



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, June 11, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

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

CITY COUNCIL CLOSED SESSION:

- 1. CLOSED SESSION -- PUBLIC COMMENT**
- 2. COUNCIL LEAVES CHAMBERS TO BEGIN CLOSED SESSION**
- 3. CLOSED SESSION -- CALL TO ORDER**
 - a. Conference with Legal Counsel – Existing Litigation**

Government Code Sec. 54956.9 (d)(1)
Name of Case: Castlerock Development et.al. v. City of Atascadero
San Luis Obispo Superior Court Case No. 16CVP-0324
 - b. Conference With Legal Counsel—Anticipated Litigation**

Significant exposure to litigation pursuant to Govt. Code
Section 54956.9(d)(2): 1 potential case
- 4. CLOSED SESSION -- ADJOURNMENT**
- 5. COUNCIL RETURNS TO CHAMBERS**
- 6. CLOSED SESSION – REPORT**

ADJOURNMENT

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

PLEDGE OF ALLEGIANCE: Council Member Funk

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

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

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

PRESENTATIONS:

1. Presentation - PG&E's Community Wildfire Safety Program (CWSP)

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

1. City Council Draft Action Minutes – May 28, 2019

- Recommendation: Council approve the May 28, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. Designate the County Health Officer to Enforce all Health Laws within the City of Atascadero

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution confirming the Council's consent to the enforcement of all health laws within the City of Atascadero by the San Luis Obispo County Health Officer. [City Manager]

3. Formation of Paid Level 3 Reserve Officer Position

- Fiscal Impact: The creation of the paid Level 3 Reserve Officer position at a Step B officer pay will not result in any additional fiscal impact to the Police Department and there may be some additional savings in future recruitment costs.
- Recommendation: Council authorize the City Manager to establish a new paid Level 3 Reserve Officer position and amend the monthly salary schedule to add the Level 3 Reserve Officer position as follows:

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Level 3 Reserve Officer	5,398.22	5,668.13	n/a	n/a	n/a

[Police Department]

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

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Apple Valley Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2019/2020 will total \$38,500 for road/drainage system maintenance and \$63,000 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for fiscal year 2019/2020.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2019/2020 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in fiscal year 2019/2020.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2019/2020 for Landscaping and Lighting District No. 01 (Apple Valley). [Administrative Services]

2. De Anza Estates Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2019/2020 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2019/2020 for half of the maintenance costs of the trails and open space.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for fiscal year 2019/2020.

2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2019/2020 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in fiscal year 2019/2020.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2019/2020 for Landscaping and Lighting District No. 03 (De Anza Estates). [Administrative Services]

3. Woodridge (Las Lomas) Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2019/2020 will total \$90,383 for road/drainage system maintenance and \$64,890 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Las Lomas (Woodridge). The City General Fund will contribute \$1,850 for the fiscal year 2019/2020 for 25% of the maintenance costs of the trails and open space.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for fiscal year 2019/2020.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2019/2020 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in fiscal year 2019/2020.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2019/2020 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas). [Administrative Services]

4. Atascadero Tourism Business Improvement District Confirmation of Annual Assessment (Fiscal Year 2019-2020)

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2019-2020 are expected to be approximately \$284,000 and will be assessed as 2% of the rent charged on the occupied rooms and spaces for transient occupancies.
- Recommendation: Council adopt Draft Resolution confirming the annual assessment for the Atascadero Tourism Business Improvement District (fiscal year 2019-2020). [City Manager]

5. Downtown Parking and Business Improvement Area Confirmation of Annual Assessment (FY 2019-2020)

- Ex-Parte Communications:
- Fiscal Impact: Adopting the staff recommendation will result in the collection and expenditure of approximately \$9,800 in BIA funds.
- Recommendation: Council adopt Draft Resolution confirming the annual assessment for the Downtown Parking and Business Improvement Area (fiscal year 2019-2020). [City Manager]

C. MANAGEMENT REPORTS:

1. Formation of Improvement Area No. 1, Community Facilities District 2005-1 (6300, 6320, 6420, 6450, 6490, and 6500 El Camino Real: Parcel Map AT 17-0088)

- Fiscal Impact: None.
- Recommendations: Council:
 1. Adopt Draft Resolution A, adopting a boundary map showing the territory proposed for inclusion in proposed Improvement Area No. 1 (Public Services) of the City of Atascadero.
 2. Adopt Draft Resolution B, declaring its intention to establish Improvement Area No. 1 of Community Facilities District 2005-1 (Public Services) of the City of Atascadero and to authorize the levy of special taxes therein to finance Public Services. [Community Development]

