each of the areas if the City was able to provide full funding.

INFRASTRUCTURE REPLACEMENT		
	Estimated Annual Reserve Requirement	Reserve Fund Strategy
Streets Maintenance	\$ 5,000,000	\$ 5,533,200
Bridge Maintenance	280,000	115,400
Storm Drain Maintenance	390,000	60,000
Building and Park Replacement	2,049,320	250,000
Technology Replacement	198,000	198,000
Vehicle Replacement	544,290	544,290
Equipment Replacement	264,750	225,000
TOTAL	\$ 8,726,360	\$ 6,925,890

The scope of this may seem daunting, however, the City does not need to have all assets in new condition to function smoothly and provide services to its citizens, and all costs certainly won't come due in the near term or all at the same time. A "fair" condition for the roads might be the realistic targeted service level, and that is a much different reserve than assuming all roads need to be in "excellent" condition. Each infrastructure system needs to be looked at individually and when analyzing infrastructure funding, the City should look at immediate needs, long-term funding needs, when an asset needs to be replaced, what has worked historically, and what are the service levels the City can maintain.

Street and Bridge Maintenance

Introduction:

The City of Atascadero is responsible for maintaining a transportation system that involves 145 centerline miles of roadway. While the primary focus of maintaining this system has been on pavement management, other system components include bridges, traffic signals, traffic signs, pavement markings, guardrails, street lights, landscape medians, curbing, sidewalks, pedestrian ramps, and storm drainage. All these components are integrated into the City's transportation system and work in concert to support safety of motorists, pedestrians, and bicyclists. Furthermore, the transportation system is a core function to support residents, businesses, industries, commerce, and public safety (police and fire). This network represents a substantial investment by the City, and has been identified as a critical concern of the community. This section deals with the street, bridge and other similar infrastructure maintenance responsibilities of the City.

Analysis:

Streets:

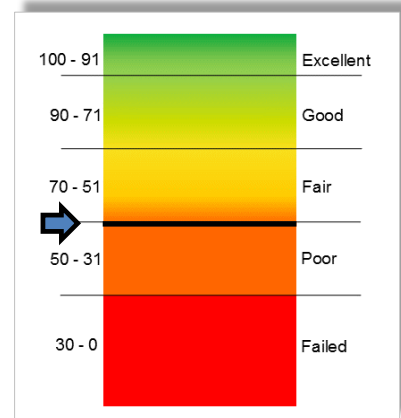
The Atascadero Road Program was developed in 1999 to focus the City's efforts in maintaining and protecting the roads of Atascadero in an organized, efficient and cost-effective manner. With the relatively high miles of road to maintain and the relatively low revenue per capita, keeping the City's roads maintained in a fair or good condition has always been a challenge. Ironically, some of the conditions that make the community so wonderful to live in, such as Atascadero's rural character and relatively low population, make it the most difficult to secure funding. Many federal and state road maintenance funds (i.e. Gas Tax revenue) are derived from population statistics. Similar to many other cities, Atascadero suffers from a funding shortfall for road maintenance due to the aging road system and the City's revenue base. The reality is that funding options from federal and state agencies are limited, leaving the City with fewer options for maintenance and rehabilitation.

Since the inception of the Atascadero Roads Program, significant effort has been made toward repairing the roads and minimizing the maintenance deficit. The Atascadero Road Program is based on local pavement management strategy. Pavement management is the process of planning the maintenance and repair of City streets, in order to optimize pavement conditions over the entire network. Pavement management incorporates life cycle costs into a more systematic approach to minor and major road maintenance and reconstruction projects. The needs of the entire network as well as budget projections are considered before projects are executed. Pavement management encompasses the many aspects and tasks needed to maintain a quality pavement inventory, and ensure that the overall condition of the road network can be maximized to the extent possible.

In March 2015, the City Council endorsed the Critical Point Management methodology for the City's Pavement Management System. The City utilizes a software program called

StreetSaver® to manage roadway pavements. This software is one of the most accepted industry leaders in pavement management technology. The road network and GIS information were entered into the program and then streets were field inspected for pavement distresses. The collected data is used to calculate a Pavement Condition Index (PCI) based on the 0 to 100 rating scale, 100 being excellent and 0 representing a failed road. StreetSaver® keeps track of the inspected conditions for each roadway segment (intersection to intersection) and any maintenance and improvement work is logged to keep conditions current. Funding scenarios are run using the critical point management and PCI break points to develop a priority list of roadway segments that are included in the City 5-year Capital Improvement Program.

Visual field inspections were last performed in April 2019 for the 145 miles of municipally maintained and managed roadway system. At that time, the overall weighted PCI was 50 on a 100-point scale, which corresponds to the very upper range of “poor” pavement conditions. This also represents an increase in PCI of three points from the previous field inspections conducted in 2014. Back in 2014, the PCI was projected *to decrease* three points over a five-year period, *even with* the new Measure F-14 funding, but *actually increased* three points. This increase demonstrates that Critical Point Management, coupled with sound engineering decisions, is a successful strategy. It is important to keep in mind that PCI numbers are relevant to one another and used as a planning tool for prioritizing where monies are best spent. Field inspections are undertaken every five years, with the next inspections scheduled for 2024.



The breakdown by functional road classification is summarized in the following table:

Street Classification	Centerline Miles	Area (Square Feet)	Percent of System	Average PCI
Arterial	37.36	5,928,609	31.2%	59
Collector	21.65	2,895,138	15.2%	50
Residential	85.73	10,185,434	53.6%	46
Total	144.74	19,009,181	100.0%	50

The following table shows the PCI distribution in the street system in 2019:

Condition	PCI Range	Percent of System
Excellent – Very Good	100 - 91	5.73%
Good	90 - 71	14.01%
Fair	70 - 51	25.17%
Poor	50 - 31	30.33%
Failed	30 – 0	24.76%

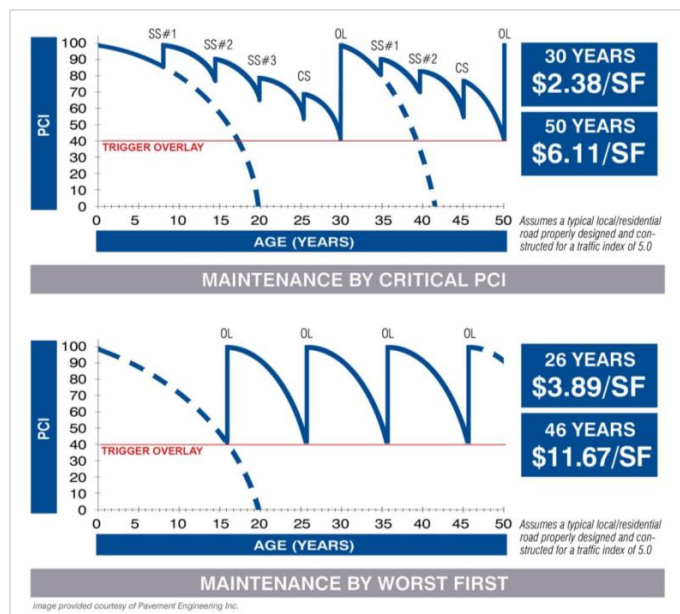
Critical Point Management involves utilizing pavement management strategies, improvement techniques, and prioritization for roadway projects with the available funding that are geared to provide the lowest life cycle costs for the roadway system.

There are three common strategies in pavement management and project prioritization:

1. “Best First” – focuses on keeping best conditioned streets in good condition;
2. “Worst First” – focuses on improving the worst conditioned street; and
3. “Critical Point” – focuses on preventing streets from dropping into PCI ranges that trigger more expensive maintenance and improvements.

There are economical, safety, and social/political considerations in each of the strategies. The first two strategies are short-sighted and will allow roadways to degrade and slip into a more costly PCI range for needed improvements. The critical point strategy is a long-range methodology that focuses on preventing roadways from dropping into PCI ranges that trigger more expensive maintenance and improvements.

Although the unit prices are not current, the charts to the right provide an example of the costs savings by employing the critical point management theory.



State and federal revenue streams for transportation are primarily funded through the fuel tax. Higher fuel efficiency vehicles, increases in electric vehicle use (which do not pay any gas tax) and changes in vehicle use patterns all affect the current revenue stream and foreshadow continuing declines in fuel tax receipts for future transportation investments. Even though vehicle miles traveled in California have increased and fuel prices have risen significantly in that same time period, the California gas tax can't keep pace with the cost of road maintenance and repairs. Broad inflation over the last several years has also significantly impacted construction costs, and oil price increases specifically have increased the costs for asphalt pavement rehabilitation. The passage of SB-1 accommodates annual adjustments to the gas tax rates, but it will take many years (if ever) to finally intercept the inflated rates and CPI increases that have occurred in the past.

Funding available to the City for road projects has been a challenge. The City continues to maximize the projects that can be completed with the funding that is available, in addition to actively looking for any grant opportunities that may become available. The cost to maintain Atascadero's road system, combined with the declining availability of

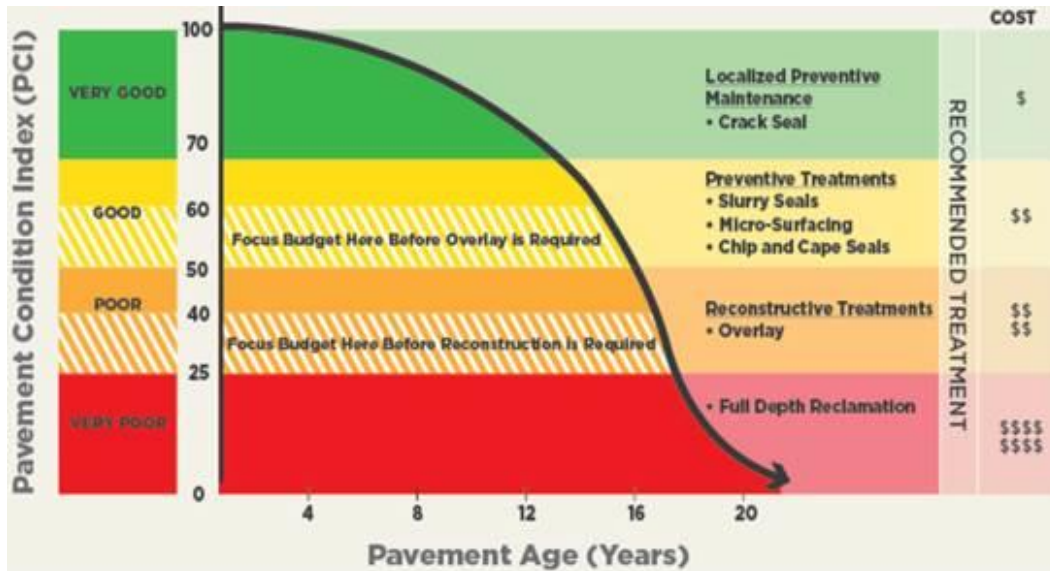
road funds to accomplish this maintenance, were key considerations for a sales tax increase that would primarily fund road projects.

In November 2014, Atascadero voters approved Measure F-14, a half-cent sales tax increase that became effective April 1, 2015. The voters also approved advisory Measure E-14 at the same time, indicating that the community preferred to spend that additional revenue on roads. Measure F-14 provides additional road funding and will work together with the City's existing funding sources to maintain/increase the citywide road conditions. Measure F-14 was approved for a period of 12 years. It will expire in fiscal year 2026/27 unless it is approved by Atascadero voters to continue beyond that time. The Road Maintenance and Rehabilitation Act (SB1) provides an estimated \$600,000± annually to supplement the City's ongoing maintenance efforts.

The City has developed a 5-year Capital Improvement Program (CIP) for roadway projects, which includes projects funded by both Measure F-14 fund and existing City capital project funds. Over the five-year period, the City anticipates spending over \$28 million to maintain and improve City maintained roads. StreetSaver®, using critical point management, is used to develop a list of roadway segments for consideration each fiscal year. Roadway projects utilizing Measure F-14 funds are typically not combined with other roadway segments utilizing other funding sources. A separate list is generated for Measure F-14 roadway segments and non-Measure F-14 roadway repairs.

The current 5-Year Capital Improvement Plan (FY21/22 – FY25/26) includes over 36 centerline miles of roadway improvements involving rehabilitation or resurfacing. Almost 25 miles are funded with Measure F-14 funding, and the remaining approximate 11 miles have other funding sources, such as LTF and SB1. While the 36 miles of road improvements translates to nearly 25% of the City's maintained roadway system being improved over five years, this does not translate to mean that the entire system will be improved in the next 15 to 20 years since many of these roads are in a fair to good condition and less costly to repair than those which are not included.

The StreetSaver® pavement management approach will assist the City in optimizing available funding by focusing projects in the highest need ranked areas and performing lower cost preventative maintenance as much as possible to avoid higher cost reconstruction project. Spending funds on preservation (crack filling, seal coating, chip seals, etc.) delays or prevents major restoration projects, and results in lower long-term costs. Well-timed preventative maintenance of a roadways' surface increases its service life and delays the need for expensive rehabilitation or reconstruction. This has been particularly apparent in the last several years as both oil prices (the primary cost component of asphalt) and labor costs have escalated. While costs for resurfacing, which has the lowest oil content and is the most mechanized, have remained fairly stable, costs for more labor-intensive asphalt overlays and roadway reconstructions have increased substantially. This is illustrated in the cost per square yard for minor maintenance all the way up to major reconstruction in the following chart.



Traffic Signals, Traffic Signs, and Pavement Markings:

The City owns and operates 12 signalized intersections - two which are located at the Santa Rosa Road/US 101 interchange and the remaining ten located on El Camino Real at Santa Barbara Road, San Rafael Road, Santa Rosa Road, Palomar Avenue, Junipero Avenue, Curbaril Avenue, West Mall, Traffic Way, San Anselmo Road, and Del Rio Road. Many of these traffic signals were constructed as a condition of nearby developments to mitigate traffic impacts generated by the development to the intersections. The most recent traffic signal constructed is over ten years old (Santa Rosa at US 101) and others are much older. However, over the last two years improvements have been made, as a condition of adjacent developments, to portions of the intersections signal systems at the West Mall and Del Rio Road intersections. Additionally, signal improvements are planned at the El Camino Real/Traffic Way intersection as part of an upcoming CIP project.

The Master Facilities Plan includes improvements to some of the remaining intersections that will require replacement or upgrades to traffic signals. The cost of these improvements are calculated into the Traffic Impact Fees charged to developments and eligible for use of those funds when improved or upgraded. However, these funds are not eligible for upkeep, repairs, or in-kind replacement of traffic signal components, which often are paid from operational expenditures.

Other critical components to the City’s transportation system include traffic signs and pavement markings. There are currently 2,120 traffic signs, 16.5 miles of pavement striping and 24,210 pavement legends in use on City maintained roadways. While these signs and markings may seem to be trivial expenses compared to road improvements and bridge replacements, signs and markings instruct and guide motorists and other roadway users for safe use of the roadways. This is especially important when driving in the dark.

The Federal Highway Administration (FHWA) understands the importance of keeping traffic signs and pavement markings in good condition, and made an amendment in 2012 to the Manual on Uniform Traffic Control Devices (MUTCD) requiring retro-reflectivity standards. The MUTCD requires the City to have a management plan to inspect and replace traffic signs, which typically need replacement every ten to fifteen years. Pavement markings wear out much quicker depending on type and traffic usage. Painted markings last from one to four years, while new thermoplastic markings may last up to seven years. Pavement markings will become much more important to keep in good condition as vehicle automation with self-driving cars rely on pavement markings for controlling and guiding the vehicle. Replacement of traffic signs and maintenance of pavement markings is currently paid through operational expenditures. Pavement markings are typically replaced with thermoplastic markings with roadway projects on the capital improvement program, but maintenance of others are typically painted.

The annual reserve requirement for streets, including traffic signals, signs and pavement markings, is estimated at \$5 million. Based on information from StreetSaver®, it is estimated that the total accumulated reserve deficit is about \$120 million.

	Estimated Annual Reserve Requirement
Streets Maintenance	\$ (5,000,000)

Bridges:

The City is also responsible for 18 vehicular bridges and a handful of other non-vehicular bridges such as Centennial Bridge over Atascadero Creek. While some of these bridges are relatively newer, such as the Lewis Avenue Bridge over Atascadero Creek, others are in excess of 100 years old. The following table shows the vehicular bridge inventory within the City. The Garcia Road over Graves Creek is privately owned and maintained, and the UPRR railroad bridge over Capistrano Avenue is the responsibility of Union Pacific Railroad, but both are shown on the table as they are located within City limits.

Bridge Number	Feature Intersected	Facility Carried	Location	NBI Bridge	SD	Suff Rating	Bridge Health Rating	Year Built
49C0157	ATASCADERO CREEK	SYCAMORE RD	0.05 MI N OF S.R. 41	NBI Bridge		76.0	Fair	1990
49C0158	ATASCADERO CREEK	VIA AVE	0.12 MI E/O TRAFFIC WAY	NBI Bridge	SD	30.1	Fair	1948
49C0159	ATASCADERO CREEK	SAN ANDRES AVE	0.25 MI W S.R. 41	NBI Bridge		97.5	Fair	1993
49C0160	ATASCADERO CREEK	SAN GABRIEL RD	N OF W LINDO AVE	NBI Bridge		74.2	Fair	1969
49C0163	GRAVES CREEK	DEL RIO RD	0.40 MI W OF SR 101	NBI Bridge		58.5	Fair	1957
49C0164	GRAVES CREEK	SANTA LUCIA ROAD	LIANO RD	NBI Bridge	SD	21.4	Poor	1926
49C0277	GRAVES CREEK	MONTEREY RD	AT GRAVES CREEK RD	NBI Bridge		93.8	Fair	1993
49C0295	ATASCADERO CREEK	PORTOLA RD	0.1 MI WEST OF SR 41	NBI Bridge		48.4	Fair	1950
49C0312	ATASCADERO CREEK	ATASCADERO AVE	0.12 MI NW SANTA YNEZ AVE	NBI Bridge		66.4	Fair	1958
49C0313	WEST BRANCH PALOMA CREEK	VIEJO CAMINO	0.4 MI SE EL CAMINO REAL	NBI Bridge		54.3	Fair	1959
49C0364	PALOMA CREEK	VIEJO CAMINO	0.2 MI SE EL CAMINO REAL	NBI Bridge		97.0	Good	1976
49C0365	E BRA ATASCADERO CRK	EL CAMINO REAL	0.12 MI SE OF SR 41	NBI Bridge		83.8	Good	1965
49C0430	ATASCADERO CREEK	EL CAMINO REAL	0.1 MI SW INTX EAST MALL	NBI Bridge		96.1	Good	1915
49C0431	ATASCADERO CREEK	HOSPITAL DRIVE	0.1MI SW INTXCAPISTRANO	NBI Bridge	SD	48.4	Poor	1921
49C0432	CAPISTRANO AVE	UP RR & AMTRAK	0.2MI N FROM INTX VIA AVE	NBI Under				1902
49C0439	GRAVES CREEK	GARCIA ROAD	0.3 MI NORTH OF DEL RIO	NBI Bridge		99.9	Fair	2007
49C0442	ATASCADERO CREEK	LEWIS AVE	0.2 MI WEST OF SR 41	NBI Bridge		93.0	Good	2007
49C0450	GRAVES CREEK	FERROCARRIL RD	0.1 MI W/O EL CAMINO REAL	NBI Bridge		66.5	Good	2005
49C0451	UP RR & AMTRAK	EL CAMINO REAL	0.1 MI N/O SAN RAMON RD	NBI Bridge		76.2	Good	2005
49C0452	EAGLE CREEK	ATASCADERO ROAD	.1 MI E OF SA. BARBARA RD	NBI Bridge		82.2	Good	2005

Caltrans inspects and rates each of the 18 City bridges every two years. As the table shows, most bridge condition are in the fair and good category rating. There are two bridges with poor ratings, and three that are “Structural Deficient” (SD) or not capable of handling the current design loads. Many others in the table are “Functionally Obsolete” and do not meet current standards for lane configuration, approach alignments, or other geometric requirements.

Historically, bridge maintenance and replacement have largely been funded through the federal Highway Bridge Replacement and Rehabilitation Program (HBRRP). While this funding had been looking much less secure, significant funding became available in 2022 for bridge replacement projects ready for construction. This is welcome news for the City, as two bridges currently scheduled for replacement (Via Avenue over Atascadero Creek and Santa Lucia Road over Graves Creek), were allocated construction funding through HBRRP and will be replaced during 2023. Going forward, however, the amount of HBRRP funding available for future projects remains unclear, and eligibility requirements for HBRRP funds have tightened as costs escalated for current projects in the federal Program, leaving fewer resources available.

The annual reserve requirement for bridges is estimated at \$280,000.

	Estimated Annual Reserve Requirement
Bridge Maintenance	\$ (280,000)

Conclusion:

It is the City's goal to fully fund street maintenance and the Public Works Department has developed a strategy to maximize available road project funding. Measure F-14 and SB1 have been a boost in local roadway funding and will go a long way in improving the PCI of Atascadero's road system, but the City needs to invest more if the overall pavement condition of the roadway system is to continue to increase and other transportation components are proactively maintained and replaced to ensure the performance, reliability, and safety of all that depend upon it.

Storm Drain Maintenance

Introduction:

Atascadero's Storm Drain system has historically been a source of mystery and concern. The collection system is primarily a covert system; its purpose is to quietly collect excess runoff and keep the streets from flooding. Thanks to the efforts of the Public Works department, the storm drain system is fairly effective in keeping the water off the streets and reducing the risk of flooding in typical rain events, but it hasn't always been like that. In the not too distant past, even modest rains brought uncontrolled flooding, primarily due to the "organic" nature in which the system was constructed, which relies on surface drainage to convey stormwater runoff. By better understanding the system and evaluating the condition of each of the components, the City is better able to manage the system and be proactive in preventing problems.

Analysis:

To this end, in 2012, the Public Works Department inventoried the complete drainage system of all pipes, inlets, manholes and bridges, and measured and characterized the location, size, material and general condition of each facility. There are currently over 28-miles of culvert or storm drain piping within City road right-of-way. The study created an initial priority list for future projects, and established a replacement schedule and the funding needs based on conservative lifespan and construction costs so as to not overstate the cost to maintain these facilities.

Using the information collected, a number of immediate maintenance and replacement projects were identified, and carried out within the limitations of the current Operations budget.

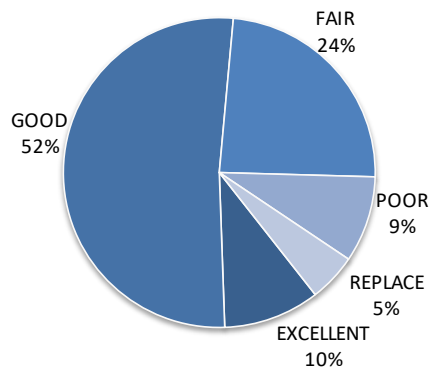
The following are some highlights of the study's findings:

Existing Storm Drain Inventory (2012 Study)

- 28 miles of existing culverts within the city's storm drain network
- A total of 1,740 individual pipe segments
 - 1,022 segments are CMP (shortest lifespan)
 - 416 segments are HDPE
 - 238 segments are RCP
 - 60 segments are PVC
 - 4 segments are Steel
- 1,440 segments are City maintained
 - The length of city maintained culverts is 24.4 miles
 - 48% of all city maintained culverts are CMP
 - Currently 3,180 feet of culvert is characterized as needing near term replacement
- 600 drain inlets and structures

The graph below illustrates the condition of the segments in 2012:

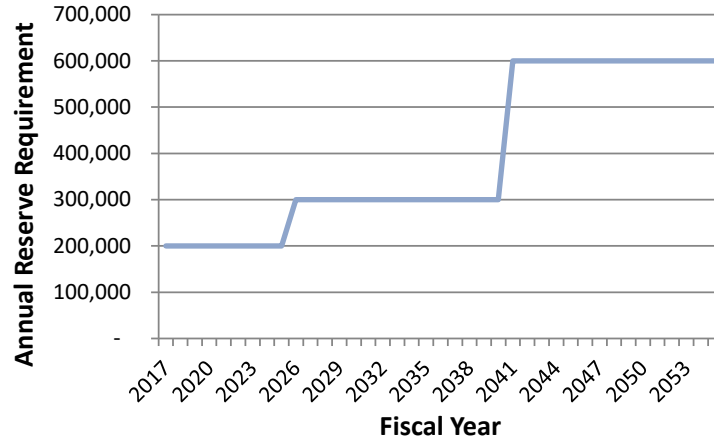
Storm Drain Segment Condition



The good news is that 86% of pipes in the 2012 Study were considered “Fair” or better. As of 2012 that left only 14% in a condition that needed replacement in the next 4 to 10-years. However, galvanized steel pipe (CMP) has a life expectancy of 15-40 years, and over the past ten years since the 2012 study a significant percentage of the CMP installed in the City has reached or exceeded that life expectancy. A rough estimate of the annual storm drain replacement needs over a 30-year period is \$200,000 per year through 2025, ultimately increasing to \$600,000 per year.

When possible, the City includes replacement of old CMP storm drain pipes with new HDPE (high density polyethylene) pipes during roadway rehabilitation projects. This significantly lowers storm drain replacement construction costs and minimizes impacts to the travelling public. This also reduces the amount that the City needs to set aside specifically for drainage replacement costs as those costs are included with the road project costs. An updated drainage system evaluation will provide more accurate and detailed information of existing liabilities.

The future replacement schedule will significantly increase as CMP material culverts (primarily) installed in the '70's, 80's and '90's reach their expected lifespan. The study concludes that replacement costs step up and are estimated as follows:



The annual reserve requirement for storm drains is estimated at \$390,000.

	Estimated Annual Reserve Requirement
Storm Drains	\$ (390,000)

Conclusion:

The City gained a much better understanding of the Storm Drain system after the 2012 study was performed. The 2012 study, combined with additional data gathered during street inspections, has provided valuable information on the condition and location of each of the many components so the Public Works Department can best focus resources on the issues of highest concern. Although the system is aging, the majority of it is in relatively good shape. The proactive approach to repairs of the storm drain components protect life and property by reducing or preventing flooding and helping to preserve the adjoining roads and infrastructure. City staff plans to perform an updated evaluation of the storm drains and culvert conditions and costs in the near future.

Building Replacement

Introduction:

The City of Atascadero owns a number of different buildings including City Hall, Police and Fire Stations, the Pavilion on the Lake, the Colony Park Community Center, and the City Corporate Yard. This section also encompasses a wide range of assets such as park restrooms, playgrounds, sports areas, building improvements, and Zoo exhibits, just to name a few. Assets of most departments are included in the following discussion, with the exception of the Wastewater Department.

Analysis:

The City keeps a list of all buildings and improvements within the City. The list estimates the original cost, size, age and remaining life of the assets. The list tracks all buildings, storage structures, park buildings and improvements, and Zoo exhibits along with the corresponding costs and depreciation. The City should be setting aside funds each year in the reserve account to fund replacements and major repairs.

The fire stations are good examples of the City's need to invest in building replacement. Over the decades, the fire stations have housed many firefighters while they work to protect the City of Atascadero. Built in 1952, Station 1 on Lewis Avenue was designed as a station for a mostly volunteer firefighting staff. From volunteer firefighter beginnings, the station morphed into what we have today, which required several remodels and changes along the way. Station 1 now facilitates 24/7 staffing which required the addition of bedrooms, bathrooms and a kitchen. It houses three fire engines, one rescue trailer, one ambulance and several command vehicles. It provides storage for advanced medical equipment and supplies, self-contained breathing apparatus equipment, the firefighter turnout washer, breathing air compressor and so much more.

While staff takes great pride in maintaining the Fire Station, the station is showing signs of its nearly 70-year old age. Water-stained ceiling tiles, masonry cracks throughout the station flooring, driveway and exterior columns, diesel exhaust stained walls, small rooms and limited storage all speak to the underlying issues that the current budget has been unable to fix. Safety items to be addressed include the structural stability and earthquake retrofit of both the roof structure and the hose tower. The station needs updated features to keep firefighters safe. Cancer causing agents such as vehicle exhaust and dirty turnout gear or biohazards on medical equipment need to be isolated from the living quarters to keep firefighters safe and healthy. Fire Station #1 is in the early stages of replacement using Measure D-20 funds.

Fire Station 2 was built in the mid-1980s and is also showing its age. With one bedroom and a small square footage, it was built to house two firefighters. With four firefighters now on duty at the station during the wildfire season, this small footprint provides for very cramped quarters.

Maintenance and enhancement of the Charles Paddock Zoo and the animal exhibits will continue to be a priority. Many of the animal exhibits at the zoo are very old, deteriorated and functionally obsolete. In order to continue to provide for these endangered animals, these exhibits must be replaced in the near future. Many of the Zoo's needs are often met through the generous donations of the community. The Zoo has historically received donations both through the Friends of the Zoo, and directly from members of the community. The Thelma Vetter Red Panda Exhibit is a great example. Staff work diligently to maximize these funding sources by fulfilling the unmet needs of the Zoo, and follow up with City-funded resources when possible. The Zoo will need to make some significant replacements to animal exhibits in order to maintain accreditation.

Park facilities are also deteriorating including parking lots, sidewalks, benches, picnic tables, playgrounds, restrooms, and athletic facilities. The shoreline retaining walls at Atascadero Lake needs significant work, and the lake requires costly periodic dredging to keep it healthy.

Replacing and repairing these assets has been put off in order to make ends meet. Some items like playground equipment, shade structures or picnic benches are removed until donations are made to replace them. Other critical infrastructure that must be replaced or fixed is done as an emergency measure by eliminating or delaying some other service, program, or capital replacement. It is important to find ongoing funding to repair and replace these items as necessary.

Understanding the value of funding these items, the City Council has authorized transfers from the General Fund to the Building Maintenance and Replacement fund. These investments are made possible due to some one-time occurrences in the General Fund in a particular year, making the amount unexpectedly available to be put in reserves for future facility repairs or replacements.

A valuation of Atascadero City-owned property was recently completed and paid for by the California Joint Powers Insurance Authority (CPJIA), the City's self-insurance pool. The replacement cost of City-owned buildings and improvements was estimated in excess of \$88 million. This doesn't suggest that the City should have that amount tucked away in a reserve account, however it does provide some context as to the level of investment the City has in this category

The estimated annual reserve requirement for building replacement is demonstrated below:

BUILDINGS	
City Department	Estimated Annual Reserve Requirement
Historic City Hall	\$ (962,330)
Fire	(351,080)
Parks	(196,310)
Pavilion	(92,940)
Police	(112,130)
Recreation	(198,910)
Public Works	(31,380)
Zoo	(104,240)
Total Ideal	(2,049,320)
Current Funding Level	250,000
TOTAL (Deficit) / Surplus	\$ (1,799,320)

Conclusion:

It is the City's goal to fully fund building replacement. The City was able to begin partially funding building replacement in fiscal year 2000/01, and continued through 2008/09 until the Great Recession prevented further funding. There is currently about \$4.2 million saved up in the fund. Historically, the building reserves were largely used to pay for repair projects and improvements, which prolong the lives of the assets and keep them in good working order. In addition, staff actively looks for grants and other opportunities to augment available funds. The City has been successful with FEMA/OES and California Cultural and Historical Endowment (CCHE) funding for City Hall, grant programs such as the Energy Efficiency Grant for municipal buildings, Proposition 68 for the replacement of the Atascadero Lake Pier, and local donations. This has been an effective strategy thus far, but eventually costs will come due. Fire station #1 is scheduled for replacement and because there aren't enough building replacement reserves, that project is being funded with Measure D-20 funds.

Technology Replacement

Introduction:

The City has a significant investment and dependence on technology equipment throughout the different departments. The computers and associated software make-up a technology system that is crucial to the day-to-day operations of the City. The system represents a total value of about \$3.4 million including specialized software. This section deals with the current technology replacement responsibilities of the City.

Analysis:

Each department was reviewed for the number of computers and associated software necessary to complete department objectives. Expected useful lives and replacement costs are determined and used to calculate the amount of reserve necessary each year. As technology continues to emerge quickly, it can be difficult to know what the future brings. Technology staff are always on the lookout for newer and more efficient technology that will provide safe and effective computing tools for managing City business. The City has been funding replacement and maintenance reserve for technology for almost 25 years, and as a result, the technology reserve is almost fully funded. Both hardware and software are maximized and best efforts are made to stretch the useful life out as long as possible, while keeping a tight balance with efficiency.

The reserve fund allows for hardware and upgrades as determined necessary. Daily City business functions are dependent on the consistent operation of the City's computers, associated technologies, safety, data backup, and data integrity. The two biggest concerns in the field of technology and data management are data loss and data corruption (through any number of methods.) Data backup and redundancy are critical to protect against these two concerns and are the backbones of the City's technical infrastructure. The City must be prepared in the event of emergencies that may impact the electronic operations of the City, and the City must have security in place to avoid being the target of unwanted data intrusions and ransoms. Therefore, it is critical that the City have a designated reserve for the replacement and upgrade of computers and other technology equipment as it becomes obsolete.

The annual cost to provide for replacement of the technology system is as follows:

TECHNOLOGY	
City Department	Estimated Annual Reserve Requirement
City Council	\$ (900)
City Manager	(3,630)
Administrative Services	(18,060)
Police	(27,550)
Fire	(9,040)
Community Development	(8,950)
Recreation	(6,180)
Public Works	(7,690)
Information Technology	(116,000)
Total Ideal	(198,000)
Current Funding Level	198,000
TOTAL (Deficit) / Surplus	\$ -

Conclusion:

It is the City's goal to maintain a technology fund that will provide for the replacement and upgrading of technology as needed. Since the City began funding technology replacement in the 1998/99 budget, an adequate reserve exists to fund the City's technology needs in order to keep operations running smoothly and efficiently. Costs to fully fund technology have not been delayed as other reserve funds were. In addition to providing the opportunity to replace items as needed, the technology reserves allow the City to take advantage of newer and more efficient technologies as they become mainstream. That being said, technology is constantly evolving and prices are continuously changing. The amount to fully fund this category of about \$2.4 million in technology assets may change and grow, and will be evaluated again as we move into the new budget cycle.

Vehicle Replacement

Introduction:

The City owns many vehicles that are operated in the various City departments, from patrol cars to parks vehicles. The estimated replacement value of this rolling stock is about \$7.3 million. Eventually, all of this equipment must be replaced as it becomes ineffective. Like similar tools addressed previously, vehicles are critical to performance of department objectives and in order to carry out the priorities of the community.

Analysis:

Ninety-eight percent of the value of the \$7.3 million in vehicles belongs to the police, fire and public works departments. All of these departments require employees to travel throughout the community with very specialized vehicles. Police officers need patrol cars to keep criminal activity in check, fire fighters need fire trucks and engines to fight fires, and public works need tractors, mowers, and service trucks to keep up the infrastructure and the community treasures.

These specialized vehicles are critical to the operations of the departments and are typically higher priced purchases. The Council's goal has been to fully fund the vehicle replacement fund. Vehicles, like technology, are used until they become either inefficient or inoperable. Savings can be achieved when a vehicle's useful life can be stretched out by one or more extra years. Staff has been conscientious about how this affects the City's bottom line and has utilized this technique effectively.

While the City has consistently been funding the routine replacement of smaller vehicles such as police cars and building inspector vehicles, there was pause on funding the larger, more expensive vehicles from 2009-2011 through 2019-2021 due to revenue constraints. Starting with the 2021-2023 budget cycle, these vehicles are once again being funded and additional amounts were added to the reserve to make up the difference from the twelve-year funding holiday. These were funded with Measure D-20 in the 2021-2023 budget cycle.

Costs of replacement vehicles have risen significantly in the past few years. Starting with the 2021-2023 budget cycle, many of the replacement values of the existing rolling stock were increased to reflect current pricing environments. Prices have continued to rise in the last two years, and it is only very recently that prices are beginning to ease slightly. The COVID-era impacts of supply chain shortages have not yet be resolved in the marketplace, and supply of most vehicles continues to be restricted. It is not uncommon to see lead times of a year or more on police and fire vehicles, which puts even more pressure on the departments to continue use of older rolling stock.

The estimated annual reserve for vehicle replacement is as follows:

VEHICLES	
City Department	Estimated Annual Reserve Requirement
Police	\$ (243,720)
Fire	(221,120)
Community Development	(6,000)
Recreation	(3,000)
Zoo	(4,000)
Public Works	(5,030)
Streets	(28,340)
Parks	(26,080)
Building Maintenance	(7,000)
Total Ideal	(544,290)
Current Funding Level	544,290
TOTAL (Deficit) / Surplus	\$ -

Conclusion:

As part of the budget cycle, staff will look at the City's fleet of vehicles to determine the appropriate amount of annual funding needed and how much of that can be accommodated in the budget. Thanks to the careful planning of the Council, the City has met its goal to have sufficient funding for the replacement vehicles. Because the City has committed to annually contributing to vehicle replacement, vehicles are replaced as needed.

Equipment Replacement

Introduction:

The City has a significant amount of equipment, which is essential to the operation of the City. These tools are necessary and allow employees to effectively perform their duties. The ideal strategy would be to work toward a program where replacement is funded annually, allowing the City to stay current with equipment. Wastewater equipment is not included in the estimates for this section.

Analysis:

Each department has specialized equipment that assists employees in performing their duties as expected. Office staff need office machines such as copiers, police officers need radios and radio repeaters, fire fighters need breathing apparatuses and jaws of life, parks employees need mowers and irrigation equipment.

For example, as an all risk fire department, the firefighters are equipped and trained to respond to not only structure and vegetation fires, but also medical emergencies, traffic collisions, hazardous material incidents, technical rescues, natural disasters and more. Public safety personnel rely on a variety of tools and equipment that are crucial to mitigating these emergencies.

Traffic collisions sometimes require extrication tools, like the Jaws of Life, to remove a trapped occupant from a vehicle. Every medical emergency, fire paramedics use cardiac monitors to assess and treat patients. Firefighters require specialized breathing apparatus to fight structure fires, keeping their airway safe from fatal heat and gases. Both Fire and Police require specialized protection as part of their uniform, like firefighter turnouts and bulletproof vests and helmets. All public safety members rely heavily on radios for communication, which not only means hand-held and mobile radios, but also the towers and equipment that support the radio network. Recent mandates by the State have placed additional requirements on the Police Department radio system.

Also, standby generators are important pieces of equipment throughout the City that allow services to continue uninterrupted during power outages or PG&E power shutdowns. Generators provide back-up power to essential service buildings such as the Police and Fire Stations, but also power essential functions such as radio repeaters sites, wastewater lift stations and Zoo refrigerators, but not all of these facilities have the generators needed in a PG&E widespread shut down.

While Staff does their best to keep existing equipment running for the maximum amount of time, eventually equipment ceases to be effective. Often times, specific items of equipment must be replaced to comply with new regulations or safety requirements. The City's budget has included some contribution to the equipment replacement fund during most of the fiscal years 2000/01 through 2007/08. Limited, yet helpful, contributions were included in the 2021-2023 budget cycle. While all of these tools and equipment are critical

to public safety, they are not yet fully funded. Police, Fire and Public Works have relied many times on grants and donations to fund this equipment, and continue to look for grants and alternative funding sources were possible.

The 2021-2023 budget cycle includes \$450,000 for an asset management program. The process of implementing this program would include a survey of the City's equipment and other assets. Once this survey has been completed, and the data has been verified and uploaded to the software program, staff will have a much better idea of what the annual reserve amount should be, and expect it to be much more significant than current estimates below. Until that time, the estimated annual reserve for equipment replacement is as follows:

EQUIPMENT	
City Department	Estimated Annual Reserve Requirement
Administration	\$ (7,760)
Police	(76,140)
Fire	(144,780)
Recreation	-
Pavilion	(360)
Zoo	(60)
Public Works	(4,140)
Streets	(8,590)
Parks	(22,920)
Total Ideal	(264,750)
Current Funding Level	225,000
TOTAL (Deficit) / Surplus	\$ (39,750)

Conclusion:

It is the City's goal to fully fund equipment replacement; however, this has been a difficult goal to achieve. Equipment replacement was funded from about fiscal year 2000 to fiscal year 2008. City staff has been very successful obtaining grants for critical equipment replacement, and have received generous community donations to fund equipment such as a large portion of the breathing apparatus equipment for fire fighters. The Fire Department has also received funding to the replace the extrication equipment. The Police Department has used special funding and grants for communications equipment and other police equipment. City staff will continue to maximize the equipment life to the extent possible, take advantage of savings opportunities as they arise, and continue to pursue grant funding as an alternative funding source. Equipment replacement for many items has not been complete and there are items that will have to be replaced within the next budget cycle. The current accumulated reserve deficit is estimated to be between \$3 million and \$4 million.

Leave Accruals

Introduction:

There are several different types of paid leave that accrue to full-time employees. These include vacation, holiday, administrative leave, sick leave, and compensatory time accruals. The amount of leave employees are eligible to accrue is governed by Memorandum of Understandings (MOUs), personnel contracts, and the Personnel System Rules.

Analysis:

Each employee is required to record time worked and time off in official attendance records that are recorded with payroll. Depending on the specifics of the governing MOU, contract and Personnel System Rules, employees earn paid time off each year. As the employee earns leave, it is accrued in an appropriate leave bank as leave hours. The employee may take these hours off of work during the year and be paid for their regular rate of pay for the hours, thus decreasing their leave bank hours. When an employee leaves the City, they must also be paid for certain leave hours they have on the books. What is paid off is governed by law, MOUs, Personnel System Rules and past practice. If all City employees left the City on June 30, 2022, the total value of all leave accruals eligible to be paid off would have been just under \$2.4 million.

Leave Accrual	Dollar Value of Accrual
Vacation Leave	\$ 1,143,110
Holiday Leave	592,090
Administrative Leave	2,500
Sick Leave	438,960
Compensatory Time	211,530
TOTAL AMOUNT FUNDED	\$ 2,388,190

Vacation Accrual

Typically, the City’s vacation accrual balances ebb and flow with the economic tide. When the economy is tight, fewer employees leave the City and thus there are fewer vacation payouts, increasing the liability balance. As the economy perks up, employees take more vacations and the vacation liability balance decreases. Affecting the leave balance to an even greater extent is the tight staffing in each of the departments. Atascadero employees are a loyal group of individuals and are dedicated to getting their work done. Because staffing is tight, overtime budgets are tight and the work doesn’t go away, employees tend to forgo taking time off. This increases the leave balances.

Starting with revisions to the Personnel System Rule in 2012, employees cease to accumulate vacation once their accrued vacation balance has reached two times their current annual accrual. This 2012 change to the vacation accrual policy requires that employees take enough time off to avoid hitting the maximum accrual amount. This practice has contained the long-term liability, and is healthier for the employee; but it does not come without operational costs. The operational issue with this is that the work of the vacationing employee doesn't dissolve as the person vacations, and there is still the same number of employees to get the work done. This often means overtime to cover the shift or get the work done. Staff will continue to consider this effect as the new 2023-2025 budget is developed.

Vacation Accrual at 6/30/22	
\$	1,143,110

Holiday Accrual

There are similar staffing issues that result in increasing holiday pay accruals. Employees receive 12 paid holidays per year (Fire receives 5.6 shifts per year). Some employees are unable to take the holidays off when the holiday occurs due to the nature of their position. Primarily, this is a function of the 24/7 scheduling of public safety. Employees of both Police and Fire work regularly on holidays and accrue the paid time off. The MOU between the City and the Police department allows employees to either take the time off or to be paid off annually for the holiday time accrued. (Most eligible employees are paid off annually and this amount is included in the police budget.) The MOU with the Fire department does not include a similar annual payoff. Fire Department employees tend to build up paid holiday time off as an alternative to causing the department to pay overtime to backfill their shift. Gradually, the accruals build up. There is no maximum cap for holiday accruals. The value of this accrued time is paid out to the employee upon termination of employment. Hiring of a replacement employee has historically been postponed until payroll savings on the vacancy is enough to cover the payout amount.

Fire Department Holiday Accrual at 6/30/22	Other Departments Holiday Accrual at 6/30/22	Total Holiday Accrual at 6/30/22
\$ 504,540	\$ 87,550	\$ 592,090

Administrative Leave Accrual

Administrative Leave is paid leave granted to certain positions that are exempt from overtime. It is common practice to include administrative leave in compensation packages for salaried positions. The employees in these positions usually work a significant number of extra hours, and receive administrative leave as a benefit in lieu of overtime that is typical of non-exempt employees. Administrative leave functions similar to vacation time except that it is tracked separately and is carried over to the next fiscal year only under specific conditions.

Administrative Leave Accrual at 6/30/22	
\$	2,500

Sick Leave Accrual

Sick Leave is provided to employees to minimize the economic hardship that may result from an unexpected personal or dependent illness or injury. It is accrued at the rate of eight hours per month (12.01 for Fire personnel) without a maximum cap. Some employee groups are eligible for an annual Stay Well Bonus that pays out a portion of the employee's sick leave accrual, at the employee's option, up to an established maximum. Additionally, some employee groups are eligible to receive up to one-half of the employee's accrued sick time paid out at termination. The City's policy and practice support an employee's use of his/her entire sick leave accrual bank, as necessary, with an appropriate verification documenting the illness or injury.

Total Sick Leave Accrual at 6/30/22	
\$	438,960

Compensatory Time Accrual

Non-exempt employees may choose to accumulate compensatory time instead of receiving overtime pay. The compensatory time credit is computed at time and one-half. The maximum hours non-exempt employees may accumulate is determined by the employee's MOU or Compensation Resolution. Compensatory time may be partially or fully paid out at any time at the request of the employee or may be used as paid time off in place of vacation or other similar paid leave. Compensatory time accrual is paid out to the employee at termination.

Total Compensatory Time Accrual at 6/30/22	
\$	211,530

Conclusion:

While the City's leave accruals are real liabilities, they have different characteristics than other long-term liabilities. As an employee terminates employment, the City pays out that person's leave liability. The City then has an option as to how quick to hire a replacement employee for that position and can opt to hold off until sufficient salary savings has been achieved to cover the outgoing employee's payoff. Of course, this can also cause operational issues, as the work does not go away. While often times a department is able to move around shifts or workloads to minimize overtime while a replacement is recruited, there is some level of service reduction during this period.

The City is a service organization and much of the General Fund is spent on labor. The leave liability is a part of doing business. This is not a liability that we would expect to have to payout all at once, but instead it's a liability that grows and contracts by relatively small amounts each year. The balance of the leave liability has often been closely tied to the economy. As the economy booms, leave liability is used or paid off. Employees take vacations when they can afford to go to nice places and as staffing is less of an issue. Employees are also more mobile in a growing economy, not staying with the City for long periods and thus taking earlier payoffs. It is projected that because of the recent departures of several long-term employees and the implementation of the vacation policy, that the liability will be contracting for the next few years.

Unfunded Infrastructure

There are other public asset maintenance costs that are not included in this section due to the fact that they are not the responsibility of the City to maintain according to the Atascadero Municipal Code. Instead, these assets are the responsibility of adjacent property owners. Many property owners feel this is unfair, and care for these assets may be worth consideration for City funding.

Property owners are often surprised to find out that sidewalks and street trees in the public right of way are actually their responsibility. Property owners often assume the City takes care of these items, so they do not perform repairs and maintenance. As a result, the sidewalks and trees fall into a state of disrepair until a problem occurs and the property owner and City are sued. A lot of staff time is spent to notice and explain this responsibility to property owners and it takes funds to defend the City in lawsuits.

There are also over 30 miles of public streets in Atascadero that are not maintained by the City but instead, by property owners that live on the street. Many of these streets were never built to City standards, and others meet standards but were not accepted after completion. These public roads are used like City maintained roads, but the burden to maintain and repair them falls to adjacent property owners – who pay the same taxes as those on City maintained roads.

There is also a Community Facility District that require some newer residential units to pay an additional tax of about \$780 each year to help offset that home's impact to police, fire, and parks. A proposed unit to be constructed that requires City Council approval for the project will have to pay this additional tax, while other new units in projects that don't require City Council approval, and existing units do not need to pay the tax.

Wastewater

The Wastewater system is a significant part of the City's infrastructure, but is excluded from the analysis in this Section. The Public Works Department recently updated its Wastewater Treatment Plant and Collection System Master Plans. From these studies, the City's current list of necessary Capital Improvement Projects and system upgrades will be updated to meet changing State and Federal regulatory requirements, General Plan modifications since the last master plan update in 2002 that will increase flows to the sewer system, and new system collection and treatment deficiencies identified by staff and consultants.

Wastewater collection and treatment involves year round, 24-hour per day energy intensive and highly mechanical processes. Pumps and equipment are particularly susceptible to frequent repair, reconditioning, and replacement. Pipes and manholes are constantly exposed to highly corrosive liquids and gasses and have finite lifespans. Currently, the City has a relatively simple and low cost treatment plant technology compared to some other surrounding communities.