2. Strategic Planning 2019-2021 Council Goals and Action Plan

- Fiscal Impact: The two-year budget is based on the goals developed through the strategic planning process. While there is no direct impact as a result of the approval of this work plan, future budgets are based on these goals, and specific projects may require the expenditure of funds or additional resources.
- Recommendations: Council:
 1. Adopt the goals and decision criteria selected at the Strategic Planning Workshop of January 25-26, 2019.
 2. Approve the 2019-2021 City of Atascadero Draft Action Plan implementing Council Goals. [City Manager]

3. 2019-2021 Operating and Capital Budget

- Fiscal Impact: The total revenues for all funds are budgeted at \$37,822,370 and \$40,425,820 for fiscal years 2019-2020 and 2020-2021, respectively. Total expenditures for all funds are budgeted at \$44,994,920 and \$43,125,440 for fiscal years 2019-2020 and 2020-2021, respectively.
- Recommendations: Council:
 1. Adopt Draft Resolution adopting the budgets for the 2019-2020 and 2020-2021 fiscal years and delegating to the City Manager the authority to implement same.
 2. Adopt Draft Resolution amending fiscal year 2018-2019 budget.
 3. Adopt Draft Resolution adopting the fiscal year 2019-2020 annual spending limit. [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. Economic Vitality Corporation, Board of Directors (EVC)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

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

Council Member Fonzi

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

Council Member Funk

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

Council Member Newsom

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

- 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
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. ADJOURN

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

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information at cityclerk@atascadero.org or (805) 470-3400.

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 during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, May 28, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

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

Mayor Moreno called the meeting to order at 6:00 p.m. and Council Member Newson led the Pledge of Allegiance.

ROLL CALL:

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

Absent: None

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

Mayor Moreno called for a moment of silence in remembrance of former Mayor and Council Member Bob Kelly.

APPROVAL OF AGENDA:

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

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

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

PRESENTATIONS:

1. Proclamation recognizing May 2019 as Foster Care Awareness Month

Christopher Key and Angella Holmes gave brief presentations on foster care and provided the Council with related literature (Exhibit A). The City Council presented them with a Proclamation recognizing May 2019 as Foster Care Awareness Month.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – May 14, 2019 and May 15, 2019

- Recommendation: Council approve the May 14, 2019 and May 15, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. April 2019 Accounts Payable and Payroll

- Fiscal Impact: \$1,855,508.44
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for April 2019. [Administrative Services]

3. Atascadero Tourism Business Improvement District (ATBID) Board Appointment of Three Board Members to Fill Vacancies

- Fiscal Impact: None.
- Recommendation: Council appoint to the ATBID Advisory Board, Jack Mahar for a term expiring June 30, 2020 and Jacki Dawson and Tom O'Malley for terms expiring June 30, 2021. [City Manager]

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

- Fiscal Impact: None.
- Recommendations: Council:
 1. Approve the ATBID Annual Report.
 2. Adopt Draft Resolution declaring intent to levy an annual Business Improvement District assessment on lodging businesses within the Atascadero Tourism Business Improvement District, and set a public hearing for June 11, 2019. [City Manager]

5. Parking & Business Improvement Area (PBIA) Assessment

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution, declaring intent to levy an annual Downtown Parking and Business Improvement Area assessment, and set a public hearing for June 11, 2019. [City Manager]

6. Adoption of Atascadero Transit's Title VI Plan 2019-2022

- Fiscal Impact: The City of Atascadero benefits from Federal Transit Administration capital and operating assistance funding. Federal funds could be withheld from Atascadero Transit should the City fail to submit a Title VI Plan.
- Recommendation: Council adopt Draft Resolution approving the Title VI Plan and Limited English Proficiency Plan for Atascadero Transit services. [Public Works]

7. Annexation of the La Plaza Mixed-Use Project into Community Facilities District 2005-1, Annexation No. 19 - 6300, 6320, 6420, 6450, 6490, and 6500 El Camino Real (Parcel Map AT 17-0088)

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution, declaring its intention to annex territory, into Community Facilities District 2005-1 (Public Services) and to authorize the levy of special taxes therein – City of Atascadero Community Facilities District 2005-1 Annexation No. 19 (6300, 6320, 6420, 6450, 6490, and 6500 El Camino Real: Parcel Map AT 17-0088). [Community Development]

Deputy City Clerk Muther noted that there were two clerical errors on Consent Calendar Item #A-1. She reported that Item #C-2 on the May 14, 2019 Draft Minutes noted a public speaker but there were no public speakers for this item. She also noted that there was a public speaker, Karen Peterson, whose name had been overlooked in the May 15, 2019 Special Meeting Draft Minutes.