Future increased wastewater treatment plant technology is expensive as evidenced by the recent Paso Robles Wastewater Treatment Plant upgrade that cost \$50 million dollars. The City is currently in the preliminary design stages for the Wastewater Reclamation Facility upgrade project. A new treatment process will be required to meet future wastewater flows as there is no additional area to expand the existing wastewater pond system, and the pond system is incapable of meeting newly adopted State waste discharge requirements. Preliminary estimates for a new wastewater treatment process could range anywhere up to \$75 million or more, depending upon treatment processes required to meet discharge requirements.

The City's current challenge is to maintain and operate what we have today, keep up with the replacement costs of the equipment and facilities described above, and prepare for future growth to build out as identified in the City's General Plan. Staff recently completed a fee study with a consultant to determine if and by how much those connection fees and annual sewer fees may need to be adjusted. Based on the findings of that study, a rate increase for sewer service charges and connection fees was approved to be phased in over five years. This additional revenue puts the City in a good position to continue to fund ongoing operations and maintenance while also planning for needed upgrades to the wastewater system.

Summary

While the need for infrastructure reserves discussed in this section may seem daunting, it is not unlike what other cities face. The nature of government, its accounting methods, and citizens' desire for services make the funding of long-term assets very difficult until it becomes critical. Atascadero is ahead of the game by looking at these costs, analyzing them bi-annually, and determining what the horizon looks like.

The City has made incredible strides toward funding long-term assets since 1997 when the City did not have a financial plan and did not have a funding plan for any of its long-term assets. At this time, vehicles and technology equipment are fully funded with scheduled replacement of all assets, building reserve deficits have decreased, Measure F-14 and the road program are in place and, along with SB1 funding, have made great strides towards improving roads, and the immediate needs for equipment replacement have been funded through grants, donations, Measure D-20, and other available funding.

Atascadero

Comprehensive Financial Strategy April 2023

Section 5- Reserves

Reserves

RESERVES

WHAT ARE RESERVES?

City finances are comprised of various funds, which for legal purposes have to be separated. For example, sewer charges are to be spent on maintaining and operating the wastewater system and may not be used to hire police officers or firefighters. One fund over which the Council may exercise considerable discretion is the General Fund. General taxes and receipts are deposited into this fund and the Council decides on how to spend these general revenues, whether it's for police, fire, parks maintenance, recreation services or other public services. (Of course restricted revenues such as grants or fees for services are also deposited into the General Fund and the City must ensure that these receipts are spent appropriately.) The City must cautiously guard its General Fund to ensure that there are always adequate resources to provide critical services to the public.

The term *reserves* is used quite universally in governmental finance. There are different types of reserves, different purposes, and different legal restrictions on them. Essentially, they are the collective amount of revenues in excess of expenses, or similar to what a company might term *retained earnings*. Typically, the General Fund reserves are the most carefully monitored as these are the most flexible and discretionary of all the funds. In a pinch, however, there are reserves in other City funds that could legally be borrowed if the City found it necessary.

General Fund reserves are often thought to be one indicator of the fiscal stability of an organization. In the early 1990's, the City of Atascadero had a negative General Fund balance, forcing layoffs and service reductions in order to weather the storm. In fiscal year 1995, the collapse of the Orange County Investment Pool hit the City hard and the General Fund reserves fell to an all-time low of \$-790,360. At that time, the City's audit carried a going concern: in other words, the City's finances were so bad that there was a serious question of ongoing solvency. Around 1998, as the economy was starting to turn around, Council adopted a fiscally conservative reserve policy and began to aggressively go about building reserves in order to avoid history repeating itself.

The General Fund reserves are broken down into different components, each with separate ramifications and costs. The Governmental Accounting Standards Board (GASB) changed how fund balances are classified and reported effective June 30, 2011. While the categories are similar, there are some differences. In the past, the Council, through the budget process, would designate a portion of the fund balance to be used for a specific purpose. This would show up as a designation in the financial statements. Under current GASB guidelines, the Council may still designate a portion of the fund balance for items such as roads, libraries, economic uncertainties, etc; however this has no legal effect on the funds and thus does not show up in the fund balance designations. The new fund balance (or reserve) designations are as follows:

Non-spendable- includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. Because some assets are not easily convertible to cash in a timely manner, the fund balance is designated to show the portion that is non-spendable or can't be spent within a timely manner.

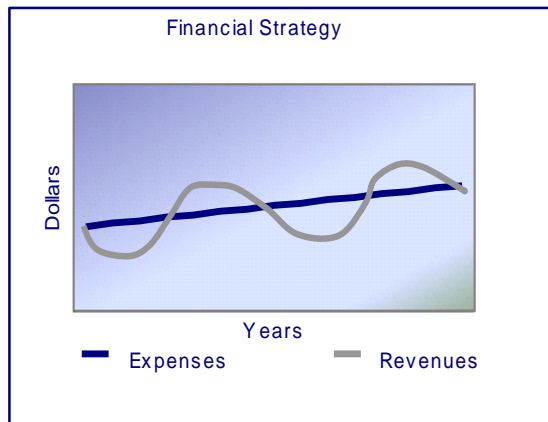
Restricted- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. For the City, these typically include the fund balances of most other funds. For example the fund balance in the Circulation System Impact Fees fund is constrained by state legislation (AB1600) which sets forth specific criteria for collecting and expenditure of these funds. The use of the fund balance is restricted.

Assigned- includes fund balance amounts that are constrained for specific purposes by the City through formal action of the City Council and does not lapse at fiscal year end. These amounts typically include encumbrances or amounts that Council has formally set aside by resolution or contract.

Unassigned- includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds. These are funds that have not been earmarked for any specific purpose and are available for Council discretionary spending.

WHAT IS THE CURRENT STATUS OF RESERVES?

The City first adopted a Financial Strategy in 1998 and the results of having such a plan are clear. Over the years, the overall strategy has consistently been to maintain a conservative outlook by putting aside reserves in good times and then using those reserves during down periods to achieve stable operations. By employing this cautious strategy in the past, the City has been able to remain fiscally stable during revenue fluctuations and increases in operational costs. The City has used reserves along with other fiscal strategies to maintain services and ensure the City's long-term financial viability.



As of June 30, 2022, the General Fund reserve balance, excluding Sales Tax Measure F-14 activity, was about \$21.1 million. During the 2021-2023 budget process, Council continued to support using reserves annually in the short-term to close the gap between

projected revenues and expenses, with the long-term goal of building up the reserves again.

In addition to General Fund reserves, it is equally as important to understand which other accounts there might be within the City that are legally accessible to the General Fund in order to meet its operational needs. There are two other sources of potential funds that could be considered. The first is the internal service account replacement funds and the second is unspent funds transferred to the Capital Projects Fund for road replacement.

Internal Service Account Replacement Funds - The City also has amounts set aside for replacement of vehicles, equipment, buildings and technology. The City has the legal right to transfer these funds back to the General Fund; however, it is not necessarily prudent to do so. Historically, the City has put away amounts annually so that as vehicles, computers, software and buildings become old and no longer function, the City has funds to replace them. These funds are legally available to transfer back to the General Fund; however, it does not change the time frame that roofs will have to be replaced or software will no longer be supportable. The City had just under \$9.9 million in unrestricted net position in the internal services funds as of June 30, 2022.

Unspent Capital Project Road Funds – In past budgets, the City Council approved transferring City General Funds to the Capital Projects Funds for road projects. While many road projects were accomplished with the transferred funds, approximately \$224,000 of these funds remain unspent. They are a good source of matching funds for capital grants related to projects within the five year capital improvement program; however, they are also available to be transferred back to the City’s General Fund if the Council chose to do so instead.

WHAT SHOULD OUR RESERVES BE?

The Adoption of Reserve Policies in California Cities by Anita Lawrence asked “What is the amount of fiscally prudent reserve? How much would be enough to cover certain events and develop a sense of security for the organization and the community? At what level would the constituency begin to question it as too much? What is the risk tolerance of the organization and the community? What criteria should be used to make that decision?” There is no easy answer to these questions. Anita’s research showed that “...if you asked 100 city finance professionals these questions, very few would provide the same mix of answers. The elements that are right for one city are entirely wrong for another.”

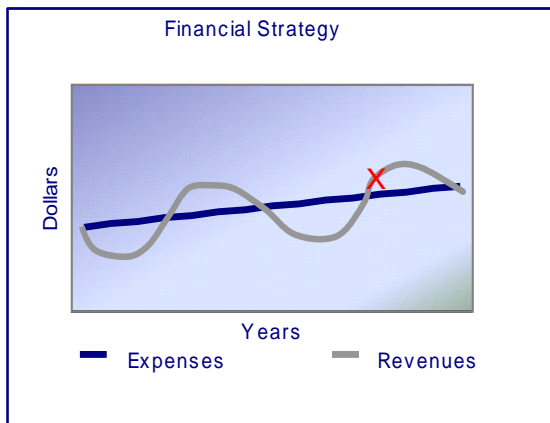
The real question is: What is the right amount of reserves for the City of Atascadero, both at this point in time and for the foreseeable future? In order to formulate a reserve policy, it is important to answer the following:

1. State of the Economy
2. The level of diversity in General Fund revenues
3. The stability of the revenue base
4. Potential actions of State and Federal agencies

5. Cash flow needs
6. Costs of potential natural disasters and emergencies
7. Asset replacement requirements
8. The consistency desired in service levels
9. Available opportunities
10. Needs of future commitments
11. Interest income earned on reserves

Measurement #1 – State of the Economy

In the City’s reserve strategy, the largest driver of what should be done with reserves is the state of the economy. Are we in an economic boom?- if so we should be putting away reserves for a rainy day. Are we in a severe recession?- if so, we should be using those



reserves to stabilize services and the organization. Are we in a period of recovery?- if so we may still need reserves to stabilize services, but we need to be looking to the future to ensure that reserves will last. Are we in a stable period of flat growth?- if so, we should neither add to, nor use reserves. Our simple reserve strategy graph tells us what action we should take. So the question becomes, where are we on the graph? Is the economy booming, busting, recovering or somewhere in between?

Prior to COVID-19, the nation was in its longest expansion in history. Beacon Economics reported, based on their research and analysis of the data, that the pandemic-induced recession began at the height of the economy in February 2020, and then hit bottom in April 2020, and has been on the rebound since. It has been reported as the deepest and shortest cycle ever.

The economy was impacted by a combination of events that, taken together, increased inflation. COVID shutdowns caused interruptions in the global supply chain, manufacturing, shipping, and retail sectors, which sharply reduced the availability of products for consumers. Along with that, the Federal Government provided pandemic stimulus funds to households and businesses throughout the country. Product availability was tight, travel was restricted, and entertainment experiences were shut down. Many consumers found themselves with money to spend and nothing to buy. According to the U.S. Bureau of Economic Analysis, personal savings rates reached a high of 33.8% in April 2020, a significantly higher savings rate than the more typical 5% - 10%.



U.S. Bureau of Economic Analysis, Personal Saving Rate [PSAVERT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PSAVERT>, March 23, 2023.

This pent-up demand from consumers with high savings accounts and a desire to buy products and experiences largely contributed to the brevity of the COVID-induced recession. The strong demand for consumer goods forced prices up. The high prices and the consistent demand pushed up spending. This caused inflation to increase at a fast pace. Inflation is a measure, or an index, of the increase cost in goods over a specific period and is used as a measure of how the economy is doing. Often when inflation is high, purchasing power is reduced as wages don't typically increase at the same rate. Untamed inflation can lead to a recession.



According to the U.S. Bureau of Labor Statistics, the Consumer Price Index (the measure of inflation) for the cost of all items went all the way up to 9.1% in June 2022, before falling.



Source: U.S. Bureau of Labor Statistics.

To avoid runaway inflation, actions are taken at a federal level to try to keep it at a “reasonable” level. Enter the Federal Reserve System (also known as the Fed). This is the Central Bank of the U.S. and one of its key functions is to promote the health of the U.S. economy and the stability of the nation’s financial system. The Fed tries to reduce inflation when it is growing too quickly, and stimulate it when it is too sluggish. To that end, the Fed increased the federal funds rate nine times in the span of about the last year.

Interest Rates

Fed Rate Hikes 2022-2023: Taming Inflation

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

Increasing the federal funds rate increases the rates that banks pay to borrow money. The banks, in turn, pass on these higher interest rates to their customers. This drives up the cost of consumer borrowing for things like real estate, vehicles, and credit card balance rates. This is based on the theory that as it is more expensive to purchase goods,

spending will decline. When spending declines, demand declines, and eventually, so will the prices of goods. This in turn is expected to tame inflation. This method is not without risk, of course. Increasing the rate too fast or in combination with other influential factors has the potential to tip the economy into a recession.

Overall, many economists believe that inflation has peaked and will gradually continue to descend. Below are some inflation projections from a cross section of economists.

Inflation project from the point of view of:	Projection:
Federal Reserve	Inflation peaked in 2022, and will decline in 2023, but will not return to its 2% target until 2025.
Morgan Stanley	Inflation peaked in 2022's fourth quarter.
World Economic Forum	Inflation rates will decline to 6.5% in 2023 to 4.1% in 2024
Goldman Sachs	Core PCR inflation will fall from 5% in 2023 to 3% year-over-year.
Beacon Economics	Inflation peaked in 2022, and will continue to cool, but will remain higher than normal for at least two years.

In addition to the impacts that inflation has on the economy, the economy is also influenced by the health of the nation's banking system. The American people became wary of this system after the recent collapse of some large banks. Many banks are struggling as higher interest rates knock down the value of their investments, while contending with worries that skittish customers could try to withdraw their money all at once if there is concern about the bank's solvency.

State regulators and the Federal Deposit Insurance Corporation (FDIC) stepped in during March 2023 to take charge of two large banks, Silicon Valley Bank and Signature Bank. Most deposits up to \$250,000 at covered institutions are insured by the FDIC and this provides a level of confidence for average depositors. According to a joint statement issued on March 12, 2023 by the Department of the Treasury, Federal Reserve, and the FDIC, "The U.S. banking system remains resilient and on a solid foundation, in large part due to reforms that were made after the financial crisis that ensured better safeguards for the banking industry." The stock market has since stabilized and there doesn't currently appear to be any extreme long-term negative impacts to the economy as a result of the recent failures. Treasury Secretary Janet Yellen indicated that the U.S. banking system remains sound and that the recent bank failures are different from the massive bank failures that occurred in 2008 because in 2008, there were an underlying solvency issues and today's failures are due to fear of solvency issues rather than actual solvency-based issues.

The bottom line is that current economic indicators, while they may have their temporary ups and down, are steadily trending upward. A deceleration in growth is expected in 2023/24. Fiscal year 2024/25 is expected to pick up additional steam, and then the following years are expected to be back to a steadier growth rate. However, concerns continue to linger regarding a number of issues:

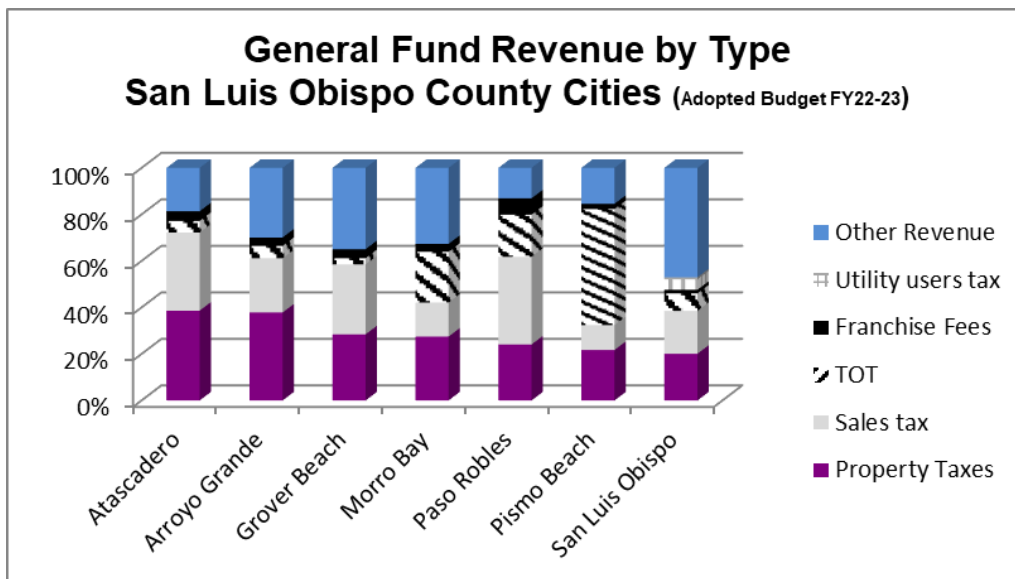
- How will changes to inflation impact consumer confidence?
- Will the Federal Reserve be able to cool inflation without inciting a recession?
- What changes are in store due to the upcoming elections in 2024 and current and future political polarization?
- What impact will global unrest have on the economy?
- Will the high cost of housing be a deterrent to labor force growth and limit business development?
- Will local businesses be able to sustain their customers in light of the low unemployment rate, especially in the entry-level jobs sector?
- How will the recent weather events impact the city and the statewide economy?

These issues that may influence the economy are all important points to watch and consider as the City moves into the new budget cycle.

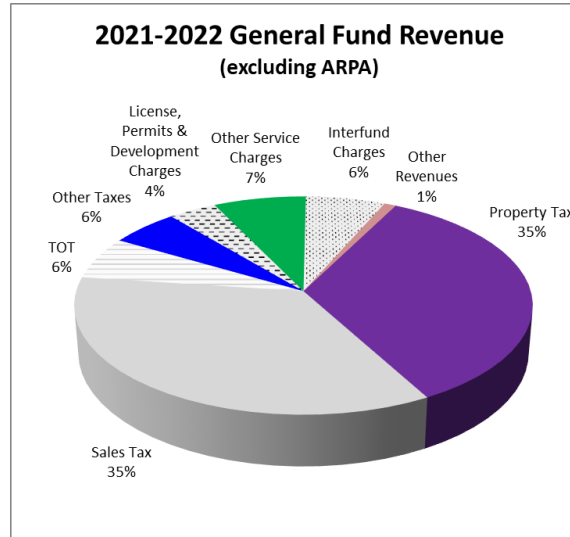
Measurement #2 – Level of Diversity in General Fund Revenue

One measurement to quantify an appropriate level of reserves concerns how broad a range of General Fund revenues the City receives and what the future holds for such revenue. Some cities have a very broad range of General Fund revenues not associated with fees. For example, Pismo Beach and Morro Bay enjoy a large amount of transient occupancy taxes (hotel tax). Other cities, such as Grover Beach and San Luis Obispo, have a utility user tax. This is a percentage of the cost of all utilities used by citizens of those cities, including gas, electric, phone, cable TV, and even those cities’ own utilities of water, sewer, and garbage.

This table shows General Fund revenue by type for Atascadero as compared to other cities in the county:



Cities with fewer sources of General Fund revenue will require a greater amount in reserves in order to successfully weather a downturn in one revenue area. This is true for the City of Atascadero. Excluding the impact of the \$3.6 million ARPA payment, property-based taxes accounted for 35% of General Fund revenues in fiscal year 2021/22, with sales tax accounting for an additional 35%. These two revenues sources alone account for 70% of the City's General Fund revenues. In the graph above, you can compare this to the revenue base of other cities which have different make-ups.



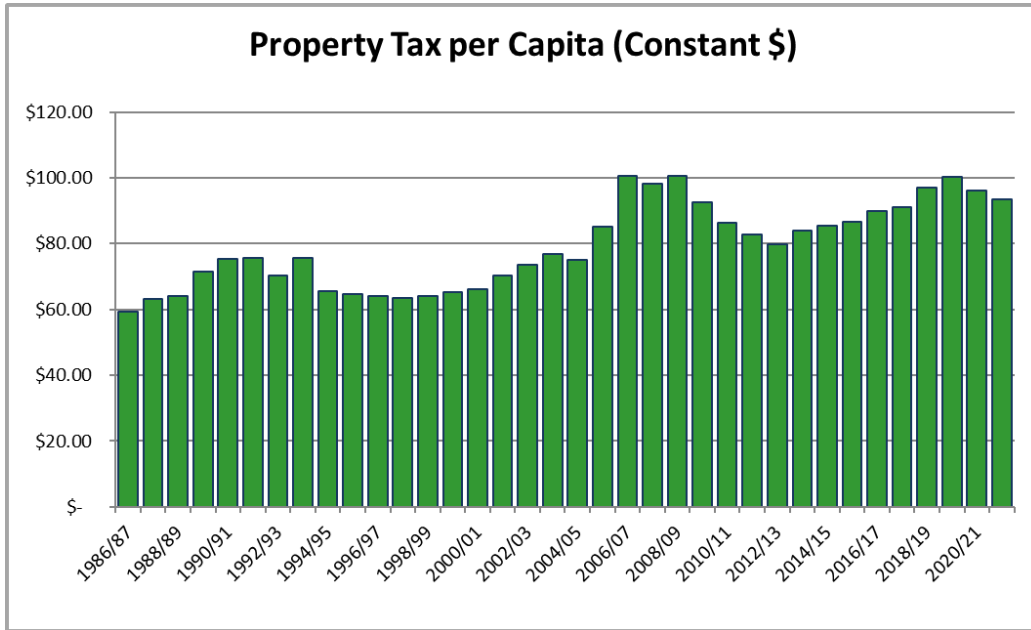
One reserve methodology dictates that reserve levels should be tied to the broadness of General Fund tax revenues sources. The greater number of revenue sources require fewer layers of reserves. Conversely, the fewer number of revenue sources require higher levels of reserves. As Atascadero's property tax and sales tax revenues comprise \$22.6 million of the \$32.5 million in General Fund revenues (excluding ARPA), the City is defined as having a narrow base of revenue-just two significant categories.

Measurement #3 – Stability of Revenue Base

As discussed above, General Fund revenues (excluding Measure F-14 revenues and one-time ARPA funds) for fiscal year 2021/22 were \$32.5 million. Due to effects from COVID-19, sales tax and TOT revenue were abnormally low in fiscal year 2019/20. These reductions were partially offset by two one-time revenues (PG&E Settlement agreement in the amount of \$783,106 and CARES Act funds in the amount of \$123,706), included as "other revenue" for this discussion. In a typical year, about 70%-75% percent of General Fund revenue (excluding Measure F-14 revenues) comes from taxes, with the balance coming from fees, grants, and other sources. The fees and grants pay for specific services or projects. To examine the tax base more closely, it is helpful to break it down further. Property tax usually comprises about 30%-35% of the revenues, sales tax typically about 30%-35%, TOT is generally about 6%, other taxes about 6%, development costs and other fees for services usually about 12% and other revenues/interfund charges make up the remainder.

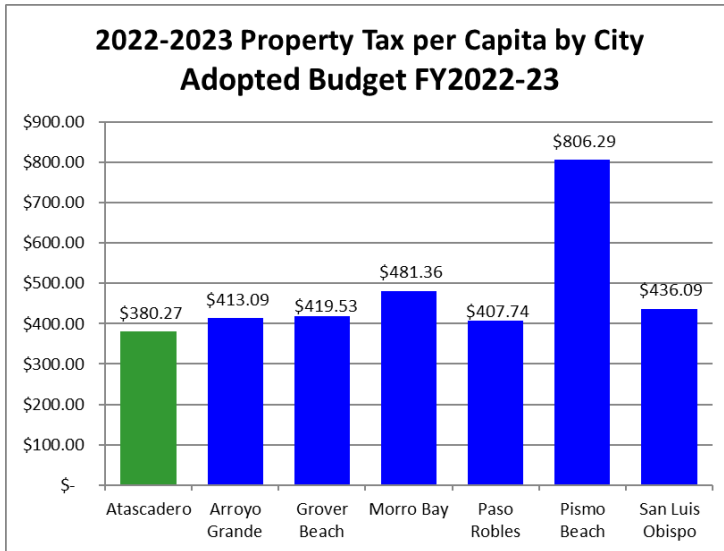
Property tax is considered to be one of the more stable sources of revenue. Historically the property tax revenues have two components: (1) a stable base that does not vary drastically from year to year and (2) a housing market expansion and correction component.

While there is a stable underlying base, this revenue does vary with the strength of the housing market. The table below shows property tax per capita on a constant dollar basis. The constant dollar smooths out changes for normal inflation so that we can see if we are better off than we were in 1987 or worse.