A representative for the La Plaza project, Max Zappas, requested that Item #A-7 be pulled from the Consent Calendar for further discussion. Following a brief explanation from Mr. Zappas regarding his concerns, Mayor Moreno recommended that Council vote on the remaining Consent Calendar Items, then come back to Item #A-7 for further discussion.

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to approve the Consent Calendar Items A1 through A6. (#A-4: Resolution No. 2019-034) (#A-5: Resolution No. 2019-035) (#A-6: Resolution No. 2019-036).
Motion passed 5:0 by a roll-call vote.

Mayor Moreno asked City Manager Rickard to speak about Consent Calendar Item #A-7 and explain options available in response to Mr. Zappas' concerns about annexation costs. City Manager Rickard and Mr. Zappas both answered questions from the Council.

After a lengthy discussion and Council direction to staff, Mayor Moreno proposed an ad hoc Committee of Council Member Fonzi and Mayor Pro Tem Bourbeau, to work with staff to develop a recommended annexation fee level for La Plaza and similar future developments in the Downtown to bring back to Council for consideration at the June 11, 2019 meeting. There was Council consensus to implement the proposed ad hoc committee.

UPDATES FROM THE CITY MANAGER:

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

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Kimberly Davidson.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Amendments to Fee Schedule

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

Ex Parte Communications: None.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to adopt Draft Resolution adopting amended fees and deposits to offset costs incurred in planning services and a schedule of fees and charges for City services with a revision to Zoo admission fees for children of \$5 (ages 3-4) and \$8 (ages 5-12). ***Motion passed 5:0 by a roll-call vote. (Resolution No. 2019-037)***

C. MANAGEMENT REPORTS: None.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. Economic Vitality Corporation, Board of Directors (EVC)

Mayor Pro Tem Bourbeau

1. City / Schools Committee
2. City of Atascadero Finance Committee

Council Member Fonzi

1. Air Pollution Control District
2. City of Atascadero Design Review Committee

Council Member Funk

1. League of California Cities – Council Liaison

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

Council Member Fonzi expressed concerns about notices PG&E has issued regarding potential power outages in the summer months.

F. ADJOURN

Mayor Moreno adjourned the meeting at 7:54 p.m.

MINUTES PREPARED BY:

Amanda Muther
Deputy City Clerk

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

- Exhibit A –Literature regarding foster care

APPROVED:



Atascadero City Council

Staff Report – City Manager’s Office

Designate the County Health Officer to Enforce all Health Laws within the City of Atascadero

RECOMMENDATION:

Council adopt Draft Resolution confirming the Council’s consent to the enforcement of all health laws within the City of Atascadero by the San Luis Obispo County Health Officer.

DISCUSSION:

State law requires every city to either appoint a local health officer or to make arrangements with the County to exercise the required powers and duties of a health officer. In 1982, the Atascadero City Council had entered into an agreement with the County of San Luis Obispo for Performance of City Health Functions. This agreement terminated in 1987. The County’s Health Officer continued to be on call as Atascadero’s Health Officer, as needed, until 2015.

In 2015, the County researched their records on the designation of the County Health Officer and found that the City of Atascadero did not have an up to date designation for the County Health Officer to act as the City’s Health Officer. At the time of the discovery, there was concern regarding this designation and what jurisdiction that would give the County Health Officer over the City’s emergency medical services (EMS) or 911 emergency assistance services.

City staff has met with County Administration and Public Health and has been reassured that the proposed Draft Resolution does not provide consent for County jurisdiction over existing EMS, 911 emergency assistance services, wastewater and other similar health matters. Should future concerns arise regarding the exercise of the County as the City’s Health Officer, City and County staff will work together to address any issues. If an issue arises that cannot be acceptably resolved, the City has the ability to rescind the Resolution.

In order to ensure the County acts as the City's Health Officer the City Council will need to adopt a Resolution confirming its consent to the enforcement of all health laws within the City by the San Luis Obispo County Health Officer.

FISCAL IMPACT:

None.

ALTERNATIVES:

The Council may decide to not adopt the Resolution. In order to comply with State law, the City would then need to designate a qualified Health Officer.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, CONFIRMING ITS CONSENT TO THE
ENFORCEMENT OF ALL HEALTH LAWS WITHIN THE CITY OF
ATASCADERO BY THE SAN LUIS OBISPO
COUNTY HEALTH OFFICER**

WHEREAS, California Health & Safety Code Section 101460 requires a city to appoint a health officer, except when the City Council has made arrangements for the county to exercise the same powers and duties within the city as are conferred upon city health officers by law; and

WHEREAS, California Health & Safety Code Section 101375 authorizes the City Council to consent by resolution or ordinance for the county health officer to enforce and observe in the city all of the following:

- (a) orders and quarantine regulations prescribed by the California Department of Public Health and other regulations issued under the California Health & Safety Code; and
- (b) all statutes relating to the public health.