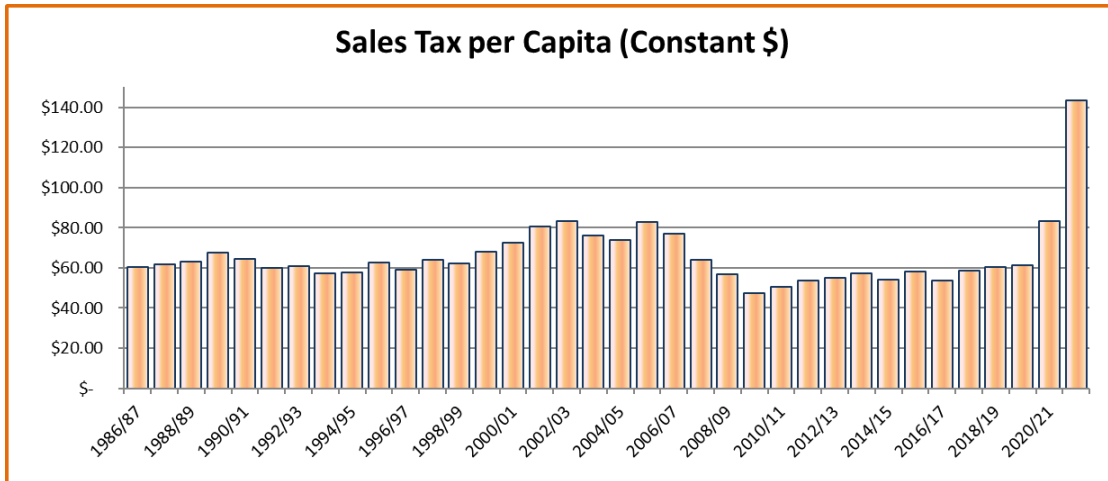
In California in the late 80's/early 90's and then again in the mid-2000's, the housing market did not follow normal inflation. Housing prices and new construction boomed, causing spikes in the property tax revenue base, followed by a smoothing or flat period. Overall the smooth or flat period of revenue is the stable portion of the revenue base and is what the City can count on year after year. The spikes are periods of boom where there are opportunities for the City to sock away reserves and address one-time fixes. It appears that the real estate market has generally corrected itself since the Great Recession, as we are seeing signs of strong residential demand in the properties and limited supply. It is reasonable to assume that we are now again in the gentle growth period where the entire property tax base is considered very stable. There remains some question regarding the impact of the high inflation and interest rates on real estate. Demand for residential properties in the Central Coast area appears to remain strong for the time being. Commercial and industrial property is slower to rebound from the impact of the pandemic, but Atascadero continues to see robust economic development including both residential and commercial.

It is also interesting to compare Atascadero's property tax per capita with other cities in the county. The chart to the right shows that our community has the lowest per capita property tax in the county according to fiscal year 2022/23 budgeted figures. It is true that in this county, each city has its own unique characteristics which often make it hard to do comparisons. Even with that in mind, however, this chart does make one thing painfully clear. Atascadero has less money per person to spend on essential functions such as public safety and parks that are critical to citizens of the community. In other words, the relative strength of our dollars per capita is not as good as that of our neighbors.



Sales tax is much more susceptible than property tax to fluctuations in the economy. During fiscal year 2021/22, 30% of General Fund revenues came from sales tax (if one-time ARPA funds are excluded, this figure is 35%). There are about 1,000 business outlets that report sales tax within the City of Atascadero, however, the top 25 businesses account for about 57% of the sales tax revenue. The City's sales tax is currently heavily reliant on the continued health of the top 25 businesses listed in *Attachment B- HDL's City of Atascadero Sales Tax Update Q3 2022*.

The following chart depicts sales tax per capita, constant dollar, over the last 35 years. Like property tax, it too shows evidence of the ebbs and flows of the market, but to a greater extent. Atascadero started experiencing an increase in this revenue after a new retailer came on line in fiscal year 2000/01, but then a sharp decrease with the loss of two new car dealerships. The good news is that Measure D-20 is making a big impact as the graph below shows for fiscal year 2021/22. The City is also seeing overall growth, in good part due to the planned development throughout the City and the aggressive economic development policies of the City Council.



There are also a few external driving factors that influenced recent sales tax revenue. The COVID-19 pandemic with its uncertainty, social distancing, stay-at-home orders, travel restrictions, and unemployment affected the purchasing patterns of consumers. Shifts occurred throughout the economy’s different business types; some getting hit hard and some seeing large gains. Fortunately, most of the industries have recovered since the beginning of the pandemic. With the contraction of the economy in 2020, we would expect to see a corresponding dip in the graph above. However, at the same time the pandemic was occurring, the City’s sales tax revenue was positively influenced by the increase in “pool” revenue as a result of Assembly Bill 147 (AB 147).

AB 147, also known as the *Wayfair Decision*, requires that online retailers meeting a certain volume of in-state sales collect and remit sales tax on those sales effective April 1, 2019. In addition, AB 147 also compels “marketplace facilitators” to collect and remit sales tax on behalf of their sellers beginning October 1, 2019. Sales tax collections resulting from AB 147 are put into the county-wide and state-wide pools, and proportionately allocated to each agency. In fiscal year 2021/22, pool related sales tax revenue in Atascadero increased about 7.4% over the prior year and made up about 16% of the City’s total Bradley-Burns sales tax revenue.

Measurement #4 – Potential Actions of Federal and State Agencies or Public Policy

When the State faced fiscal challenges in the early 1990’s it simply transferred property tax revenues from cities and counties in effect to itself (known as the ERAF I & II shifts). In addition, the State reduced funding for counties, and in turn allowed counties to recoup these lost revenues by charging cities for services such as collection of property taxes and booking people into county jail. In the late 1990s, the State was in very good financial position and desired to give constituents a tax break. The State did this by reducing one City revenue (VLF) and promising to backfill it with a different one. Proposition 1A was approved by California voters in 2004. Proposition 1A is an amendment to the state constitution intended to restore predictability and stability to local government budgets by strengthening prohibitions against unfunded state mandates and state take-aways of city

funds. This legislation certainly made strides to protect local funding, however, the state continued to search for ways around the new law. For example, in 2012, in spite of the passage of Proposition 1A, the State eliminated Redevelopment Agencies.

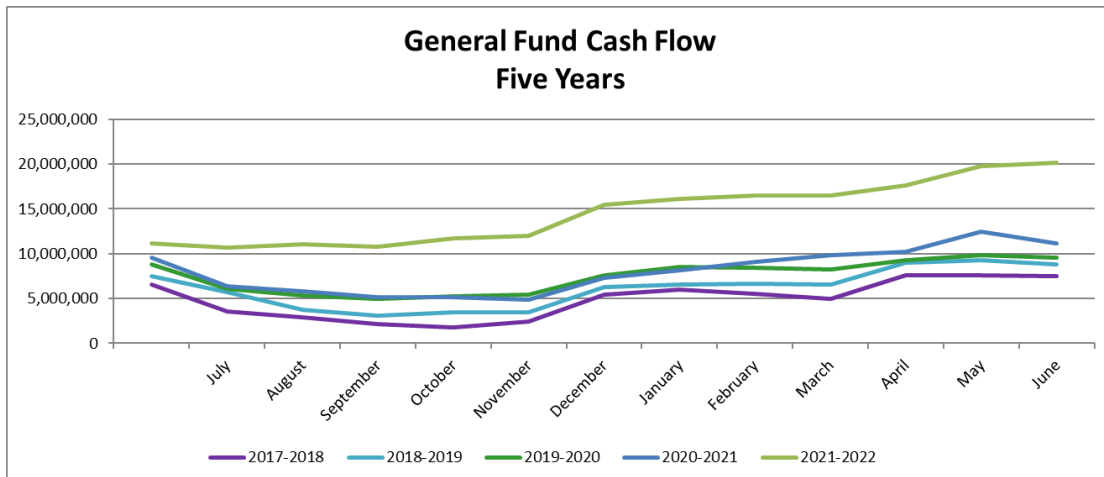
As a subdivision of the State, the City is still vulnerable to continued increased costs due to added regulations and shifting of costs. Unfunded mandates are becoming more typical and apply to regulations concerning water, storm water, housing, homelessness, pollution, employment, reporting/transparency, and law enforcement, just to name a few. The newly adopted Surplus Land Act requires that all local agencies offer surplus land for affordable home developers first before selling the land to any others. Other housing-related pieces of legislation have removed many aspects of local control for cities statewide, and impacts the City's decisions for economic development and policy.

Additionally, propositions that are passed by the taxpayers can often have a fiscal impact on the City. Propositions 47 (2014) and 57 (2016) changed laws related to public safety and while these propositions reduce costs to the State Corrections system, they increase local law enforcement costs.

The Legislative Analyst's Office (LAO) projects the state coffers will see reduced revenues in 2022/23, and then will see flat revenue in the following two years. At the same time, the LAO predicts that the state faces a \$24 billion budget shortfall for 2023/24, and ongoing deficits in future years. Especially with the state lawmakers trying to make ends meet for the state budget, the City's financial well-being continues to be vulnerable to political action.

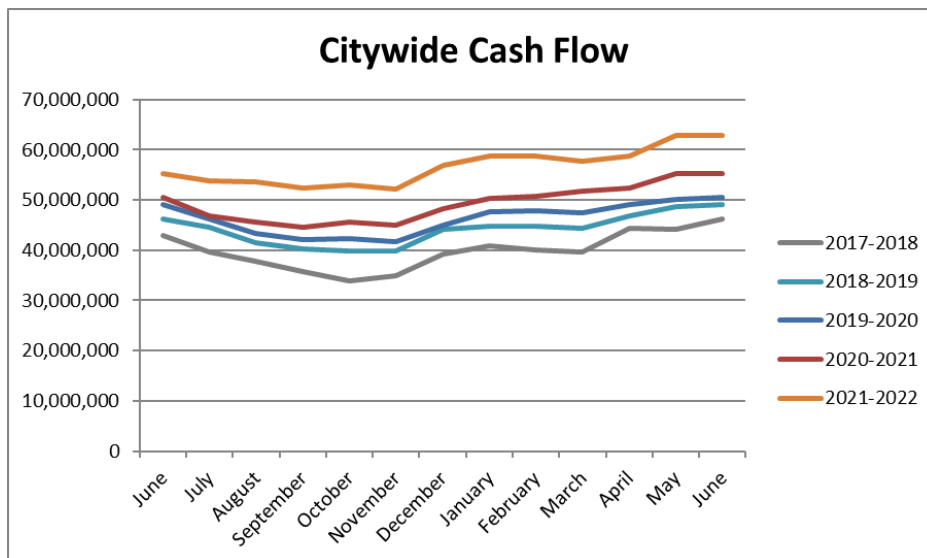
Measurement #5 – Cash Flows Needs

The cash flow needs of the City have a direct bearing on the amount of reserves needed. Unlike many private organizations and businesses with a steady cash stream, the City receives large portions of its annual revenues in chunks, twice a year. The fiscal year begins in July and ends in June. During the summer months, the City incurs more expenses for fire reserves, recreation programs, and capital projects than during other months of the year. However, the City does not receive its first fiscal year injection of property tax until late December, and then waits to receive the rest in late April. In other words, the City's general fund receipts go down from April through November while the City's disbursements go up during the same period.



At the current rate of continued use of General Fund reserves, the General Fund is not anywhere near having a negative cash balance. However, in the event the economy has another severe and prolonged downturn that further depletes the General Fund reserves, the City does have a couple of fairly simple options at its disposal.

1. The City overall does NOT have a cash flow issue. The citywide cash and investments balance on hand at June 30, 2022 was about \$62.9 million and the lowest cash balance in the last five years was \$33.8 million.



The City's General Fund can borrow funds from other available funds within the City. The City has almost 40 funds in total. Some funds, such as the internal service funds mentioned previously, are not restricted at all and may be loaned or

transferred back to the General Fund at Council's direction. Other funds may have legal restrictions on how they can be spent. The restricted funds, however, may be loaned to other funds as long as they receive at least the same interest as they would've received without the loan, and the loan does not interfere with the purpose of the funds (i.e. the monies are not slated to be spent prior to the payback period). The City does have many funds available to loan, especially for the very short period (2 – 3 months). As always, borrowing funds does not come without concerns. Prior to any borrowing, projections of incoming funds and the ability to pay back should be evaluated and assessed.

2. As of June 30, 2022, the General Fund had over \$243,000 in loans that it had made to other funds. Typically loans to other funds are made for expenditures purposefully made in advance of receiving the revenues. This may be for a grant, where the funds must spend funds first and then be reimbursed, or it may be for impact fees, where the Council decides to build a specific project now in order to benefit future development, and then collects the funds as development occurs. These loans have historically been from the General Fund as it has had available funds on hand. Council could determine that these loans would be more appropriate from different funds, thus paying the General Fund back its cash.
3. Historically, the City was one of many cities that issued Tax Revenue Anticipation Notes or TRANS to cover annual General Fund cash shortfalls. The TRANS were issued through the California Statewide Communities Development Authority. Because the TRANS were tax free issuances and the funds were needed for just a short period of the year, it was an opportunity for the City to cover the short period of negative cash, and earn interest on the funds for the rest of the year. The City was not allowed to participate in the TRANS issuance once it had positive General Fund cash flow throughout the year.

Ideally the City General Fund would have enough cash on hand to cover the annual cash ebbs and flows; however the City does have options for these annual fluctuations. A much harder look must be taken though, when the annual negative cash balance is no longer annual, but instead a long-term loan. It would not be consistent with Council's conservative fiscal policy to allow reserves to fall so low that interfund loans are not paid back within the fiscal year. While the current seven year projection does not anticipate such an occurrence, it is something that must be monitored.

Measurement #6 – Potential Natural Disasters or Emergencies

Atascadero is subject to potential natural disasters including earthquakes, floods, fires, major auto and train accidents, and hazardous materials spills. Pandemic should now be added to the list of emergency situations. The 2003 San Simeon Earthquake, the current 2023 and 2017 storms, and the COVID-19 pandemic are all proof these events can and will occur in Atascadero. City staff are well trained in responding to emergencies and meeting the needs of the community. Any natural disaster or emergency will undoubtedly cause unbudgeted expenditures, fortunately however, in the event of a declared disaster, agencies such as FEMA and CalOES provide assistance to help the City recover. The

funding received from these agencies are typically reimbursement funds; in other words, the City spends the funds and then requests reimbursement. The City was recently reimbursed about \$371,000 in CARES Act reimbursement funds for expenditures related to the response to COVID-19, and received about \$7.2 million in the Federal American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds to provide additional financial relief in the wake of the COVID pandemic. The City is also actively working with FEMA and CalOES for reimbursements of 2023 storm-related costs.

In the event of a disaster or emergency, the number one priority of the City must be to respond to the emergency and protect the community. When looked at as a whole, the City has ample cash on hand to respond to an emergency until assistance funds could be received. It may mean once the emergency is over and the accounting done, that the General Fund cash is low and it had to borrow from other funds, but the Council's higher priority to ensure the safety of its citizens was attained.

The City is fully insured against property damage and liability claims. Additionally, Atascadero is very aggressive in applying for all applicable grants, when available, particularly to pay for the cost of responding to emergency situations.

Measurement #7 – Asset Replacement Requirements

The City of Atascadero owns large amounts of assets that have lives longer than a year such as buildings, infrastructure, technology, and vehicles. Council began back in the late 1990's putting money into the reserves for many of these items so they could be replaced as needed. While not all of these assets reserves are fully funded, many of those that most directly affect community service levels have been funded. These include technology and vehicles. Asset replacement reserves have been evaluated in Section 4 of this report. See Section 4 for more detail on this subject.

Measurement #8 – Service Level Consistency

Another issue to consider is how important it is to the organization and residents that services levels are consistently maintained. Looking back more than two decades ago, this was a key concern. A less fiscally conservative policy was in effect during that time, and when the economy became sluggish, reserves were insufficient to carry the City through the tight times. Services were cut. Many families had to seek alternate sources for youth recreational activities. Parks and Public Safety services were at a bare minimum. Employees were laid off. The few employees that remained to run the City were overworked and frustrated. Morale was at an all-time low. Recruitment during the recovery period was difficult at best.

Fortunately, as the Council put the fiscal sustainability policy in place, things began to turn around. This strategy of putting aside reserves in good times and then using those reserves during down periods to achieve stable operations has allowed the City to maintain fairly consistent operations. Instead of burdening the ongoing operations budget with significant new purchases and programs when times were good, the Council kept

level heads and tucked away some extra funds. As the economy started to turn south, instead of cutting programs and staff to uncomfortable levels, Council was again able to maintain services to the public by utilizing some of the reserves that were saved up. The ability to maintain level and consistent services is important to consider when evaluating reserve levels.

Maintaining a service level consistency is even more of a delicate balance when there is an expansion of revenue due to growth in the economy or a new revenue source such as the new Sales Tax Measure D-20. The wants of the citizens, employees and other constituents are immediate. Over the years with very constricted revenues, people understood why services may have been somewhat minimized. Now that there is a new revenue source, it is a natural reaction to want service levels to improve. Things are better; the City is receiving more revenue, so services should be better. However, the cornerstone of the fiscal policy is to set aside money in good times for use in bad times so that service levels remain constant. This means that in the bad times, while the City did cut back where possible, in most areas, the service levels remained constant. In addition, many “hidden” expenses were going completely unfunded. The City was providing services at a level higher than revenues could afford, and budgets didn’t allow to put funds away for replacement of assets like storm drains, equipment, and buildings. Since the start of Measure D-20, some, but not all, of these assets are now being funded. The issue of how to fund more of these hidden costs will be a topic for the upcoming budget cycle. While the next two years will bring higher revenues than the City has historically had, there remains a high level of needed funding that well exceeds even the more enhanced revenues.

Measurement #9 – Available Opportunities

Previous Councils have wanted the flexibility to take advantage of opportunities as they arose, and used reserves at times as a tool to achieve such goals. Beginning with the economic downturn and since then, the focus was directed not at new programs or services, but ways to improve and streamline existing programs, improve services to better serve the public, promote economic development, and attract businesses and visitors in an even more efficient manner. Available reserves can be used for these opportunities. Alternatively, if it makes fiscal sense, financing can be another option to achieve identified goals or pursue opportunities.

Measurement #10 – Needs of Future Commitments

It is important to consider the City’s future commitments when discussing reserves. The City has made financial obligations that will affect future budget cycles. There are several projects and future expenses including those such as the Downtown Infrastructure Enhancement Project, the General Plan Update, the Broadband Enhancement Project, and the City’s CalPERS Unfunded Accrued Liability (employee retirement obligations).

The City renewed its commitment toward the Council's three priority goals, and will continue to build the 2023/25 budget cycle around these same key goals that have been reaffirmed from the prior budget cycle:

1. Economic and Community Vibrancy
2. Fiscal and Infrastructure Efficiency and Sustainability
3. Ensuring Public Safety and Providing Exceptional City Services

Measurement #11 – Interest Income Earned on Reserves

The City's reserve policy is in place to provide guidelines for the prudent investment of the City's temporary idle cash. Investing the City's temporary idle cash to earn interest income will enhance the economic status of the City. Reserves provide an opportunity to further increase investment income for the City that will fund important services to residents.

Looking at the Big Picture

Eleven criteria have been analyzed in order to ascertain what constitutes a prudent reserve for the City of Atascadero. While each of these is an important measurement, they should not be looked at individually but instead as a whole. They must also be considered within the framework of the financial picture for the entire organization rather than just the General Fund.

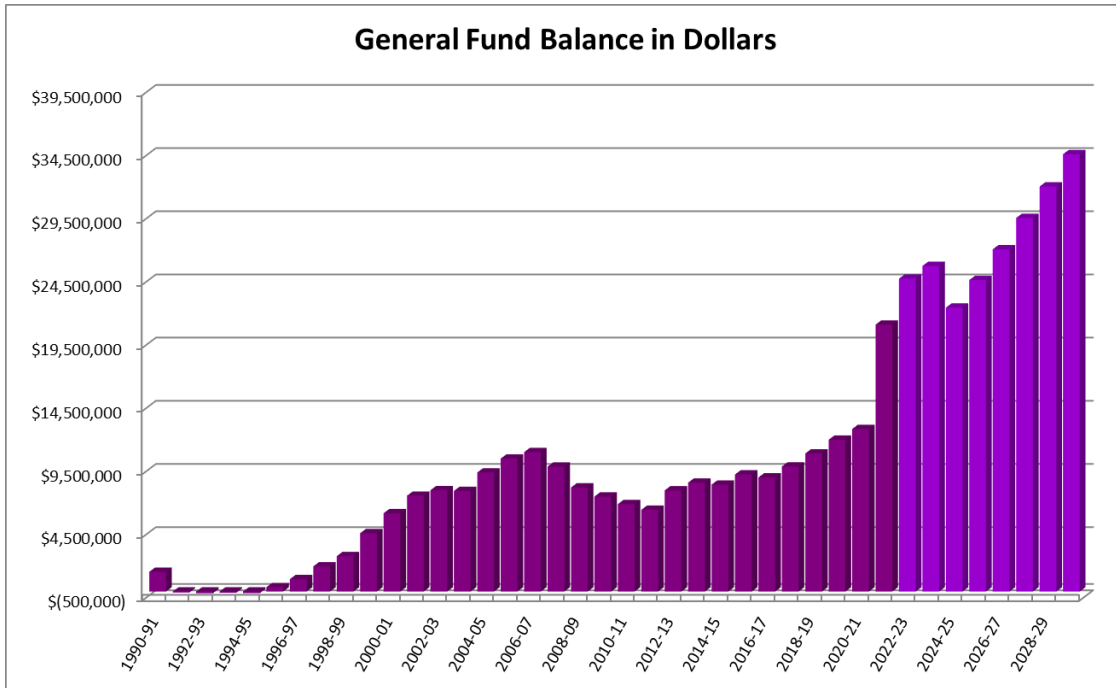
If each reserve was to be considered individually, it might be recommended that the City reserve 10% of sales tax in case a major sales tax provider closes its doors, plus three months' worth of expenditures for natural disasters, plus \$4 million for annual cash flow needs, plus \$2 million on hand just in case an opportunity comes up, etc. Each item listed is an individual event, and, in theory, could all happen at the same time, but the risk of that happening is minimal. It would be irresponsible to the residents to keep the cumulative amount of what would otherwise be prudent individual reserves. These are funds that could be used to fund City services. Instead, as looked at above, it is sensible to analyze each potential use of reserves and determine what risk and use level is acceptable to the City and what other options are available.

As of June 30, 2022, the City's General Fund had a reserve balance (excluding Sales Tax Measure F-14 funds) of \$21 million, and fiscal year 2022/23 is estimated to be just under \$24 million. Some of this heightened reserve amount is due to receipt of one-time revenues such as \$7.2 million in American Rescue Plan Act (ARPA) funds, \$783,000 in Senate Bill 1090 (SB 1090), the addition of Sales Tax Measure D-20 revenue, and a series of fiscal years with one-time savings. There is often a timing difference between when the revenues are received and when the projects are funded. In the interim period, the funds are included in the General Fund reserve balance. For example, the \$7.2 million in ARPA funds is included in revenue, half in fiscal year 2021/22 and the other half in fiscal year 2022/23. These funds are included in expenses for the Downtown Infrastructure Enhancement Project in fiscal years 2023/24 and 2024/25, and therefore,

those funds are included in the General Fund reserve balance for the interim period. Similarly, Council authorized the use of the City's SB 1090 funds (received for economic stimulus for the closure of Pacific Gas and Electric's Diablo Canyon Power Plant) to establish a Deputy Community Development Director- Economic Development and Long-Range Planning position, and the Broadband Enhancement Project. Spending those funds requires using reserves, since the SB 1090 funds are being held in with the other reserve funds. Additionally, encumbrances and approved capital projects not spent in that one year are carried forward to the next fiscal year. This also includes unspent Measure D-20 funds. Staff estimates that about \$2.2 million of budgeted Measure D-20 funds weren't spent as expected in fiscal year 2021/22, and as a result, those funds are also included in the General Fund reserve balance. About \$580,000 of this is a one-time savings, and the remainder are timing differences that will be spent on projects such as the new dispatch system, the Radio Repeater Project, the Fire Station #1 Replacement Project, and the Parks Infrastructure Replacement Project. All this is to say that while the General Fund reserve balance is higher than usual, it also includes funding for many projects that have been committed to but not yet spent.

The Seven Year Projection shows a Net Income of \$1,004,000 in 2023/24 and (\$3,299,000) in 2024/25. The large negative in 2024/25 reflects timing differences for some larger projects, as discussed above. Fiscal year 2024/25 includes about \$5.2 million in funding for the Downtown Infrastructure Project, however, this amount of revenue was received in a prior period and held in the General Fund reserve for this project.

The five future years in the outlook period are expected to have positive net incomes. The General Fund reserve balance in dollars is depicted in the following graph:



The financial policy has worked for the City in the past, and if we stick to it, it appears that it will work through this next financial planning horizon. Current projections show that using current assumptions and strategies in place, reserves will not fall below \$22 million in the forecast period. Reserves as a percentage of General Fund expenditures stay strong as well, and are in alignment with Council’s reserve policy. In prior strategic planning sessions, the Council agreed that it was critical to maintain service levels and felt that it was prudent to cut a little bit deeper into reserves with the mindset to turn to building reserves again as soon as possible. The organization is on target to start building reserves again for the future while being ready to take advantage of opportunities including those that are now possible with Sales Tax Measure D-20 revenue. The general financial plan laid out in the Seven Year Projection ensures that we are not borrowing against our future and that there are sufficient reserves on hand to address the needs of the City throughout this downturn and recovery.

Summary

It is important that the City maintain an appropriate level of reserves. The fiscal strategy has been an effective tool to keep the City in a respectable financial position. Council has agreed that reserves should not drop below 20% of General Fund expenses. Through careful planning and many years of belt tightening through the worst of it, this continues to be an achievable goal. While it will take continued effort to balance the increase in the revenues with the many needs, overall, the City is likely in the best position in its history. Staff will continue to monitor actual figures as they come in and compare them to the projected numbers. With consistent monitoring, the Council has been, and will continue to be, alert and effective leaders guiding and supporting the City toward a prosperous and flourishing future.

Atascadero

Comprehensive Financial Strategy April 2023

Section 6- Policies

Review of Fiscal Policies

The budget document allocates City resources such as personnel, materials, and equipment in tangible ways to achieve the general goals of the community. It is prudent, therefore, for the City to have in place fiscal policies and practices to guide the City Manager and City Council through the budget decision-making process. These policies and practices are:

Operational Efficiencies:

- ◆ Implement and practice ongoing operational efficiencies to the extent reasonable;
- ◆ Seek and consider opportunities to reduce future operating and maintenance costs, including energy costs and vehicle maintenance, even when some additional up-front investment may be required;
- ◆ Enter into joint operating arrangements with other organizations so as to provide services more cost effectively;
- ◆ Continue the use of valuable volunteers.

Staffing:

- ◆ Continue to have the Department Head team evaluate key personnel needs of the City. A supplemental request is submitted by each Department Head for staffing needs within the department, and these are evaluated, discussed and prioritized. Tough decisions are made as part of the budget process based on Council priorities, safety concerns, and work volume changes;
- ◆ Utilize private contractors when the same or higher level of service can be obtained at lower total cost;
- ◆ Utilize consultants and temporary help instead of hiring staff for special projects or peak workload periods.
- ◆ Attract and retain competent employees by providing a professional work environment, competitive salaries, safe working conditions, and adequate training opportunities;
- ◆ Base salary increases on individual merit and job performance levels;
- ◆ Strive toward maintaining competitive compensation packages in order to recruit and maintain the best and the brightest;
- ◆ Work toward adequate staffing for the service levels being provided;
- ◆ Be aware of and plan for state, federal and OSHA mandates which might have an effect on staffing levels;
- ◆ Be aware of, monitor and avoid the “hidden” costs of employee turnover, burnout, and stress due to overwork;
- ◆ Look for staff-level streamline opportunities and reductions in areas where there will be minimal impacts to citizens, thus “freeing” employee time.

Education and Communication:

- ◆ Dissemination of important financial information to staff through City Manager roundtables, meetings, emails, and other means of communication;
- ◆ Dissemination of user-friendly annual reports on sales tax measures to residents and local business owners;
- ◆ Encourage employee ideas for efficiency, reduction in costs, or increases in revenues;
- ◆ Provide Council and public with information regarding the City's financial outlook through both the audit and budget process, and continue to update with any changes that occur.

Economic Development:

- ◆ Provide a climate that encourages healthy commercial areas that capture more of the purchasing power of the community and creates more destination commercial activities to capture regional money;
- ◆ Aggressively pursue new developments and businesses which are consistent with the community's quality of life and add to the City's economic base, particularly those that generate sales tax revenue or provide head of household jobs;
- ◆ Promote a mix of businesses that contributes to a balanced community;
- ◆ Continue to improve programs to enhance and retain existing businesses;
- ◆ Continue the promotion and tourism programs as a key component of the economic development strategy.

Community Development:

- ◆ Ensure that adequate funding is in place to provide essential services to new residents without diluting services for existing residents by:
 - Supporting the Community Facilities District to fund the addition of essential police, fire and parks personnel needed to provide services to these new households;
 - Continue, to the fullest extent possible, annexing projects into the Community Facilities District by requiring all residential projects consisting of five or more residential units to annex into the Community Facilities District;
 - Discontinue the use of Assessment Districts in lieu of Homeowner's Associations or other similar mechanisms required of new development to provide ongoing revenue source for the maintenance of development-related infrastructure. These Homeowner's Associations or other mechanisms would be privately managed to avoid City staff time otherwise required by Assessment Districts.
- ◆ Require that new developments contribute toward the expansion of facilities and infrastructure necessary to serve the expanding population;
- ◆ Plan community growth with service and maintenance funding requirements in mind.

Infrastructure:

- ◆ Fully fund technology replacement funds;
- ◆ Work toward fully funding vehicles, equipment, buildings, and other infrastructure;
- ◆ Continue to determine and implement strategies to reduce the current backlog of deferred maintenance projects;
- ◆ Provide vitally important maintenance each year to avoid increasing the deferred maintenance backlog;
- ◆ Determine a maintenance plan and funding strategy prior to the construction, improvement or acceptance of new infrastructure.

New Services:

- ◆ New or expanded programs should only be added when a new funding source has been developed or when an equal or greater cost program has been eliminated;
- ◆ Require agreements for specific services and monitor effectiveness on an ongoing basis.

Construction of New Facilities:

- ◆ Plan for new facilities only if construction and maintenance costs will not negatively impact the operating budget.

Cash Investment:

- ◆ Follow adopted Investment Policy guidelines for the prudent investment of City funds not required for the immediate needs of the City;
- ◆ Maximize the efficiency of the City's cash management system;
- ◆ Enhance the economic status of the City while protecting its pooled cash.

Fiscal Management:

- ◆ Maintain appropriate reserve levels;
- ◆ Consider the long-term and the short-term when making financial decisions;
- ◆ Continuously monitor operations and make adjustments as necessary;
- ◆ Take full advantage of opportunities to receive reimbursement funding at maximum rates possible;
- ◆ Generate additional revenue by marketing City services to other agencies on a contract basis;
- ◆ Maximize revenues by utilizing grants from other agencies to the fullest extent possible;

- ◆ Charge fees for services that reflect the true cost of providing such services and review fee schedules on a regular basis;
- ◆ Fully account for the cost of enterprise operations to avoid any subsidy by the General Fund and to charge all enterprise funds their fair share of the cost of City support services;
- ◆ Maintain accurate accounting records to keep the City Manager, City Council and public informed of the financial condition of the City at all times;
- ◆ Think outside of the box to achieve revenue opportunities that wouldn't otherwise exist;
- ◆ Consider partnerships and taxing opportunities when appropriate.

Conclusion

The policies and practices listed in this section have been practical guides toward a consistently healthy fiscal condition. The importance of these and a well-defined financial strategy to anticipate and conquer difficult issues cannot be understated. The responsibility to maintain a strong organization is shared community wide, but as the City Council and City employees, we agree to be the leaders in this effort. Council has shown integrity in the decisions made to maintain the conservative fiscal strategy. When resources are tight and needs are plenty, it is difficult to commit to saving some of those precious resources for the future. Those reserves are most appreciated now as the City continues to recover and strengthen revenues. Clearly, the City's Fiscal Strategy has been successful. The recovery has been slow and steady, given the economic conditions over recent years. Decisions will continue to be difficult, especially as public pressure continues to build to increase one-time and on-going spending. The fiscal strategy has provided the option to keep operations and service level stable and continues to provide the City with a sustainable future.

ATTACHMENTS:

Attachment A- *The State Legislative Analyst's Office's (LAO's) The 2023-24 Budget: California's Fiscal Outlook, November 2022*

Attachment B- *HDL's City of Atascadero Sales Tax Update Q3 2022*

Attachment C- *HDL's California Forecast: Sales Tax Trends and Economic Drivers, December 2022*

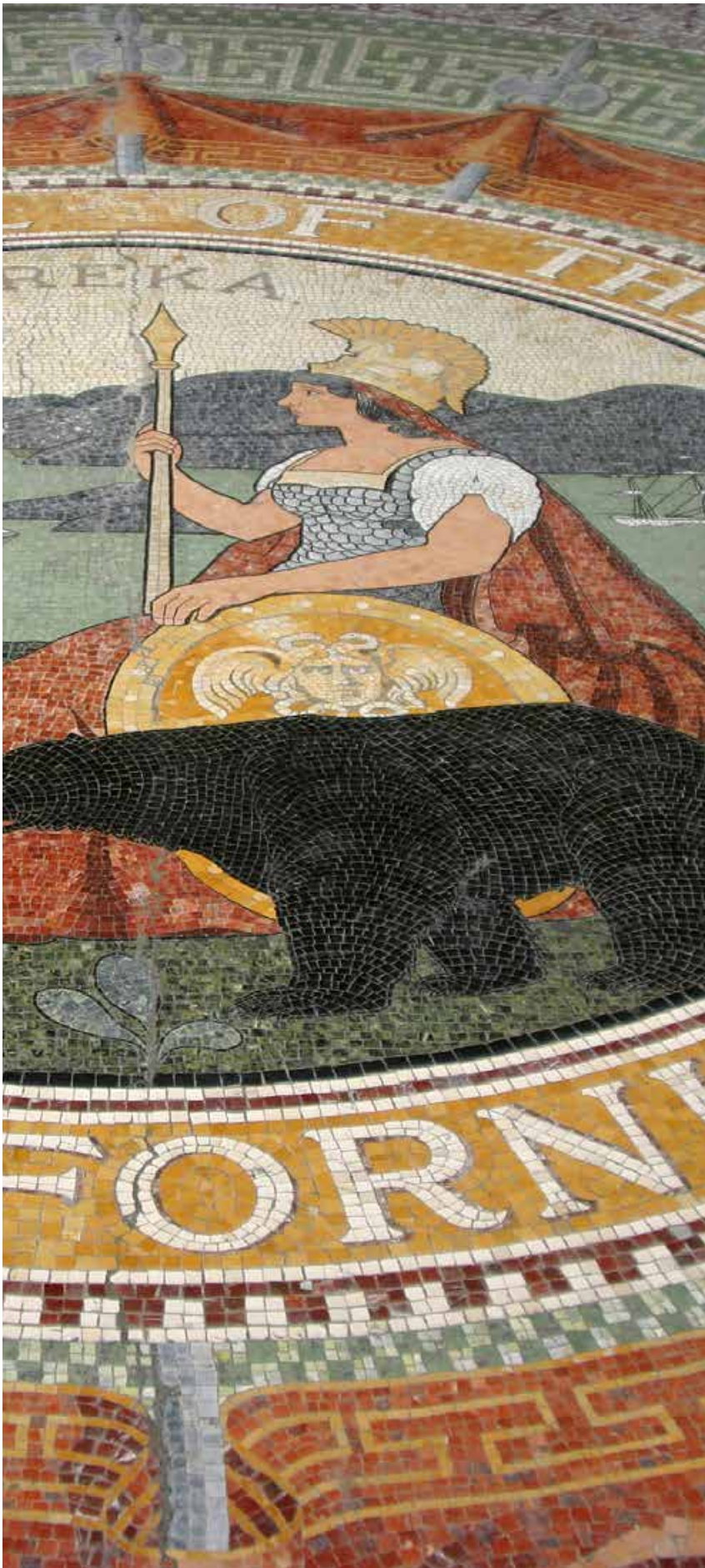
Attachment D- *Governor's Budget Summary 2023-24*

Atascadero

Comprehensive Financial Strategy April 2023

Attachment A:

*The State Legislative Analyst's Office
California's Fiscal Outlook, November 2022*



The 2023-24 Budget:

California's Fiscal Outlook

LAO 

GABRIEL PETEK
LEGISLATIVE ANALYST
NOVEMBER 2022

2023-24 BUDGET

Executive Summary

Economic Conditions Weigh on Revenues. Facing rising inflation, the Federal Reserve—tasked with maintaining stable price growth—repeatedly has enacted large interest rate increases throughout 2022 with the aim of cooling the economy and, in turn, slowing inflation. The longer inflation persists and the higher the Federal Reserve increases interest rates in response, the greater the risk to the economy. The chances that the Federal Reserve can tame inflation without inducing a recession are narrow. Reflecting the threat of a recession, our revenue estimates represent the weakest performance the state has experienced since the Great Recession.

State Faces \$24 Billion Budget Problem and Ongoing Deficits. Under our outlook, the Legislature would face a budget problem of \$24 billion in 2023-24. (A budget problem—also called a deficit—occurs when resources for the upcoming fiscal year are insufficient to cover the costs of currently authorized services.) The budget problem is mainly attributable to lower revenue estimates, which are lower than budget act projections from 2021-22 through 2023-24 by \$41 billion. Revenue losses are offset by lower spending in certain areas. Over the subsequent years of the forecast, annual deficits would decline from \$17 billion to \$8 billion.

Inflation-Related Adjustments Vary Across Budget. The General Fund budget can be thought of in two parts: (1) the Proposition 98 budget for schools and community colleges, representing about 40 percent of General Fund spending, and (2) everything else. Under our estimates, the state can afford to maintain its existing school and community college programs and provide a cost-of-living adjustment of up to 8.38 percent in 2023-24. The extent to which programs across the rest of the budget are adjusted for inflation varies considerably. Because our outlook reflects the current law and policy of the Legislature, our spending estimates only incorporate the effects of inflation on budgetary spending when there are existing policy mechanisms for doing so. Consequently, our estimate of a \$24 billion budget problem understates the actual budget problem in inflation-adjusted terms.

Save Reserves for a Recession. The \$24 billion budget problem in 2023-24 is roughly equivalent to the amount of general-purpose reserves that the Legislature could have available to allocate to General Fund programs (\$23 billion). While our lower revenue estimates incorporate the risk of a recession, *they do not reflect a recession scenario*. Based on historical experience, should a recession occur soon, revenues could be \$30 billion to \$50 billion below our revenue outlook in the budget window. As such, we suggest the Legislature begin planning the 2023-24 budget without using general purpose reserves.

Recommend Legislature Identify Recent Augmentations to Pause or Delay. Early in 2023, we suggest the Legislature question the administration about the implementation and distribution of recent augmentations. If augmentations have not yet been distributed, the Legislature has an opportunity to reevaluate those expenditures. Moreover, in light of the magnitude of the recent augmentations, programs may not be working as expected, capacity issues may have constrained implementation, or other unforeseen challenges may have emerged. To address the budget problem for the upcoming year, these cases might provide the Legislature with areas for pause, delay, or reassessment.

2023-24 BUDGET

INTRODUCTION

Each year, our office publishes the *Fiscal Outlook* in anticipation of the upcoming state budget process. The goal of this report is to help the Legislature begin crafting the 2023-24 budget. Our analysis relies on specific assumptions about the future of the state economy, its revenues, and its expenditures. Consequently, our estimates are not definitive, but rather reflect our best guidance to the Legislature based on our professional assessments as of November 2022. This year's report addresses four main topics for lawmakers:

- **Economic Conditions and the Revenue Picture.** We discuss the implications of persistently high inflation for the economy and, in turn, the effects of the economic environment on our revenue estimates. In short, although our revenue estimates do not assume a recession occurs, they are lower than budget act estimates due to the heightened risk of an economic downturn.
- **The Budget Problem.** We then discuss the implications of lower revenue estimates for the budget condition in 2023-24 and beyond.

Specifically, lower revenues are expected to lead to a deficit of \$24 billion in the budget window. Over the subsequent years of the forecast, annual deficits decline from \$17 billion to \$8 billion.

- **The State Budget and Inflation.** We also discuss the implications of persistently high inflation on the state's spending programs. Given that many program areas do not account for inflation without direct legislative action, we advise the Legislature keep in mind the programmatic impacts of inflation as it considers budget solutions to address the deficit.
- **Reserves.** We conclude with a discussion of the state's reserves, which are the key tool the state has available to address budget problems. We urge lawmakers to begin planning the 2023-24 budget without using general purpose reserves and, instead, to save those reserves for when the state faces a recession.

ECONOMIC CONDITIONS WEIGH ON REVENUES

Booming Economy Has Led to High Inflation. Spurred by pandemic-related federal stimulus, the U.S. economy entered a period of rapid expansion in the summer of 2020 that extended through 2021. Over the last year, however, evidence has mounted that this rapid economic expansion was unsustainable. Amid record low unemployment and continued global supply chain challenges, businesses have strained to meet surging consumer demand. As a result, consumer prices have risen 8 percent over the last year, more than three times the norm of the last three decades.

Efforts to Tame Inflation Are Slowing the Economy. Facing rising inflation, the Federal Reserve—tasked with maintaining stable price growth—repeatedly has enacted large interest rate increases throughout 2022 with the aim of

cooling the economy and, in turn, slowing inflation. Higher interest rates dampen economic activity by increasing borrowing costs for home buyers, consumers, and businesses, as well as depressing the value of riskier assets like stocks. The impacts of recent interest rate hikes are apparent in certain areas of the economy: home sales have dropped by one-third, car sales are at the lowest level in over a decade, and stock prices are down 20 percent from recent highs. Some impacts also can be seen in state tax collections. For example, estimated income tax payments for 2022 so far have been notably weaker than 2021, likely due in part to falling stock prices.

Inflation Pressures Remain, Raising Risk of a Recession. While these slowdowns in certain areas of the economy have not yet spread more

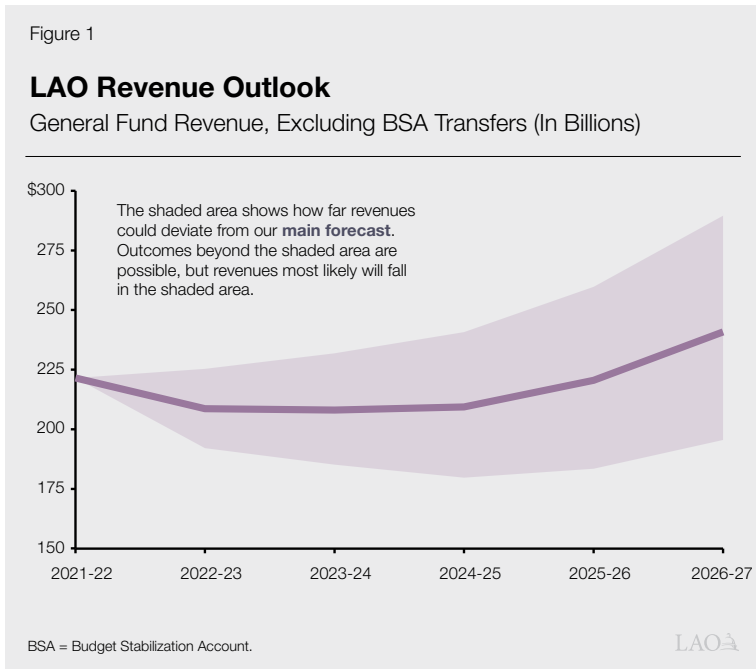
2023 - 24 BUDGET

broadly, similar historical episodes have ended in recessions. The longer inflation persists and the higher the Federal Reserve increases interest rates in response, the greater the risk to the economy. The chances that the Federal Reserve can tame inflation without inducing a recession are narrow. Despite recent interest rate increases, inflation remains well above the Federal Reserve’s stated price stability goal. Further, factors that tend to predict future inflation—such as recent changes in consumer spending, incomes, and prices for food and energy—suggest that heightened inflation pressures could remain for some time. These observations suggest that the Federal Reserve will take additional steps to curb inflation in the coming months, further raising the risk of a recession.

Economic Environment Creates Challenges for the Legislature. The current economic environment poses a substantial risk to state revenues. In the past, when economic conditions have been similar to today, revenues subsequently have tended to decline. This presents the Legislature with the challenge of balancing two key risks when selecting a revenue assumption for the 2023-24 budget. On the one hand, adopting overly optimistic revenues which fail to account for the potential of an economic downturn would create a high risk of shortfalls in future years. On the other hand, while it appears likely a recession will occur, it is far from certain. Further, the exact timing and severity of a possible

recession are unknowable. Because of this, adopting revenues consistent with the abrupt onset of a recession would run the risk of making cuts to public services before they are necessary.

Fiscal Outlook Revenues Balance Competing Risks. Our revenue outlook—displayed in **Figure 1**—weighs equally the risks of excess optimism and excess pessimism. Reflecting the threat of a recession, our revenue estimates represent the weakest performance the state has experienced since the Great Recession. At the same time, our revenues stop short of reflecting an abrupt recession. Were a recession to occur soon, revenue declines in the budget window very likely would be more severe than our outlook.



THE BUDGET PROBLEM

In this section, we describe our estimates of California’s budget condition in the near term (in 2023-24) and over a multiyear period

(through 2026-27). Over both time horizons, we expect the state will face deficits, also known as budget problems.

BUDGET YEAR

We Anticipate the Legislature Faces a Budget Problem of \$24 Billion in

Upcoming Year. Figure 2 shows that, under our revenue estimates, the state would have a budget problem of \$24 billion in 2023-24. The nearby box describes what the term “budget problem” means in more detail. As the figure shows, the state also would end 2023-24 with nearly \$22 billion in the Budget Stabilization Account (BSA)—the state’s general-purpose reserve. These funds are available to address a budget emergency. (Under the State Constitution, the Governor can declare a budget emergency when estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the highest of the prior three budgets, adjusted for inflation and population. The Legislature cannot access the BSA without this declaration.)

Figure 2

General Fund Condition Under Fiscal Outlook

(In Millions)

	2021-22	2022-23	2023-24
Prior-year fund balance	\$38,334	\$19,885	-\$1,166
Revenues and transfers	224,089	208,280	208,252
Expenditures	242,539	229,331	226,486
Ending Fund Balance	\$19,885	-\$1,166	-\$19,400
Encumbrances	\$4,276	\$4,276	\$4,276
SFEU Balance	\$15,609	-\$5,442	-\$23,676
Reserves			
BSA balance	\$21,925	\$21,925	\$21,925
Safety Net Reserve	900	900	900

SFEU = Special Fund for Economic Uncertainties.

What Is a Budget Problem?

A budget problem—also called a deficit—occurs when resources for the upcoming budget are insufficient to cover the costs of currently authorized services. As such, calculating the budget problem involves two main steps:

- **Projecting Anticipated Revenues.** First, we estimate how much revenue will be available for the remainder of the current and upcoming year. This means using assumptions about how the economy is likely to perform over the coming 20 months and then using those assumptions to project revenue collections.
- **Estimating Current Service Level.** Second, we compare those anticipated revenues to the level of spending to support the current service level under the state’s current law and policy. Projecting current service spending, which we also call “baseline spending,” has several components. For example, it requires us to project how caseload will change for means-tested programs, estimate how much federal funding will come to the state based on current federal policy, and make many other assessments.

When current service level spending exceeds anticipated revenues, the state has a budget problem. In this document, the budget problem is reflected in the 2023-24 ending balance in the Special Fund for Economic Uncertainties, shown in Figure 2.

Budget Problem Must Be Addressed. The State Constitution requires the Legislature to pass a balanced budget. As a result, if—earlier in the process—the state faces a budget problem, the Legislature must solve the problem using a combination of tools. In a recession, the main tool for solving a budget problem is the state’s reserve. If reserves are insufficient to cover the budget problem, however, the Legislature must take other actions to bring the budget into balance. These actions include reducing spending, increasing revenues, and/or shifting costs, for example, between funds, time periods, or entities of government.