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

SECTION 1. The City of Atascadero hereby confirms its consent to allow the Health Officer of San Luis Obispo County to enforce and observe in the City of Atascadero all of the following as provided for in California Health & Safety Code §101375:

- (a) orders and quarantine regulations prescribed by the California Department of Public Health and other regulations issued under the California Health & Safety Code; and
- (b) all statutes relating to the public health.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ITEM NUMBER:
DATE:
ATTACHMENT:

A-2
06/11/19
1

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – Police Department

Formation of Paid Level 3 Reserve Officer Position

RECOMMENDATION:

Council authorize the City Manager to establish a new paid Level 3 Reserve Officer position and amend the monthly salary schedule to add the Level 3 Reserve Officer position as follows:

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Level 3 Reserve Officer	5,398.22	5,668.13	n/a	n/a	n/a

DISCUSSION:

Background:

The Atascadero Police Department has been working to fill vacancies at the patrol level within the Police Department over the past several months. During the final months of 2018, the department was down 6 sworn officers and 2 dispatcher positions. It has proven difficult to find qualified candidates to fill these positions. As a result, the department has encouraged lateral applicants from out of state to apply to our department.

All officer applicants are required to be certified by the California Commission on Police Officer Standards and Training (POST). Normally a candidate who passes a POST certified Police Academy is automatically certified by POST for employment. Under normal circumstances, candidates from out of state who have attended an academy and worked as a police officer in that state are required to complete a three week Basic Course Waiver (BCW) for certification of employment in California. Our department has used this process many times. We recently recruited and hired an officer who graduated from the police academy in California and has been working as a police officer out of state ever since. As with all out of state officers, during the recruitment and hiring of this officer, our department communicated with POST and received assurances that he too would be able to re-obtain his certification from POST by attending the BCW.

While it turns out that officers who attend a police academy in another state and work in that state only need to attend the BCW, it turns out, there is a gap in the law regulating re-certification that prohibits someone from attending the BCW if they attended a POST

certified academy in California; but did not work at least one day as a California Police Officer, or take the BCW within six years of graduating from the POST academy.

Chief Haley appealed to the POST Commission in person on May 30, 2019. The Commission and Director of POST have assured Chief Haley that this gap in the legislation will be fixed at their October 2019 meeting. The Director of POST has suggested that our recent hire become certified as a Level 3 Reserve Officer. In that way he can be trained in many of the processes for our department including radio procedures, report writing, policies and procedures.

The Level 3 certification is a four-week certification process, only one week more than the BCW. Level 3 Reserve Officers would be able to take police reports for criminal activity including thefts, vandalisms, burglaries, and traffic collisions. They would be able to conduct follow up investigations on some of the cases not requiring the arrest of a suspect, including the retrieval and booking of evidence. The Level 3 Reserve Officers can work events such as parades and sporting events and additionally be able to transport prisoners to the county jail. Level 3 Reserve Officers would work under the direct supervision of another officer or supervisor until such time as POST provides them with certifications.

The Department currently does not have a paid reserve officer program. We have previously utilized unpaid reserve officers to great effect within the department. In order to retain this qualified police officer and potentially to use as a recruitment tool in the future, the City would like to establish a Level 3 Reserve Officer position on the salary schedule. The addition of a paid Level 3 Reserve Officer position would be a short-term appointment under specific conditions as outlined above. Reserve Level 3 Reserve Officers would be required to either become certified by POST, or to retake the entire POST certified Police Academy course within six months or employment would be terminated. Level 3 Reserve Officers would also be required to complete a full 12-month probationary term upon their certification as a fully sworn police officer. In order to establish the position, Council would need to add the following position to the salary schedule:

SALARY WORKSHEET

MONTHLY

July 1, 2018

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Level 3 Reserve Officer	5,398.22	5,668.13	n/a	n/a	n/a

The need for qualified candidates at this time necessitates these additional measures and will fill a workload void for our department as we are still down multiple officer positions.

FISCAL IMPACT:

The creation of the paid Level 3 Reserve Officer position at a Step B officer pay will not result in any additional fiscal impact to the Police Department and there may be some additional savings in future recruitment costs.

ALTERNATIVE:

Council may give direction to the City Manager not to establish the paid Level 3 Reserve Officer position.

ATTACHMENTS:

None.



Atascadero City Council

Staff Report – Administrative Services Department

Apple Valley Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for fiscal year 2019/2020.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2019/2020 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in fiscal year 2019/2020.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2019/2020 for Landscaping and Lighting District No. 01 (Apple Valley).

DISCUSSION:

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

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

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

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

The proposed assessments for fiscal year 2019/2020 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased 3.52% this year for both districts.

City staff held a neighborhood meeting to receive input from property owners on amounts to be assessed and other concerns. The property owners in attendance requested an assessment of about 54% of the allowable maximum annual assessments for the Landscaping and Lighting District, and about 72% for the Street and Storm Drain District. The total cost of both districts of \$1,450 remains flat when compared to the prior year. However, the Street and Storm Drain District levy was increased \$150 to arrive at the \$550 proposed levy, with a corresponding decrease in the levy for the Landscaping and Lighting District. These adjustments were made to more accurately address the current and future costs of the Districts as the ongoing needs of the Districts continue to be refined.

District	Amount Per EBU Maximum Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2019-20
Atascadero Street and Storm Drain Maintenance District No. 01 Apple Valley	\$ 765.59	\$ 550.00
Atascadero Landscaping and Lighting Maintenance District No. 01 Apple Valley	\$ 1,673.06	\$ 900.00

FISCAL IMPACT:

Annual assessments for 2019/2020 will total \$38,500 for road/drainage system maintenance and \$63,000 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer's Annual Levy Report - SSDMD No. 1
4. Draft Resolution C
5. Draft Resolution D
6. Engineer's Annual Levy Report – LLD No. 1

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE STREET AND STORM DRAIN
MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY
AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO
FOR FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2019/2020, said fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 01 (Apple Valley), fiscal year 2019/2020" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

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

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

SECTION 1. The above recitals are true and correct.

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

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01
(APPLE VALLEY)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

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

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

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

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

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer's Report and the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of June, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER:
DATE:
ATTACHMENT:

B-1
06/11/19
2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report

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

May 2019

Prepared by:



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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER'S LETTER

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

WHEREAS, on May 14, 2019, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for fiscal year 2019/20:

FY 2019/20 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$176,100
Capital Reserve Collection/(Uses)	(130,440)
Levy Adjustments	(7,160)
Balance to Levy	\$38,500
Fiscal Year 2019/20 Maximum Rate	\$765.59
Fiscal Year 2019/20 Proposed Applied Rate	\$550.00

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2019/20.

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

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

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

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

3.2 Funding Authorized by The 1982 Act

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

- Drainage and Flood Control;
- Streets and Roads.

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

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 STREET MAINTENANCE

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

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

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

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

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

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

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

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

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

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

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

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

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

4. ESTIMATE OF COSTS

Budget	2019/2020 Assessment
DIRECT COSTS	
Streets, Roads & Storm Drain Improvements	
Street Sweeping Services	\$1,600
Inspection & Operational Services- Roads, Drainage	13,620
Slurry Seal	156,000
Total Annual Direct Costs	\$171,220
ADMINISTRATION EXPENSES	
City Annual Administration	\$1,400
Engineer's Report & Services	3,180
Public Noticing	300
Total Annual Administration Costs	\$4,880
TOTAL DIRECT & ADMINISTRATION COSTS	\$176,100
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	\$21,800
Collection Street Re-striping	80
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	850
Collection for Debris Removal	380
Collection for Storm Drain Fencing	380
Collection for Storm Drain Infrastructure	600
Total Annual Capital Reserve Collections/(Uses)	\$24,090
LEVY ADJUSTMENTS	
Interest Income- Improvement Fund	(\$6,841)
Interest Income- Operating Reserve Fund	(319)
Reserve Fund Collection/(Use)	(154,530)
Total Levy Adjustments	(\$161,690)
BALANCE TO LEVY	\$38,500
DISTRICT STATISTICS	
Total Parcels	74
Parcels Levied	70
Total EBU ⁽¹⁾	70
Levy per EBU	\$550.00
Maximum Levy per EBU	\$765.59
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$13,384
Operational Reserve Interest	319
Surplus Transfer from Improvement Fund	5,052
Operational Reserve Collection (Use)	(5,690)
Estimated Ending Operating Reserve Balance	\$13,065
Beginning Improvement Fund Balance	\$409,897
Improvement Fund Interest	6,841
Surplus Transfer to Operations Fund	(5,052)
Improvement Fund Collection/(Use)	(131,910)
Estimated Ending Improvement Fund Balance	\$279,776

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

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

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

5.3 Assessment Methodology

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

5.3.2 EBU APPLICATION BY LAND USE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3.3 ASSESSMENT RANGE FORMULA

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

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

summary of the Assessment Range Formula described herein.