2023-24 BUDGET

Budget Problem Driven by Lower Revenue Estimates. The budget problem for 2023-24 mainly is attributable to lower revenue estimates. More specifically, however, the budget problem arises as a result of the offsetting effects of five main factors:

- **Planned Deficit of Nearly \$3 Billion for 2023-24.** Under the 2022-23 Budget Act assumptions, the state would have ended 2023-24 with a deficit of nearly \$3 billion in 2023-24. Revenue losses compound this already negative starting point.
- **Revenues Losses Add to Deficit by \$41 Billion.** Across 2021-22, 2022-23, and 2023-24, our estimates of revenues and transfers (excluding transfers to the BSA) are lower than budget act projections by \$41 billion.
- **Formula-Driven Spending on Schools and Community Colleges Offsets Revenue Losses by \$13 Billion.** General Fund spending on schools and community colleges is determined by a set of constitutional formulas under Proposition 98 (1988). Under our outlook, the state allocates about 40 percent of General Fund revenue to K-14 education each year of the budget window. Relative to budget act estimates and consistent with lower revenue, our estimate of required General Fund spending on schools and community colleges for 2021-22 through 2023-24 decreases by \$13 billion.
- **Formula-Driven BSA Deposits Offset Revenue Losses by an Additional \$5 Billion.** Relative to the budget act, under our revenue estimates, the state's required deposits into the BSA would be lower by \$5 billion across the three-year period. This decline is driven by three factors: (1) higher capital gains revenues in 2021-22 result in a \$1.6 billion increase in the deposit that year;

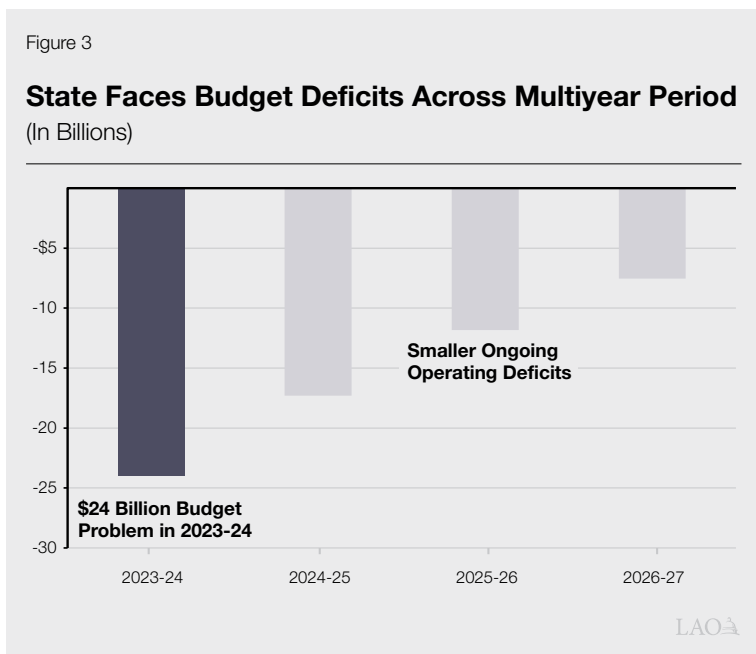
(2) significantly lower revenues in 2022-23 cause that year's \$3.4 billion deposit to be reduced to zero; and (3) our assumption that the state suspends the otherwise required BSA deposit in 2023-24, due to the budget problem, originally estimated to be \$2.9 billion.

- **Other Spending Lower by Nearly \$3 Billion.** Across the rest of the budget, our estimates of spending are lower than the administration's by \$2.6 billion across the three-year period. This figure reflects the net effect of a number of different factors moving in both directions.

Under Our Revenue Estimates, No SAL Requirement in 2023-24. In recent years, the state appropriations limit (SAL) has placed considerable limitations on how the Legislature can use revenues that exceed a specific threshold. Mainly due to lower revenues, the SAL is less likely to be a significant constraint in this year's budget process. The box on page 9 describes our SAL estimates for 2022-23 and over the multiyear period.

MULTIYEAR

State Faces Operating Deficits Over the Multiyear Period. Figure 3 displays our estimates of the budget's condition over the outlook period.



As the figure shows, in addition to the \$24 billion budget problem the state faces in 2023-24, the state faces annual operating deficits which decline from \$17 billion to \$8 billion by 2026-27. The remainder of this section describes some of the key multiyear trends that result in these bottom line estimates.

Revenues Decline, Stabilize, and Then Grow.

The key assumption underlying our multiyear outlook is our estimate of revenues. As we discussed earlier, our revenue outlook balances competing risks. It reflects the threat of a downturn, but stops short of reflecting an abrupt recession. As **Figure 4** shows, we anticipate revenues will decline between 2021-22 and 2022-23 by more than the budget act anticipated, but then remain largely flat between 2022-23 and 2024-25, before growing again in the last two years of the outlook.

Significant Underlying Program Growth Somewhat Offset by Reductions in Temporary Spending.

We estimate spending growth assuming current law and policy remains in place, meaning we assume the Legislature enacts no new policies over the period. Under our assumptions, General Fund spending would grow from \$227 billion in 2023-24 to \$246 billion in 2026-27—an increase of about \$20 billion or an average annual growth of 2.9 percent. (The next section describes some of the other major spending assumptions that are embedded in these estimates, including specific differences with the administration’s budget act assumptions.) The relatively slow overall growth in expenditures is the result of many offsetting factors, shown in **Figure 5** on the next page. Namely, faster growth in ongoing programs, such as in education, employee compensation, and health and human services programs, would total nearly \$35 billion over the period. But this growth is offset by about \$15 billion in lower spending in other areas—including in natural resources, transportation, and housing. In these areas, the state allocated significant

portions of recent budget surpluses to temporary augmentations, which “turn off” over the period, resulting in declines relative to the 2023-24 level.

Recent Budgets Committed to Growing Ongoing Augmentations.

The spending growth in Figure 5 reflects a combination of underlying program growth and recent legislative augmentations. While recent budgets have committed a significant share of new spending to one-time or temporary purposes, those budgets also consistently allocated some funds to ongoing purposes—many of which grow significantly. For example, the 2021-22 budget allocated \$3.4 billion to new, ongoing spending, expected to grow to about \$12 billion by 2025-26. Similarly, the 2022-23 budget allocated \$2.3 billion to new, ongoing spending, expected to grow to nearly \$5 billion by 2026-27. With mostly flat revenue growth, these recent, sizeable, ongoing augmentations place significant pressure on the out-year condition of the budget.

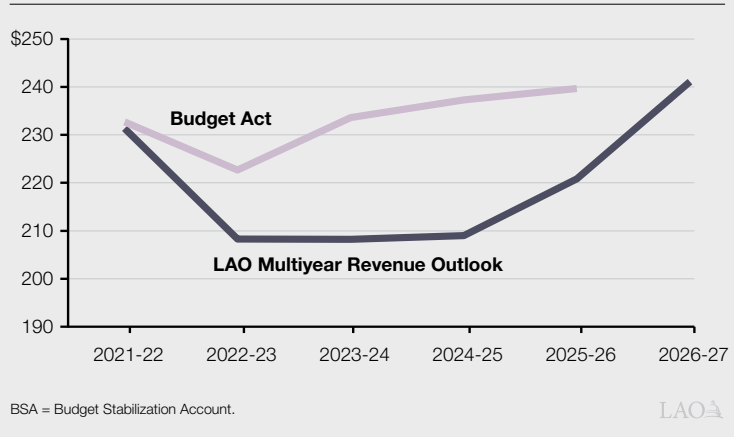
Major Spending Assumptions

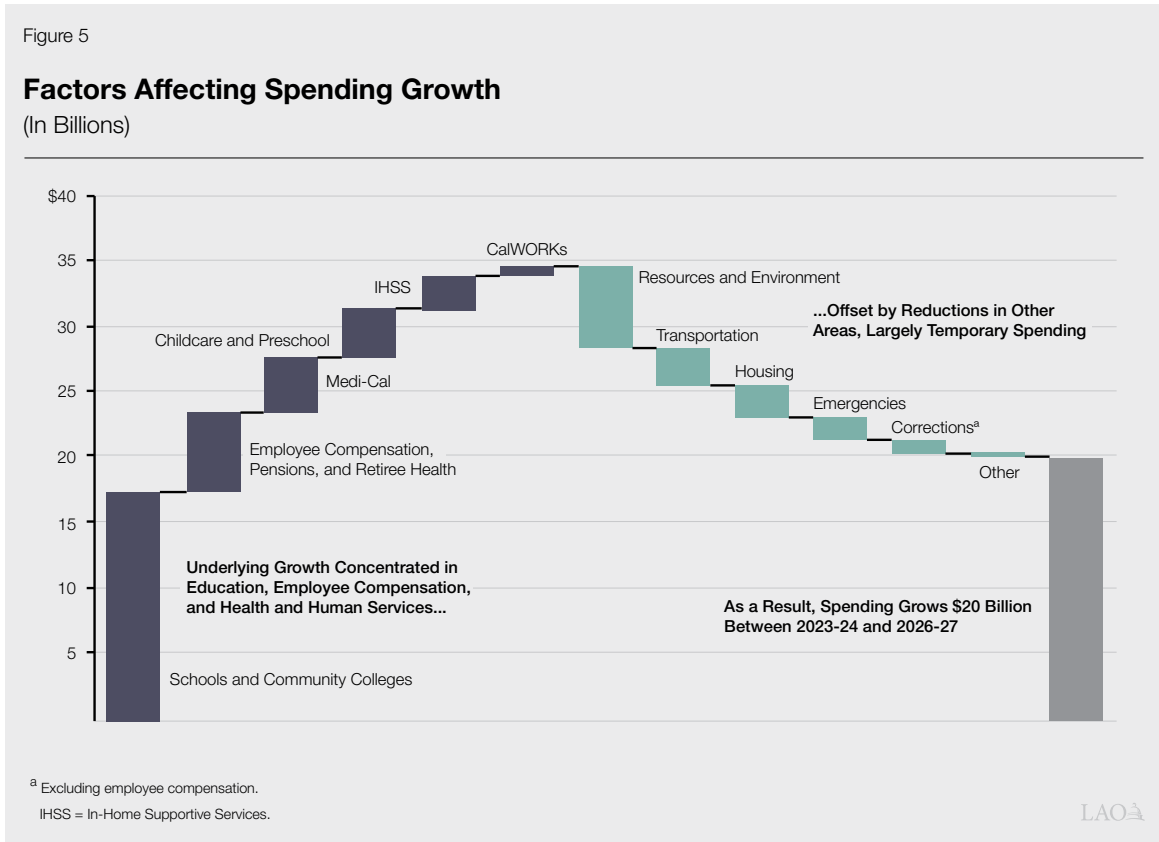
Our *Fiscal Outlook* reflects current law and policy. This means our spending estimates incorporate the fiscal effects of all enacted policies. In addition, we include the fiscal effects of those policies which the Legislature has repeatedly enacted (absent

Figure 4

Under Our Outlook, Revenues Decline, Stabilize, and Then Grow

General Fund Revenues and Transfers Excluding BSA Deposits (In Billions)





statutory commitments to ongoing spending). The remainder of this section describes some of the other key spending assumptions in this *Fiscal Outlook*.

Assume Spending Enacted With Clear Legislative Intent Occurs... In the *Fiscal Outlook*, we aim to estimate the costs of the state’s commitments under current law and policy. For this analysis, we include the costs associated with legislative intent language as current policy if it meets certain conditions. Specifically, (1) the Legislature voted on and approved the policy, (2) the policy is included in budget-related statutes (for example, in trailer bill) that have force of law, and (3) the policy as described in statute is specific and implementable.

...Which Results in Some Differences With the Administration. The administration’s spending estimates at the time of the budget act included some expenditures that did not meet these criteria. Consequently, those items are not included in our

expenditure estimates. The largest expenditures included in the administration’s estimates but excluded from our analysis are: (1) spending \$1.7 billion to accelerate the repayment of bond debt service in 2024-25, (2) setting aside additional reserve deposits of \$1 billion in 2024-25 and \$3 billion in 2025-26, and (3) spending \$1.9 billion in 2023-24 to shift capital outlay projects currently authorized for lease revenue bonds to General Fund cash. In addition, the administration included an unallocated set aside for inflation-related costs in their estimates. We do not make a similar adjustment because those costs do not reflect current law and policy. (If we had included these amounts in baseline spending, the budget problem would have been larger.) On the other hand, we do reflect spending on school facilities of \$2 billion in 2023-24 and \$875 million in 2024-25, and broadband spending of \$300 million in 2023-24 and \$250 million in 2024-25, in which enacted legislative intent language met our criteria.

November 2022 State Appropriations Limit (SAL) Estimates

How the SAL Works. The SAL calculation involves comparing (1) the limit to (2) appropriations subject to the limit. The limit is calculated by adjusting last year's limit for a growth factor that includes economic and population growth. Appropriations subject to the limit are determined by taking all proceeds of state taxes and subtracting excluded spending. If appropriations subject to the limit are less than the limit, there is "room." If the converse is true, the state has a SAL requirement. The Legislature can meet SAL requirements in one of three ways: (1) lowering proceeds of taxes (for example, by providing taxpayer rebates), (2) spending more on excluded purposes (for example, for capital outlay or funding to local governments), or (3) issuing taxpayer rebates and providing more funding to schools and community colleges. For more information about the SAL and its recent implications on the state budget, see our reports [The State Appropriations Limit](#) and [The 2022-23 Budget: State Appropriations Limit Implications](#).

Under LAO Revenue Estimates, State Has Room Across the Budget Window... Under our estimates of revenues and spending, including special funds, the state would have room of \$27 billion in 2021-22 and \$23 billion in 2022-23. In 2022-23, this is somewhat more room than was anticipated at budget act, mainly due to lower General Fund revenues. In 2023-24, the state still would have \$19 billion in room due to a few factors: (1) relatively flat General Fund tax revenues, (2) continued capital outlay spending from recent budget acts, (3) modest growth in other baseline exclusions, and (4) some growth in the limit itself.

...But if Revenues Grow Again, State Most Likely Would Face SAL Requirements Again. Under our multiyear outlook, the state would have much less room in 2024-25, about \$4 billion, and then face SAL requirements in 2025-26 and 2026-27 of \$4 billion and \$18 billion, respectively. These SAL requirements occur largely because our estimates of General Fund tax revenues grow faster than the limit itself in these years. Under our outlook, the state *also* would face budget deficits in these years, making these SAL requirements considerably more difficult to address. That said, while these estimates are highly uncertain and revenues could be significantly higher or lower than our estimates in any given year, on a long-term basis, we expect the state to continue to reach the limit. This will reoccur because historical revenue growth rates exceed the growth in the limit itself.

Assume BSA Deposit and Infrastructure Spending Requirement Are Not Suspended After 2023-24. Under the constitutional rules of Proposition 2 (2014), the state must make annual payments toward certain state debts, deposits into the BSA, and, in some years, infrastructure payments. While the debt payments are required until 2029-30 regardless of the condition of the budget, BSA deposits and infrastructure payments can be suspended if the state faces a budget emergency. Our outlook assumes these payments are suspended in 2023-24, but not in 2024-25 or later. That said, in at least one of these years, the Legislature might have the option to suspend deposits and infrastructure spending if certain conditions are met. Suspending BSA deposits

and infrastructure spending would result in an improvement in the budget condition by an average of roughly \$1 billion each year.

Make CalPERS Contribution Assumptions Consistent With Recent Experience and LAO Forecasts. Our outlook assumes the state makes required pension contributions to the California Public Employees' Retirement System (CalPERS) based on the most recent actuarial valuation—in this case, as of June 30, 2021, which establishes the state's contribution rates for 2022-23. Using CalPERS' online tool, we adjust these contribution rates based on recent investment returns, our assessment of economic conditions, and expected Proposition 2 debt repayments under our forecast. The net effect of these assumptions

2023 - 24 BUDGET

is that the outlook assumes that state pension contribution rates are significantly higher than the projected rates published in CalPERS' most recent actuarial valuation. Specifically, annual General Fund contributions to CalPERS would be higher by \$1.7 billion by the last year of our outlook. (A corresponding upward adjustment to The California State Teachers' Retirement System was not necessary due to differing funding mechanisms and investment returns.)

Assume Enhanced Federal Match for Medicaid Ends Midway Through 2022-23.

Medicaid is an entitlement program whose costs generally are shared between the federal government and states. In 2020, Congress approved a temporary 6.2 percentage point increase in the federal government's share of cost for most state Medicaid programs. This funding

enhancement lasts until the end of the quarter in which the national public health emergency (PHE) declaration ends. For the purposes of this analysis, we assumed the declaration would expire in January 2023, resulting in an increase in General Fund costs of Medicaid programs in the fourth quarter of 2022-23. However, as we completed this analysis, the U.S. Department of Health and Human Services did not notify states the PHE would end in January. Given the federal administration committed to providing states 60 days' notice regarding the end of the public health emergency, the PHE is likely to remain in place after January 2023. We estimate a one-quarter extension results in lower General Fund costs of about \$450 million—improving the budget bottom line condition by that amount (this figure is subject to uncertainty).

INFLATION-RELATED ADJUSTMENTS VARY ACROSS BUDGET

The General Fund budget can be thought of in two parts: (1) the Proposition 98 budget for schools and community colleges, representing about 40 percent of General Fund spending, and (2) everything else. In this section, we discuss the budget conditions of each of these parts of the budget—accounting for inflation—and the implications of those differences.

Under Proposition 98 Estimates, State Can Maintain Program Spending to Schools Even Adjusted for Inflation. Under our outlook, the Proposition 98 funding requirement for schools and community colleges is \$108.2 billion (\$78 billion General Fund) in 2023-24, a decrease of \$2.1 billion (2 percent) compared with the enacted 2022-23 level. Despite this decrease, the state could afford to maintain its existing school and community college programs and provide a cost-of-living adjustment (COLA) of up to 8.38 percent in 2023-24. (This COLA represents a slight reduction in the statutory rate that would apply if the Proposition 98 funding requirement were larger.) The key reasons this COLA can be afforded are: (1) the June budget allocated a sizeable amount

of funding to one-time activities, which expire in 2023-24; (2) program costs decline from 2022-23 to 2023-24 due to an adjustment for school attendance; and (3) a constitutionally required withdrawal from the Proposition 98 Reserve supplements the regular Proposition 98 funding level. The nearby box gives more detail about the out-year condition of the Proposition 98 budget.

In Contrast, the Remainder of the Budget Has a Budget Problem Without Universal Adjustments for Inflation. In some areas across the rest of the budget, programmatic spending is adjusted somewhat automatically for inflation—either through formulas or administrative decisions. Examples of these adjustments include actuarially determined increases in Medi-Cal managed care rates and administrative discretion over increases to capital outlay. In other cases, spending increases are determined through legislative deliberation and are directly approved by the Legislature. Because our outlook reflects the current law and policy of the Legislature, our spending estimates only incorporate the effects of inflation on budgetary spending when there are existing

Proposition 98 Multiyear Outlook

Proposition 98 Establishes “Budget Within a Budget.” By requiring the state to set aside certain amounts of funding, Proposition 98 (1988) creates a budget for schools and community colleges within the state’s larger budget. The minimum size of this budget—the “minimum guarantee”—is determined by a set of constitutional formulas. Individual school and community college programs, in turn, are paid out of this budget. A “shortfall” in the context of the Proposition 98 budget means that funding under the guarantee is insufficient to cover the costs of existing educational programs, as adjusted by changes in student attendance and inflation. A “surplus,” by contrast, means that the guarantee exceeds these program costs.

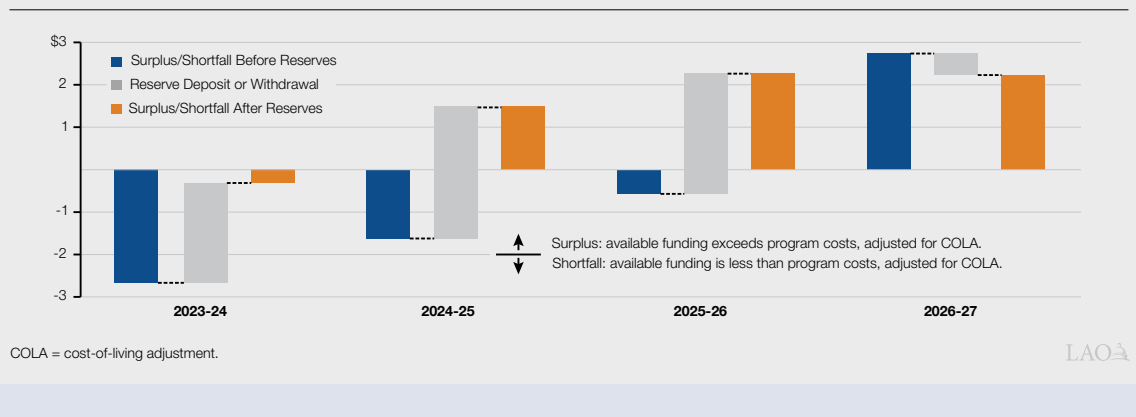
Guarantee Grows Over the Outlook Period. Our estimate of the total Proposition 98 spending on schools and community colleges in 2022-23 is \$106.7 billion (\$78.6 billion from the General Fund and \$28.1 billion from local property taxes). The minimum funding requirement grows by an average of \$5.6 billion (4.9 percent) per year over the next four years. Most of this growth comes from the state General Fund, but increases in local property tax revenue also contribute. The increases in the guarantee are relatively slow early in the period and faster near the end.

Growth in General Fund Portion of the Guarantee Driven by Three Factors. The General Fund portion of the guarantee grows by \$16.7 billion from 2022-23 to 2026-27. Most of this increase reflects our General Fund revenue estimates, with the constitutional formulas generally directing about 40 percent of state revenue growth toward the Proposition 98 guarantee. Our estimates also account for two smaller adjustments: (1) an increase of \$2.6 billion for the expansion of transitional kindergarten and (2) an increase of approximately \$1 billion beginning 2023-24 to fund arts education (based on preliminary Proposition 28 results).

Reserve Withdrawals Compensate for Small Shortfalls. The figure summarizes the overall condition of the Proposition 98 budget under our forecast. The negative blue bars early in the period correspond with small shortfalls. Reserve withdrawals, however, reduce the shortfall in 2023-24 and eliminate it entirely in the following two years. (Proposition 2 [2014] created a reserve for schools and community colleges and established rules requiring deposits into and withdrawals from the fund under certain conditions.) The orange bars show the surplus or shortfall after accounting for these withdrawals. By the end of the period, the Proposition 98 budget is back in balance and the state makes a small reserve deposit. Overall, our outlook suggests that the school and community college budget generally is balanced but does not have capacity for new ongoing commitments.

Proposition 98 Reserve Compensates for Small Shortfalls Over the Next Few Years

Main Forecast (In Billions)



2023 - 24 BUDGET

policy mechanisms for doing so. This means that the actual costs to maintain the state's service level are higher than what our outlook reflects. Consequently, our estimate of a \$24 billion budget problem *understates* the actual budget problem in inflation-adjusted terms. That is, assuming the Legislature wanted to maintain its current level of services, additional spending would be necessary.

Consider Inflation When Addressing the Budget Problem. As the Legislature works to address the budget problem, we suggest policymakers consider the unique impacts of inflation on each of the state's major spending

programs in conjunction with possible budget solutions. On the one hand, pausing automatic adjustments could free up resources and mitigate the need for other reductions. On the other hand, for those programs whose costs have not recently been adjusted for inflation, budget reductions would result in greater reductions in service. If the Legislature wants to provide inflation adjustments in some areas in response to higher prices, the size of the budget problem would increase, meaning corresponding reductions to other areas also would be required.

SAVE RESERVES FOR A RECESSION

A Recession Would Result in Much More Significant Revenue Declines. While the heightened risk of a recession weighs down our revenue outlook, our estimates do not reflect a recession. Were a recession to begin within the next several months, revenue declines would be greater than shown in our revenue outlook. Based on historical experience, should a recession occur soon, revenues could be \$30 billion to \$50 billion below our revenue outlook in the budget window.

General Purpose Reserves Are Adequate to Cover Budget Problem, but Not if a Recession Occurs. Consistent with lower revenue estimates, the Legislature faces a budget problem of \$24 billion in 2023-24—roughly equivalent to the amount of general-purpose reserves it could have available to allocate to General Fund programs (\$23 billion). Despite this, we suggest the Legislature begin planning the 2023-24 budget without using general purpose reserves. We say this for two reasons. First, the state will have more information about the budget condition in May. At that time, revenues could be higher or lower than our current estimates and the Legislature will need to enact the final budget in a very compressed time frame. If revenues are significantly lower, the Legislature will need both reserves *and* other budget solutions to address the deficit. If revenues are higher, the Legislature will not need to make as many spending reductions or revenue increases. Using the beginning months of

the year to deliberate difficult budgetary choices about spending reductions or revenue increases would give the Legislature more time to weigh these decisions. Second, we would urge the Legislature to consider saving reserves for a recession when the budget problem could be twice as large as the one identified in our outlook.

In the Meantime, Recommend Legislature Identify Recent Augmentations to Pause or Delay. Recent budgets allocated significant funds to one-time and temporary purposes, with many large augmentations planned for 2022-23 and 2023-24. For example, the 2021-22 budget committed \$39 billion in General Fund resources to one-time or temporary purposes and the 2022-23 budget committed \$36 billion to similar types of activities. Early in 2023, we suggest the Legislature question the administration about the implementation and distribution of these augmentations. If augmentations have not yet been distributed, the Legislature has an opportunity to reevaluate those expenditures. Moreover, in light of the magnitude of the recent augmentations, programs may not be working as expected, capacity issues may have constrained implementation, or other unforeseen challenges may have emerged. To address the budget problem for the upcoming year, these cases might provide the Legislature with areas for pause, delay, or reassessment.

APPENDIX

Appendix Figure 1

General Fund Spending Through 2023-24 (In Billions)

	Outlook		
	2022-23	2023-24	Change From 2022-23
Legislative and Executive	\$10.9	\$9.2	-15%
Courts	3.5	3.7	5
Business, Consumer Services, and Housing	2.3	1.3	-43
Transportation	0.6	0.4	-37
Natural Resources	8.6	7.4	-15
Environmental Protection	1.5	2.0	35
Health and Human Services	66.4	68.2	3
Corrections and Rehabilitation	13.6	13.1	-4
Education	18.7	20.9	12
Labor and Workforce Development	1.5	2.0	35
Government Operations	4.9	3.6	-26
General Government			
Non-Agency Departments	1.8	3.3	78
Tax Relief/Local Government	0.7	0.6	-7
Statewide Expenditures	7.6	6.7	-20
Capital Outlay	2.8	0.5	-82
Debt Service	5.4	5.6	4
Agency Spending Total	\$150.7	\$148.4	-2%
Schools and Community Colleges^a	\$78.6	\$78.1	-1%
Totals	\$229.3	\$226.5	-2%

^a Reflects General Fund component of the Proposition 98 minimum guarantee.

2023 - 24 BUDGET

Appendix Figure 2

General Fund Spending by Agency Through 2026-27

(In Billions)

Agency	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Average Annual Growth
Legislative and Executive	\$15.5	\$10.9	\$9.2	\$5.2	\$2.8	\$2.4	-35.8%
Courts	3.3	3.5	3.7	3.8	3.9	4.1	3.8
Business, Consumer Services, and Housing	2.2	2.3	1.3	0.2	0.2	0.2	-46.9
Transportation	2.4	0.6	0.4	0.2	0.2	0.2	-27.2
Natural Resources	11.4	8.6	7.4	4.4	4.6	2.9	-26.5
Environmental Protection	4.2	1.5	2.0	0.5	0.4	0.2	-56.2
Health and Human Services	52.5	66.4	68.2	73.5	77.5	81.9	6.3
Corrections and Rehabilitation	13.7	13.6	13.1	12.4	11.9	11.8	-3.3
Education	20.8	18.7	20.9	21.0	20.6	21.7	1.3
Labor and Workforce Development	1.6	1.5	2.0	1.8	1.1	1.1	-17.1
Government Operations	20.1	4.9	3.6	3.9	4.0	3.8	1.4
General Government							
Non-Agency Departments	1.8	1.8	3.3	1.0	1.0	1.0	-33.2
Tax Relief/Local Government	0.6	0.7	0.6	0.7	0.7	0.6	0.1
Statewide Expenditures	1.7	7.6	6.7	8.1	8.5	11.7	20.4
Capital Outlay	1.6	2.8	0.5	0.5	0.5	0.5	—
Debt Service	5.2	5.4	5.6	5.8	6.0	5.8	1.2
Agency Spending Total	\$158.6	\$150.7	\$148.4	\$142.9	\$143.8	\$149.9	0.3%
Schools and Community Colleges^a	\$83.9	\$78.6	\$78.1	\$81.8	\$87.3	\$95.4	6.9%
Proposition 2 Infrastructure^b	—	—	—	\$0.8	\$0.5	\$1.3	-100.0%
Total Forecasted Spending	\$242.5	\$229.3	\$226.5	\$225.5	\$231.6	\$246.6	2.9%

^a Reflects General Fund component of the Proposition 98 minimum guarantee.

^b In 2022-23, amounts are distributed across agencies. In 2023-24, we assumed required infrastructure payments were suspended under Proposition 2 budget emergency provisions.

Appendix Figure 3

LAO Multiyear Revenue Outlook

(In Billions)

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Personal Income Tax	\$135.9	\$125.2	\$122.6	\$127.1	\$144.1	\$171.9
Corporation Tax	45.5	37.0	38.6	40.6	33.8	25.1
Sales Tax	32.9	33.3	33.1	34.1	35.3	36.5
Total "Big Three" Revenue	(\$214.3)	(\$195.5)	(\$194.3)	(\$201.8)	(\$213.1)	(\$233.5)
Federal Cost Recovery	\$1.3	\$6.9	\$7.0	\$0.5	\$0.3	\$0.1
Other Revenues	6.0	6.2	6.8	7.1	7.1	7.2
Total Revenues	(\$221.5)	(\$208.7)	(\$208.1)	(\$209.4)	(\$220.6)	(\$240.8)
Transfers	\$2.6	-\$0.4	\$0.2	-\$1.2	-\$0.8	-\$1.7
Total Revenues and Transfers	\$224.1	\$208.3	\$208.3	\$208.2	\$219.7	\$239.1

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2023-24 BUDGET

2023-24 BUDGET

LAO PUBLICATIONS

This report was prepared by Ann Hollingshead, with contributions from others across the office, and reviewed by Carolyn Chu and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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Atascadero

Comprehensive Financial Strategy April 2023

Attachment B:

*HdL's City of Atascadero Sales Tax Update
Quarter 3, 2022*

CITY OF ATASCADERO

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



ATASCADERO

TOTAL: \$ 1,323,154

5.7%
3Q2022



7.1%
COUNTY

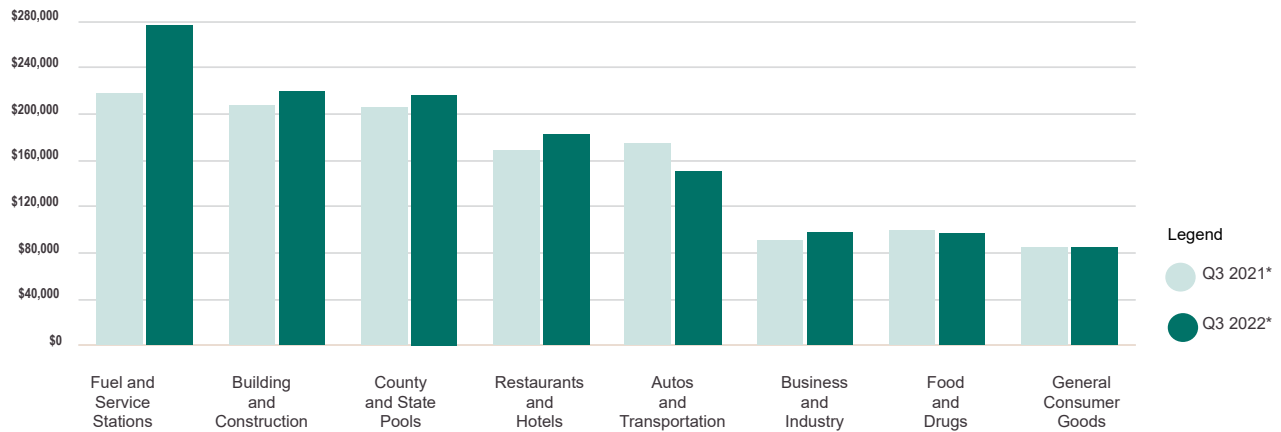


8.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure F14

TOTAL: \$804,325

4.8%

MeasureD-20

TOTAL: \$1,608,152

4.9%



CITY OF ATASCADERO HIGHLIGHTS

Atascadero's receipts from July through September were 5.4% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 5.7%.

Increased summer tourism helped grow overall sales tax. Restaurants, especially sit-down casual dining establishments, experienced solid gains as enhanced optional dining areas, continued demand to eat out and higher menu prices all helped contribute. With the global cost of crude oil still keeping gas prices high for commuters and travelers, revenue from service stations jumped 26%.

Activity at building-construction suppliers improved largely due to the stable housing and commercial markets and on-going infrastructure investment.

Allocations from the countywide use tax pool continues to be a bright spot. Greater investments in infrastructure and industrial equipment purchases helping the pool grow coupled with the improved local results stated above, the City's share grew 5% compared to a year ago.

The City's two transaction taxes, experienced similar overall results with strong building-construction and business-industry activity and gas stations receipts increasing the most.

Net of aberrations, taxable sales for all of San Luis Obispo County grew 7.1% over the comparable time period; the Central Coast region was up 7.2%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Atascadero 76
- Atascadero Chevron
- Atascadero Shell
- Chalk Mountain Gas
- Chalk Mountain Liquor & Deli
- Circle K Union 76
- Dealers Choice
- El Camino Building Supply
- Farwest Line Specialties
- Food 4 Less
- Hitching Post Shell
- Home Depot
- In N Out Burger
- Klem Gas
- McDonalds
- Miners Ace Hardware
- San Anselmo Chevron
- Shell
- Sky River RV
- Smart & Final
- Sunset Auto Sales
- Valley Speed & Marine
- Vons



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

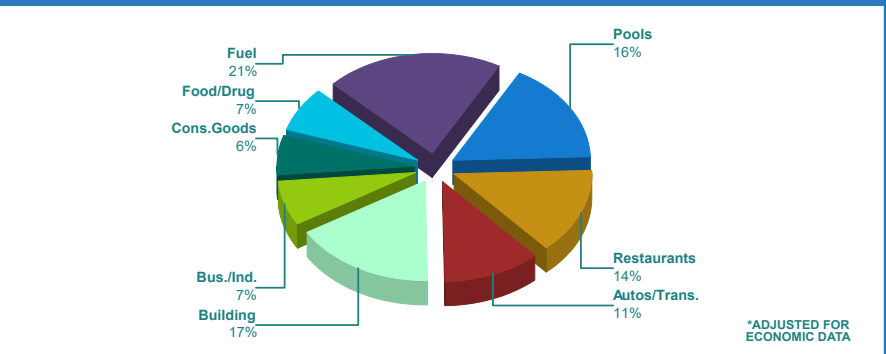
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP
 Atascadero This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Atascadero Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	275.7	26.3% ↑	25.2% ↑	18.5% ↑
Quick-Service Restaurants	86.5	5.1% ↑	4.0% ↑	4.0% ↑
Casual Dining	78.8	14.7% ↑	0.7% ↑	10.1% ↑
Grocery Stores	62.5	0.6% ↑	1.8% ↑	3.0% ↑
Used Automotive Dealers	43.7	-29.2% ↓	-32.8% ↓	-7.6% ↓
Automotive Supply Stores	27.3	4.5% ↑	11.9% ↑	5.3% ↑
Drug Stores	23.7	-3.6% ↓	-0.9% ↓	-1.9% ↓
Auto Repair Shops	20.0	-4.0% ↓	-5.3% ↓	10.7% ↑
Contractors	18.7	24.1% ↑	-16.4% ↓	15.5% ↑
Specialty Stores	14.1	5.6% ↑	12.0% ↑	4.0% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

Atascadero

Comprehensive Financial Strategy April 2023

Attachment C:

*HdL's California Forecast: Sales Tax Trends and
Economic Drivers, December 2022*

HdL[®] Companies

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

DECEMBER 2022



Mono County, CA

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Overview: Over the last few months, slight inflation improvements materialized in various industries, however real change has yet to take hold. Households remain nervous about the economy sliding into a recession. Nevertheless, customer spending remained strong through the holiday season. Experts vary on whether a recession will occur and to what extent. Unemployment rates remain a key indicator of whether this adverse economic situation will occur. From a sales tax perspective, the forecast does reflect a slowdown in taxable merchandise spending to 0.4% in FY 2023/24 as the higher cost of utilities, food and other necessities limit dollars available for discretionary and non-essential items.

Autos/Transportation 2022/23 | 2023/24
 2.9% | -3.0%

Auto inventory available for sale is finally increasing from historic lows after recent supply chain disruptions and computer chip shortages ease. The lack of inventory caused the prices for both new and used vehicles to soar. However, the market now appears to be at an inflection point. Prior to the recent shift, expensive trucks and SUVs were in demand and US manufacturers overproduced. Now consumers prefer less costly, fuel-efficient vehicles which were in short supply amid summer's high gas prices. Additionally, used car prices are declining on the wholesale market as quantities rise. Escalated financing costs bring additional uncertainty to a market already squeezed by affordability concerns. These factors are expected to crimp auto demand and result in a minor dip in revenue growth in the next fiscal year.

Building/Construction 4.3% | 1.0%

Statewide construction permit data continues to reflect vigorous growth as permit values rose 23% during the summer, the fourth consecutive quarter of growth. While this is a good sign, the San Joaquin Valley had signs of a slowdown as the majority of counties reported lower YTD permit values. Demand for new hotels, parking garages and office space remains strong. Higher mortgage interest rates dampened construction of single-family homes, but new construction has not stopped. The increased borrowing rates are fueling renovations on existing properties, and home improvement centers are reporting contractors still have sizeable project backlogs. Construction material costs remain above pre-pandemic levels. Pricing will be offset by major Infrastructure and Investment Jobs Act (IIJA) funded projects in 2023 and the corresponding demand for materials. By FY 2024/25, construction patterns will normalize as mortgage rates moderate and the mix of construction projects favors single-family homes more heavily.

Business/Industry 5.1% | 2.0%

The Business and Industry group swelled 10% during the Q3 sales period with most of the group's 21 unique business types expanding. Comprising 24% of this category's revenues, fulfillment centers surged 11.5%, boosted by early online holiday shopping. Industrial growth continued with strong demand, high cost of materials and a slight relief in supply chain and labor challenges. Project-related buying pushed the electrical equipment sector up double digits while technology investments and other B2B needs buoyed business services outcomes. HdL projects solid growth through the end of 2022, and modest overall improvement in 2023, into early 2024. Given the unique composition of this group, predictions vary based on the size and character of local businesses and industry taxpayers within each community.

Food/Drugs 2022/23 | 2023/24
 1.1% | 2.0%

Grocery stores saw a 3% increase on the sale of taxable goods this past quarter, due to the uptick in food costs. Recent polls showed cannabis usage and related revenues declined due to escalated product costs. Cannabis tax continues to be an alluring revenue source and many recent voter-approved measures will likely increase the permitted licenses throughout the state. Like other areas of this projection, a pullback in consumer spending keeps the estimates up only 1% in FY 2022/23, though spending in FY 2023/24 and beyond should grow at a more traditional rate.

Fuel/Service Stations .4% | -7.7%

While war and global economic uncertainty caused petroleum per barrel costs to skyrocket last spring, gas prices have steadily dropped for two consecutive quarters. As of December 2022, the average per gallon rate is at its lowest point in 2022 and will continue to experience downward pressure. Other factors helping lower the associated sales tax include reduced oil barrel, diesel, and jet fuel prices, paring back on both consumption and demand for fuel and volatility tied to Federal Reserve interest rate adjustments. Due to recent results and outlooks, our forecast for actual sales tax receipts for the next three quarters (Q4'22-Q2'23) has been lowered. FY 2023/24 should see a decrease from the prior year's historic gains linked to the events noted herein.

General Consumer Goods 0.9% | -0.1%

Consumer spending and strong demand sustained positive sales tax receipts from general consumer goods retailers throughout the summer. Local tax receipts came in as expected for the third quarter of the year reflecting positive, yet modest gains. Trends observed this past spring were extended, reinforcing the impact that rising prices and elevated borrowing costs are having on low to middle income households. This was most apparent in the apparel categories. During the 2022 summer gas price peak, tax proceeds from discount department stores selling fuel increased due to shoppers wanting to purchase inexpensive fuel. HdL predicts returns will remain flat with a possible mild slowdown mid-2023. Beyond inflation and interest rates, low personal savings rates combined with growing credit card usage might indicate future headwinds for consumers.

While Proposition 172 (1/2 Cent for Public Safety) growth projections closely track with the statewide Bradley-Burns, calculations vary somewhat due to the state's allocation methodology. HdL forecasts a statewide increase of 3% for fiscal year 2022/23 and .46% for 2023/2024. As some counties rebound from significant sales tax losses these past two years, and the Bradley-Burns allocations were adjusted to reflect direct allocations for some internet-related sales, Proposition 172 pro-rata factors have shifted significantly for many counties.

HdL Companies STATEWIDE
SALES TAX TRENDS

2022/23 | 2023/24



Restaurants/Hotels

8.6% | 2.5%

Restaurant receipts once again improved compared to prior quarter filings, yet the increases are the result of higher menu prices compensating for slower foot traffic. Despite increased admission costs in the entertainment industry, the demand for experiences was high and Q3 recorded the largest percentage improvement over the comparable period. Regional performance varied, impacted by tourism trends and the return to office on a limited basis. Per the National Restaurant Association survey, 77% of consumers planned to order from restaurants during the holidays, which suggests visits lag 2019 levels. Ever-increasing prices and continued recovery are pushing hotels and leisure/entertainment to post strong gains. Though leisure travel remains hearty, business travel has yet to rebound. The restaurant and hotel industries do not expect patron prices to decrease, keeping the group's forecast at an all-time high.



State and County Pools

6.2% | 4.5%

The combined efforts of online activities anchored to conveniences, access to large volumes of merchandise, and quick shipment pledges helped trigger 7% greater use taxes. Following earlier trends, gains came primarily from private party auto sales and small value business-based purchases. General retail sales have been flat or down in the pools this calendar year. Trends show a shift away from mobile ordering as individuals spent more on travel and/or experiences. E-commerce makes up about one sixth of overall retail sales and is predicted to grow modestly in the years ahead. Initial holiday shopping data divulged online spending up 8% as many merchants discounted products to move out bloated inventories. The percentage increases listed for this group reveal increased demand from industrial and equipment related orders along with greater cost of goods on the consumer front.



**NATIONAL AND STATEWIDE
 ECONOMIC DRIVERS**

2022/23 | 2023/24



U.S. Real GDP Growth

0.8% | 2.5%

National GDP has functionally stagnated; it was roughly the same level in Q3 of 2022 as it was in Q4 of 2021. During that period, prices in the U.S. rose sharply. In response to both underlying inflation and the Federal Reserve's rate hikes, interest rates have shot up, rising from record lows to levels that align with long term historical averages. While interest rates are not high from a long run perspective, their rapid increase from such a low floor has sent asset markets reeling. Today's economy is fragile and highly susceptible to further negative shocks. Beacon Economics does not view a recession as a foregone conclusion as many other forecasts have suggested. However, we acknowledge that certain choices by policymakers in the months ahead could trigger an economic crisis.



U.S. Unemployment Rate

3.9% | 4.4%

The U.S. economy is not currently in a recession despite the lack of overall GDP growth. Despite the addition of 4 million payroll jobs since the start of this year, the U.S. unemployment rate remains well below 4%, and the job openings rate is at 6.3%, well above the pre-pandemic peak of 4.8%. At the same time, industrial production is at a record high, manufacturing orders are still rising and overall inventories remain low. The U.S. economy is clearly operating at capacity, the exact opposite of what economists refer to as a 'recession' — a period during which an economy, driven by some type of negative shock, produces less than it could. In contrast, today's economy is one that is running at full speed. The U.S. is struggling with meeting demand, rather than a lack of demand.



CA Unemployment Rate

3.7% | 3.9%

Employers in the state have struggled to hire workers and fill positions. Typically, there are more unemployed workers in the state than there are job openings, but since the outbreak of the pandemic, this paradigm has flipped. Since October 2021, there have been more job openings in California than there are workers to fill these positions, meaning that worker availability has been the primary constraint on job growth in the state.



**CA Total Nonfarm
 Employment Growth**

2022/23 | 2023/24

3.4% | 1.9%

In October, California's economy reached a milestone, having finally recovered all jobs that were lost during the outset of the pandemic. The state reached this milestone more slowly than the national economy and many other states, because California is experiencing a pronounced labor shortage. States that exhibited labor force expansion have also had the highest job growth, while job counts have yet to recover to pre-pandemic levels in states where the labor force contracted significantly. This phenomenon has also played out regionally within California, with job recovery closely tied to labor force expansion in many counties across the state.



**CA Residential
 Building Permits**

123,921 | 106,724

To meaningfully lower the costs of home ownership in California, the supply of housing must increase, particularly in the state's largest metropolitan areas. California, given its high housing prices, is a net exporter of workers with lower levels of earnings and formal education, and a net importer of workers with higher levels of formal education. This represents a key policy challenge for the state as the economy produces (and needs) jobs that pay a range of wages. Ultimately, California, and particularly its large metropolitan areas, needs to allow more housing development to increase overall supply and prevent its lowest income workers from being priced out of the state.



**CA Median Existing
 Home Price**

\$651,840 | \$606,891

The drop in home sales has led to an increase in the number of available homes on the market, although the current level remains far below pre-pandemic inventories. This means that, despite the drop-off in sales, housing supply in the state remains incredibly constrained. Tight housing supply will have two consequences. First, when interest rates begin to fall, the consequent increase in buyers will again place upward pressure on housing prices. Second, while prices can and may go lower (prices have already started to turn down slightly), there is not enough supply in the market to provide the type of overhang that could lead to acute price declines.

Scan to view the HdL California Consensus Forecast 3Q22 webinar recording. Email solutions@hdlcompanies.com to learn more.



HdL Companies Consensus Forecast
 December 2022



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California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.

Beacon Economics LLC

310.571.3399 | BeaconEcon.com

Beacon Economics has proven to be one of the most thorough and accurate economic research/analytical forecasting firms in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.

Atascadero

Comprehensive Financial Strategy April 2023

Attachment D: California Governor's Budget Summary

ECONOMIC OUTLOOK

OVERVIEW

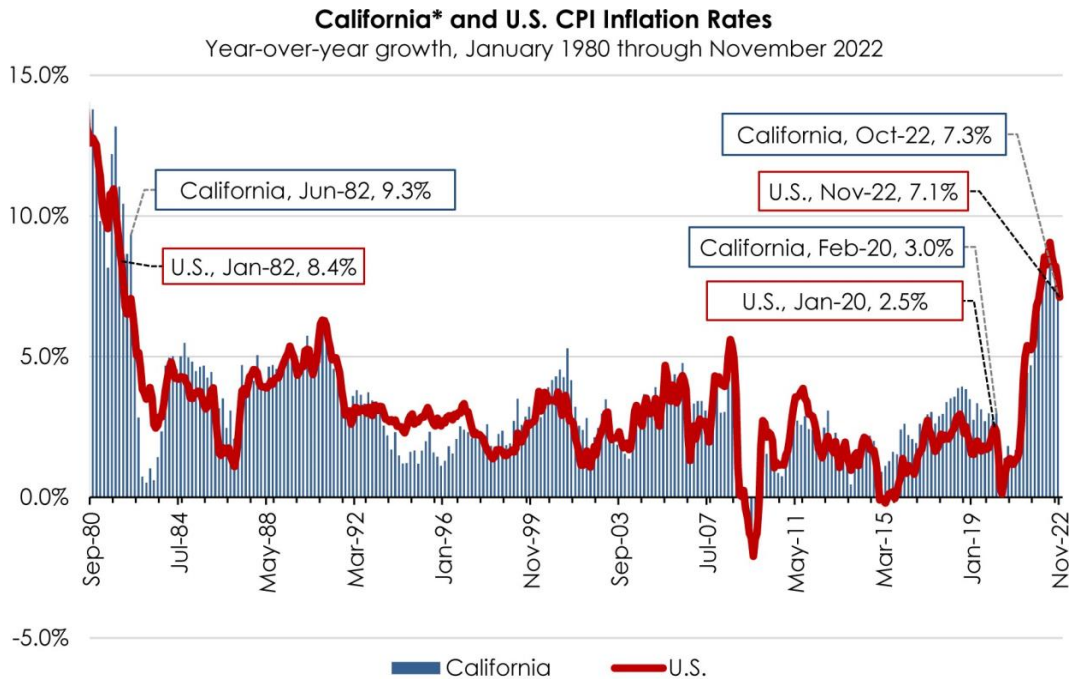
Despite stubbornly high inflation, international instabilities, and the ongoing impacts of a global public health pandemic, California and the nation experienced relatively strong nonfarm job growth in 2022. The state recovered all COVID-19 Pandemic-induced job losses as of October 2022, and the unemployment rate fell to a record low in September 2022. While the labor market thrived, U.S. inflation became more broad-based and reached a 40-year high of 8.5 percent by March 2022, leading the Federal Reserve to start raising the target federal funds rate in efforts to cool the overheated economy. (See figure on California and U.S. CPI Inflation Rates.)