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

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

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

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

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

6. ASSESSMENT DIAGRAM

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

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



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

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

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

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

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

Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	765.59	550.00
049-192-002	1	765.59	550.00
049-192-003	1	765.59	550.00
049-192-004	1	765.59	550.00
049-192-005	1	765.59	550.00
049-192-006	1	765.59	550.00
049-192-007	1	765.59	550.00
049-192-008	1	765.59	550.00
049-192-009	1	765.59	550.00
049-192-010	1	765.59	550.00
049-192-011	1	765.59	550.00
049-192-012	1	765.59	550.00
049-192-013	1	765.59	550.00
049-192-014	1	765.59	550.00
049-192-015	1	765.59	550.00
049-192-016	1	765.59	550.00
049-192-017	1	765.59	550.00
049-192-018	1	765.59	550.00
049-192-019	1	765.59	550.00
049-192-020	1	765.59	550.00
049-192-021	1	765.59	550.00
049-192-022	1	765.59	550.00
049-193-001	1	765.59	550.00
049-193-002	1	765.59	550.00
049-193-003	1	765.59	550.00
049-193-004	1	765.59	550.00
049-193-005	1	765.59	550.00
049-193-006	1	765.59	550.00
049-193-007	1	765.59	550.00
049-193-008	1	765.59	550.00
049-193-010	1	765.59	550.00
049-193-011	1	765.59	550.00
049-193-012	1	765.59	550.00
049-193-013	1	765.59	550.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	765.59	550.00
049-193-015	1	765.59	550.00
049-193-016	1	765.59	550.00
049-193-017	1	765.59	550.00
049-193-018	1	765.59	550.00
049-193-019	1	765.59	550.00
049-193-020	1	765.59	550.00
049-193-021	1	765.59	550.00
049-193-022	1	765.59	550.00
049-193-023	1	765.59	550.00
049-193-024	1	765.59	550.00
049-193-025	1	765.59	550.00
049-193-026	1	765.59	550.00
049-193-027	1	765.59	550.00
049-193-028	1	765.59	550.00
049-193-029	1	765.59	550.00
049-193-030	1	765.59	550.00
049-193-031	1	765.59	550.00
049-193-032	1	765.59	550.00
049-193-033	1	765.59	550.00
049-193-034	1	765.59	550.00
049-193-035	1	765.59	550.00
049-193-036	1	765.59	550.00
049-193-037	1	765.59	550.00
049-193-038	1	765.59	550.00
049-193-039	1	765.59	550.00
049-193-040	1	765.59	550.00
049-193-041	1	765.59	550.00
049-193-042	1	765.59	550.00
049-193-043	1	765.59	550.00
049-193-044	1	765.59	550.00
049-193-045	1	765.59	550.00
049-193-046	1	765.59	550.00
049-193-047	1	765.59	550.00
049-193-048	1	765.59	550.00
049-193-049	0	-	-
049-193-051	1	765.59	550.00
Totals	70	\$ 53,591.30	\$ 38,500.00

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

DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY AND
COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 01 (Apple Valley), fiscal year 2019/2020" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

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

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

SECTION 1. The above recitals are true and correct.

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

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

e) An Assessment Roll containing each of the Assessor's Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 01 (APPLE VALLEY)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") for fiscal year 2019/2020, said fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

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

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

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

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

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

b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report For:

Landscaping and Lighting District

District No. 01 (Apple Valley)

May 2019

Prepared by:



nbsgov.com

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

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

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

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1. ENGINEER'S LETTER

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

WHEREAS, on May 14, 2019, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2019/20:

FY 2019/20 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$78,720	\$9,245	\$69,475			
Administration	6,710	0	6,710			
Levy Adjustments	(22,430)	(9,245)	(13,185)			
Total	\$63,000	\$0	\$63,000	70	\$1,673.06	\$900.00

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

Landscaping and Lighting District No. 01 (Apple Valley)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2019/20, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by The 1972 Act

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

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

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

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 LANDSCAPE IMPROVEMENTS

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

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

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

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

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

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2019/2020 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$40,000	(\$5,940)	\$34,060
Landscape Supplies	2,500	0	2,500
Landscape Utilities	13,220	(3,305)	9,915
City Landscape Services	13,000	0	13,000
Total Annual Direct Costs	\$68,720	(\$9,245)	\$59,475
CAPITAL EXPENDITURES			
Special Projects	\$10,000	0	\$10,000
Total Annual Special Projects	10,000	0	10,000
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,100	\$0	\$2,100
Engineer's Report & Services	4,110	0	4,110
Public Noticing	500	0	500
Total Administration	\$6,710	\$0	\$6,710
TOTAL DIRECT & ADMINISTRATION COSTS	\$85,430	(\$9,245)	\$76,185
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$1,300	(\$650)	\$650
Median Rehabilitation/Replacement	238	0	238
Open Space Rehabilitation/Replacement	1,120	0	1,120
Tree Rehabilitation/Replacement	2,033	0	2,033
Other Rehabilitation/Replacement	800	0	800
Total Annual Capital Reserve Collections/(Uses)	\$5,491	(\$650)	\$4,841
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$1,897)	\$0	(\$1,897)
Interest Income- Operating Reserve Fund	(1,013)	0	(1,013)
Contributions from other Sources	(9,895)	(9,895)	0
Reserve Collection/(Use)	(15,116)	0	(15,116)
Total Levy Adjustments	(\$27,921)	(\$9,895)	(\$18,026)
BALANCE TO LEVY	\$63,000	\$0	\$63,000
DISTRICT STATISTICS			
Total Parcels			74
Parcels Levied			70
Total EBU ⁽¹⁾			70
Levy per EBU			\$900.00
Maximum Levy per EBU			\$1,673.06
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$42,321
Operational Reserve Interest			1,013
Surplus Transfer from Improvement Fund			13,716
Operational Reserve Collection (Use)			(8,020)
Estimated Ending Operating Reserve Balance			\$49,030
Beginning Improvement Fund Balance			\$108,208
Improvement Fund Interest			1,897
Surplus Transfer to Operations Fund			(13,716)
Improvement Fund Collection/(Use)			(4,509)
Estimated Ending Improvement Fund Balance			\$91,880

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

5. METHOD OF ASSESSMENT

5.1 General

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

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

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

5.2 Benefit Analysis

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

5.2.1 SPECIAL BENEFIT

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

The special benefits associated with landscape improvements are specifically:

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

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

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

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

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

5.2.2 GENERAL BENEFIT

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

5.3 Assessment Methodology

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

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

5.3.2 EBU APPLICATION BY LAND USE:

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

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

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

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

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

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

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

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

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

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

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

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

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

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

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.52% for fiscal year 2019/20.

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

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

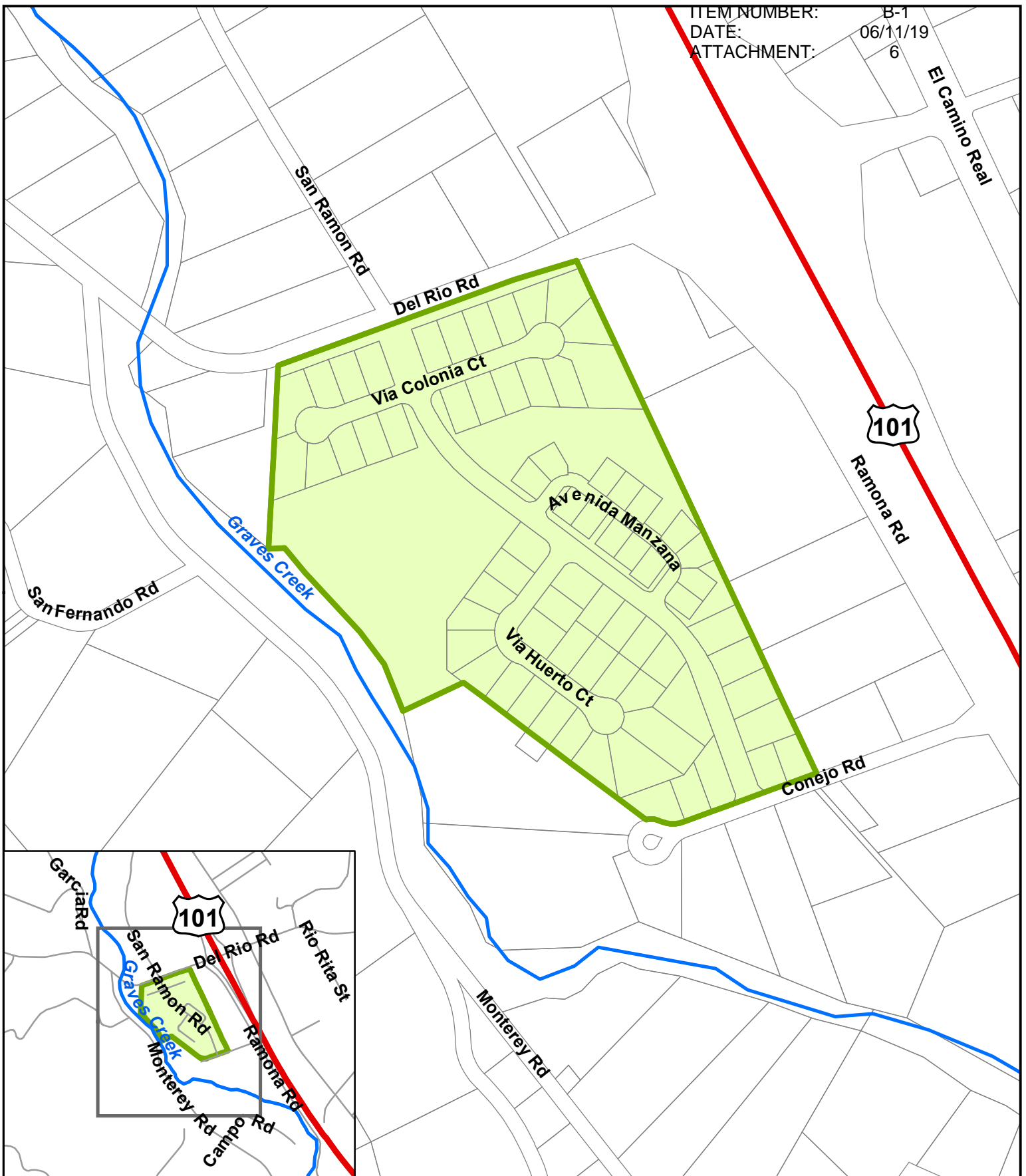
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