Between March and December 2022, the Federal Reserve raised rates seven times to a target range of 4.25 percent to 4.5 percent and has indicated that it will maintain high target rates until inflation slows to the Federal Reserve's target threshold of around 2 percent. The Governor's Budget forecast projects economic growth to continue, albeit at a slower pace in 2023 as interest rates remain high. Nonfarm job and total wage growth are also expected to slow in 2023 before reverting to a trend of more normalized growth.

The uncertain future paths for inflation and Federal Reserve policy pose short-term risks. If high inflation persists longer than expected or if the Federal Reserve policy causes greater pullbacks by businesses or individuals, the economy could tip into a mild recession. This could lead to a steeper decline in investment and interest-sensitive

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consumption, which in turn could cause a larger decline in economic growth and reduced nonfarm employment and personal income growth. However, upside risks include a quicker-than-projected easing of inflation and an end to the Russian invasion of Ukraine, which would lead to looser monetary policy and stronger economic growth.



*California inflation rate available through October 2022.
 Source: U.S. Bureau of Labor Statistics; California Department of Industrial Relations, CA Department of Finance, Governor's Budget Forecast.

CALIFORNIA JOBS RECOVERY CONTINUES IN 2022 WHILE WAGE GROWTH STALLS

As the state adjusted to living with COVID-19, nonfarm job growth was remarkably strong, growing 3.2 percent annually—its largest growth since 2000. The state recovered the last of the nearly 2.8 million jobs lost as a result of the COVID-19 Pandemic in October. California added nearly 600,000 nonfarm jobs through the first ten months of 2022, a slower pace than in 2021 when the state added more than 900,000 jobs over the same months. Nevertheless, California's job gains in the first ten months of 2022 have accounted for 14.5 percent of the 4 million U.S. jobs added through October, higher than its historical share of U.S. employment of around 12 percent.

ECONOMIC OUTLOOK

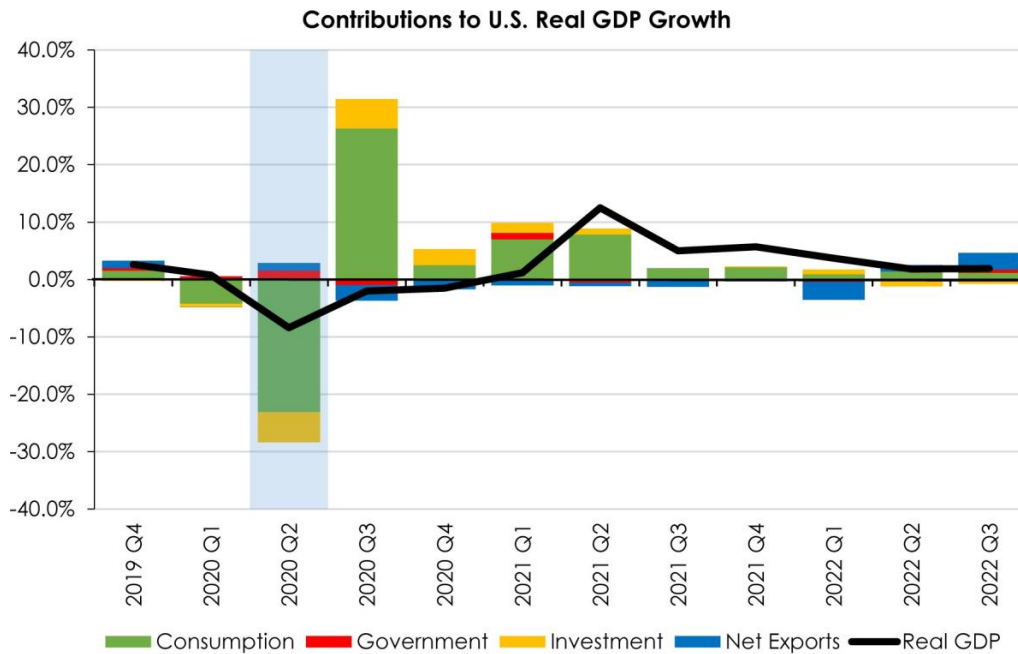
Unlike the rapid nonfarm jobs recovery, the state's overall labor force has yet to fully recover to pre-pandemic levels as of October 2022. Despite strong annual labor force growth of 1.7 percent—not seen since the 2000s—only 71 percent of the nearly 1 million people who left the workforce in the first four months of the pandemic had returned as of October 2022. However, California's labor force participation rate is only 0.3 percentage point below its February 2020 pre-pandemic level of 62.6 percent even as the state surpassed the nation's labor force participation rate of 62.2 percent by 0.3 percentage point in June.

As the state's labor force and employment recovery continued throughout 2022, the state's unemployment rate fell to a record-low rate of 3.8 percent in September. Similarly, the nation's unemployment rate fell to 3.5 percent (its lowest rate since 1969) in the same month. The state's employment recovery has followed the nation's trend throughout the year. Even as labor market conditions remained strong, updated data indicate that California's average wage growth in 2021 and in early 2022 was lower than initially estimated. This was in part due to a broad-based slowdown in total wage growth in the first half of 2022, led by contractions in high-wage sectors such as information, financial services, and professional and business services.

THE ECONOMIC FORECAST: SLOWING BUT CONTINUED GROWTH

Economic growth is expected to continue, albeit at a slow pace, through 2024 as high interest rates decrease demand. (See figure on Contributions to U.S. Real GDP Growth.) Consumption and exports are also projected to grow more slowly. As a result, U.S. real Gross Domestic Product (GDP) growth is expected to be around 1 percent in 2023 and 2024.

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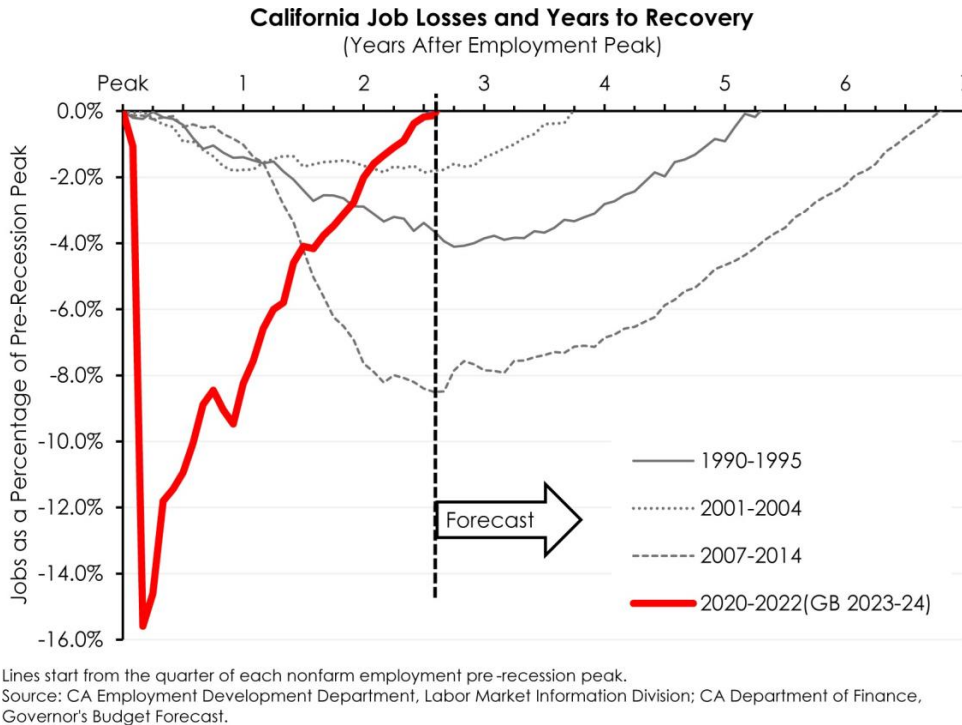


Note: Shaded area indicates recession.
 Source: U.S. Bureau of Economic Analysis; CA Department of Finance, Governor's Budget Forecast.

STRONG STATE JOB GROWTH EXPECTED TO NORMALIZE

In line with slower expected U.S. real GDP growth, California's nonfarm job growth is expected to begin slowing in 2023. Reasons for slowing job growth include weakening demand and the low unemployment environment driven by California's strongest economic recovery since 1960. Nonfarm jobs are then expected to increase across most sectors in California in the second quarter of 2024 as monetary policy eases and, by 2025, both the nation and the state's nonfarm employment growth are projected to return to steady-state trends. The Governor's Budget forecast projects total employment to remain above the pre-pandemic levels throughout the forecast window despite a projected slowdown in job growth. (See figure on California Job Losses and Years to Recovery.)

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California's labor force is projected to grow by 1.4 percent in 2023 and approach its pre-pandemic level even as the labor market weakens. It is projected to moderate thereafter, averaging 0.7 percent growth between 2024 and 2026. Similar to the nation's projections, the state's unemployment rate is projected to peak in 2025 at 5.2 percent before falling to 5 percent in 2026. California's unemployment rate—historically one to two percent higher than the national rate—is expected to stay only one-half point above the national rate over the forecast window.

INFLATION EXPECTED TO MODERATE

Inflation in 2021 was concentrated in energy and transportation and became more broad-based in 2022, spreading to other components including food and shelter. U.S. inflation peaked at 9.1 percent in June 2022, but has since shown signs of easing, slowing to 7.7 percent by October. Likewise, California's inflation peaked at 8.3 percent in June and dropped slightly to 7.5 percent by August, the latest available data when finalizing the forecast.

Despite recent reports of slowing inflation, it remains broad-based but increasingly driven by a backward-looking shelter inflation, which is based on rental contracts over

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a fixed period (for example, 6 months or 12 months) and represents about one-third of the overall inflation index. Therefore, shelter inflation tends to decline more slowly than other components. While port and trucking congestion continue to ease, the ongoing shortage of microchips for vehicles continues to hamper production and thus keep new vehicle prices elevated. Food and fuel prices rose sharply after the Russian invasion of Ukraine and have since declined but remain higher than a year ago.

Going forward, headline inflation is expected to continue to decelerate as the labor market cools due to the Federal Reserve's tight monetary policy, supply chain issues continue to resolve, and measured inflation incorporates recent contract rent decreases. However, the forecast projects that the deceleration in shelter inflation will lag other components, reflecting the increases in rents in late 2021 and early 2022. (See figure on Economic Indicators at the end of this chapter.)

MODEST WAGE GROWTH EXPECTED THROUGH FORECAST PERIOD

With the expected easing of inflation and the winding down of the Federal Reserve's tight monetary policy, California average wage growth is projected to moderate throughout the forecast period in comparison to the growth of 11.1 percent and 7.4 percent in 2020 and 2021, respectively. The forecast reflects data revisions released in September 2022 showing a high-wage-sector-driven contraction in total wages in early 2022. Average wages are projected to grow by 3.4 percent in 2023 before averaging 3.6 percent between 2024 and 2026.

PERSONAL INCOME GROWTH REFLECTS MODERATING WAGE GROWTH

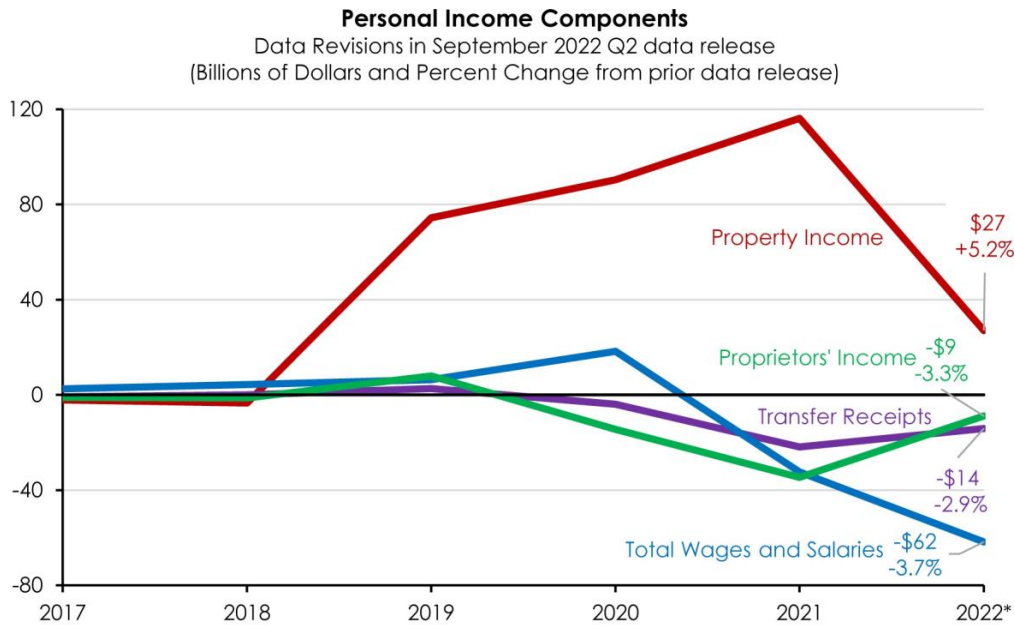
Personal income is projected to have continued growth through 2025, albeit at a slower rate in part due to updated historical data and the labor market response to tighter monetary policy. The Governor's Budget forecast incorporates the second quarter personal income data release, which included revisions to historical data going back to 2017 reflecting more accurate wage data. The data revisions showed a broad-based slowdown in most personal income components, and slower overall headline growth than previously estimated. (See figure on Personal Income Components.) Nevertheless, tighter monetary policy is also expected to curtail headline personal income growth through the forecast window.

Despite the downward revisions to total wages, which makes up more than half of total personal income, the Governor's Budget forecast projects total wages will drive personal income growth. As high interest rates are assumed to cause nonfarm job growth to slow in 2023 and early 2024, total wage growth is expected to see a similar

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slowdown. Slower job growth will also be reflected in proprietors' income, which covers the profits of non-corporate businesses and is an indicator of business activity. Business activity is expected to slow due to high interest rates and inflation pushing up business costs, in turn lowering income.

Property income is the sum of interest, rental, and dividend income and is generally driven by interest income. Interest income is projected to grow in line with the expected trajectory of the Federal Reserve's interest rate increases, peaking in 2023 with double-digit growth of 10.8 percent. Rental income is a lagged indicator as it represents contract rents from leases signed over the previous 12 months and tends to follow shelter inflation. It is projected to peak in 2022 due to increases in asking rents in late 2021 and later decelerate through the remainder of the forecast period in line with current rent decreases. Dividend income growth is expected to slow as higher interest rates lead to more risk and investor uncertainty in the stock market. The forecast assumes interest rates will begin to ease by the end of 2023. Beginning in 2024, California personal income is expected to begin reverting to its historical growth trends, averaging 4.7 percent growth in 2025 and 2026.



*Year 2022 only reflects data revisions through the first quarter of 2022.
 Total wages and salaries were 51 percent of total personal income in 2021, proprietor's income was 8.5 percent, property income was 17.8 percent and transfers was 19.4 percent.
 Source: U.S. Bureau of Economic Analysis; CA Department of Finance, Governor's Budget Forecast.

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HOUSING SHORTAGE PERSISTS

California continues to face a critical housing shortage despite recent declines in the working-age population and various legislative efforts to ease building restrictions. Between January 2000 and January 2022, the state gained 5.9 million new households, but only an additional 2.5 million housing units. Ongoing growth in housing is essential to support long term economic growth in the state. Although the Governor's Budget forecast projects California to average 122,000 permits in 2023, the state would need to permit 180,000 units annually (according to the California Department of Housing and Community Development) to meet housing needs. While building is expected to remain below the necessary number of homes needed to address the state's housing shortage, higher interest rates are expected to limit growth in 2023 and 2024, then as interest rates fall, permit growth is projected to increase in 2025 and 2026.

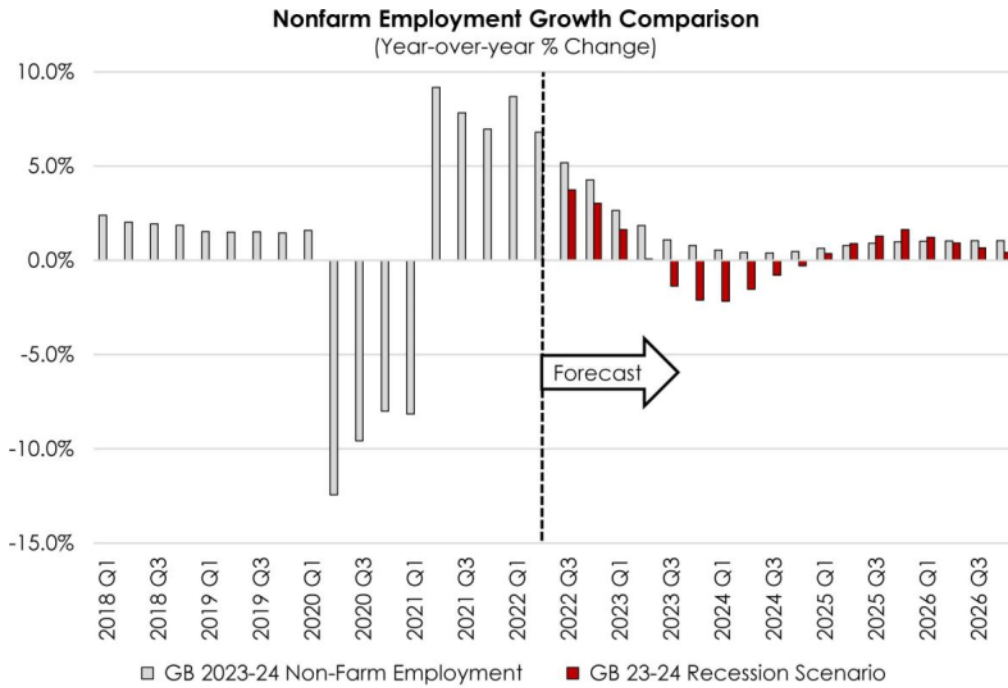
RISKS TO THE FORECAST

The possibility of inflation falling more slowly than expected, or of the Federal Reserve overshooting its policy by tightening more than necessary, poses significant risk to the Governor's Budget forecast. The Federal Reserve has signaled ongoing increases to the target federal funds rate in order to return inflation to its long-term target of around 2 percent, and policy could be tighter than expected if high inflation persists longer than expected. It typically takes several months for the economy to absorb the full effect of policy changes, and there is a risk that the Federal Reserve could raise target interest rates too high and too fast, causing tight credit conditions that may discourage economic activity even after inflation has returned to normal. This could deepen the expected economic slowdown and push the economy into a mild recession. Overreactions from individuals, businesses, and markets to the Federal Reserve's policies, for example, by assuming that future monetary policy would be tighter than it turns out to be and curtailing expansion plans accordingly, could have a similar impact.

A mild recession along the lines described above would likely entail steeper declines in investment and interest-sensitive consumption than in the Governor's Budget baseline forecast. To that end, the Department of Finance has modeled a Recession scenario that projects California nonfarm employment to contract in late 2023 through 2024. Personal income would also grow more slowly in this scenario, as cumulative state personal income would be \$132 billion lower over the forecast window than in the

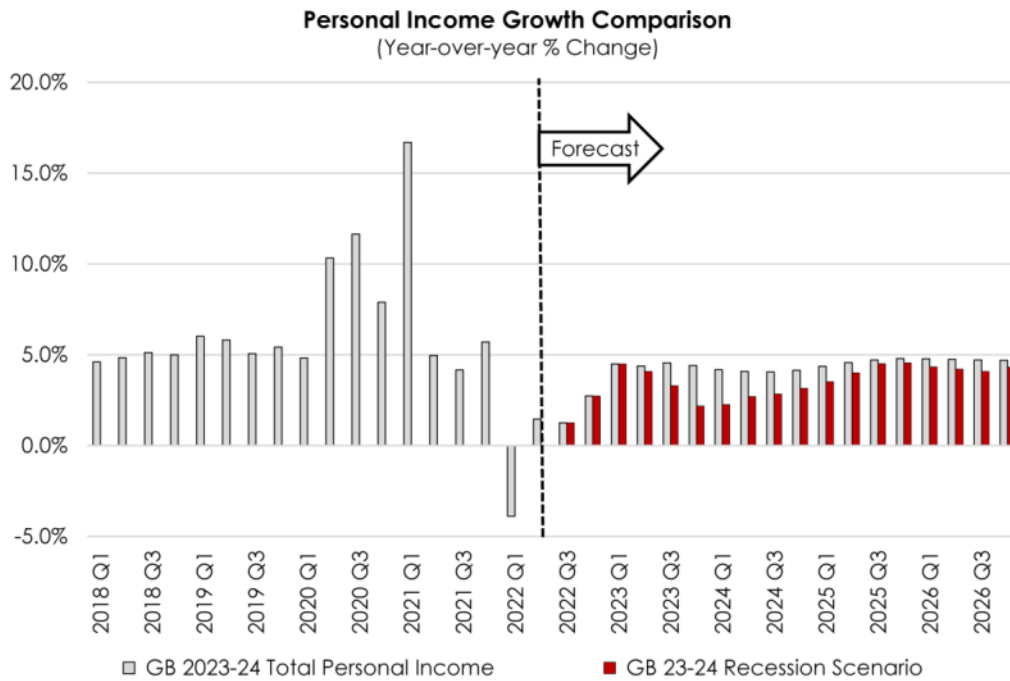
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baseline forecast. (See figures on Nonfarm Employment Growth Comparison and Personal Income Growth Comparison.)



Source: U.S. Bureau of Economic Analysis, CA Department of Finance, 2023-24 Governor's Budget Forecast.

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Source: U.S. Bureau of Economic Analysis, CA Department of Finance, Governor's Budget Forecast.

Conditions in China also present a potential forecast risk, as turmoil stemming from continued lockdowns under a zero-tolerance COVID-19 policy, related unrest, and a potential financial crisis could disrupt the global economy. China has also threatened an invasion of Taiwan, which could be more disruptive to the global supply chain than the Russian invasion of Ukraine as Taiwan is the world's largest supplier of semiconductors.

California home prices fell in the second half of 2022, but a steeper decline could depress permit activity more than expected, reducing construction employment and overall economic activity in the state in the short term. While lower housing costs would likely improve the state's long-term competitive position, a sudden drop could lead to a sustained construction slump as it did after the collapse of the housing bubble before the Great Recession.

Potential upside risks to the forecast include faster-than-expected easing of inflation and resolution of the Russian invasion of Ukraine, which could revive European economic growth and increase demand for U.S. exports. Inflationary cooling over the next several months in line with the deceleration in October could lead to less restrictive

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monetary policy than expected. Resulting lower interest rates could boost construction spending and other investment.

Economic Indicators

Annual Percentage Change unless Otherwise Indicated

	2019	2020	2021	Forecast				
				2022	2023	2024	2025	2026
United States								
Real GDP	2.3%	-3.4%	5.7%	1.7%	0.9%	1.3%	1.9%	1.9%
Unemployment Rate (percent)	3.7%	8.1%	5.4%	3.7%	3.9%	4.5%	4.7%	4.6%
Nonfarm Employment	1.3%	-5.8%	2.8%	4.0%	0.9%	-0.5%	0.0%	0.4%
Personal Income	4.1%	6.5%	7.5%	3.0%	4.6%	3.9%	4.5%	4.5%
CPI Inflation Rate (percent)	1.8%	1.2%	4.7%	8.1%	4.7%	2.5%	2.3%	2.3%
California								
Unemployment Rate (percent)	4.1%	10.3%	7.4%	4.4%	4.5%	5.1%	5.2%	5.0%
Civilian Labor Force	0.6%	-2.5%	-0.1%	1.9%	1.4%	0.9%	0.7%	0.5%
Nonfarm Employment	1.5%	-7.1%	3.6%	6.2%	1.6%	0.5%	0.8%	1.0%
Residential Permits (thousands of units)	110	106	120	121	122	127	134	142
Average Wages	4.4%	11.1%	7.4%	0.5%	3.4%	3.0%	3.7%	3.9%
Real Average Wages	1.4%	9.4%	3.1%	-7.2%	-1.9%	-0.6%	0.5%	0.8%
Personal Income	5.6%	8.7%	7.7%	0.4%	4.5%	4.1%	4.6%	4.7%
CPI Inflation Rate (percent)	3.0%	1.7%	4.3%	7.7%	5.3%	3.6%	3.2%	3.1%

Governor's Budget Forecast based on data available as of November 2022.

Source: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; CA Employment Development Department, Labor Market Information Division; CA Department of Finance, 2023-24 Governor's Budget Forecast.