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

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



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1

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7. ASSESSMENT ROLL

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

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

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

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

CITY OF ATASCADERO
Landscaping and Lighting District No. 01
(Apple Valley)
Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	1,673.06	900.00
049-192-002	1	1,673.06	900.00
049-192-003	1	1,673.06	900.00
049-192-004	1	1,673.06	900.00
049-192-005	1	1,673.06	900.00
049-192-006	1	1,673.06	900.00
049-192-007	1	1,673.06	900.00
049-192-008	1	1,673.06	900.00
049-192-009	1	1,673.06	900.00
049-192-010	1	1,673.06	900.00
049-192-011	1	1,673.06	900.00
049-192-012	1	1,673.06	900.00
049-192-013	1	1,673.06	900.00
049-192-014	1	1,673.06	900.00
049-192-015	1	1,673.06	900.00
049-192-016	1	1,673.06	900.00
049-192-017	1	1,673.06	900.00
049-192-018	1	1,673.06	900.00
049-192-019	1	1,673.06	900.00
049-192-020	1	1,673.06	900.00
049-192-021	1	1,673.06	900.00
049-192-022	1	1,673.06	900.00
049-193-001	1	1,673.06	900.00
049-193-002	1	1,673.06	900.00
049-193-003	1	1,673.06	900.00
049-193-004	1	1,673.06	900.00
049-193-005	1	1,673.06	900.00
049-193-006	1	1,673.06	900.00
049-193-007	1	1,673.06	900.00
049-193-008	1	1,673.06	900.00
049-193-010	1	1,673.06	900.00
049-193-011	1	1,673.06	900.00
049-193-012	1	1,673.06	900.00
049-193-013	1	1,673.06	900.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	1,673.06	900.00
049-193-015	1	1,673.06	900.00
049-193-016	1	1,673.06	900.00
049-193-017	1	1,673.06	900.00
049-193-018	1	1,673.06	900.00
049-193-019	1	1,673.06	900.00
049-193-020	1	1,673.06	900.00
049-193-021	1	1,673.06	900.00
049-193-022	1	1,673.06	900.00
049-193-023	1	1,673.06	900.00
049-193-024	1	1,673.06	900.00
049-193-025	1	1,673.06	900.00
049-193-026	1	1,673.06	900.00
049-193-027	1	1,673.06	900.00
049-193-028	1	1,673.06	900.00
049-193-029	1	1,673.06	900.00
049-193-030	1	1,673.06	900.00
049-193-031	1	1,673.06	900.00
049-193-032	1	1,673.06	900.00
049-193-033	1	1,673.06	900.00
049-193-034	1	1,673.06	900.00
049-193-035	1	1,673.06	900.00
049-193-036	1	1,673.06	900.00
049-193-037	1	1,673.06	900.00
049-193-038	1	1,673.06	900.00
049-193-039	1	1,673.06	900.00
049-193-040	1	1,673.06	900.00
049-193-041	1	1,673.06	900.00
049-193-042	1	1,673.06	900.00
049-193-043	1	1,673.06	900.00
049-193-044	1	1,673.06	900.00
049-193-045	1	1,673.06	900.00
049-193-046	1	1,673.06	900.00
049-193-047	1	1,673.06	900.00
049-193-048	1	1,673.06	900.00
049-193-049	0	-	-
049-193-051	1	1,673.06	900.00
Total	70	\$ 117,114.20	\$ 63,000.00



Atascadero City Council

Staff Report – Administrative Services Department

De Anza Estates Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for fiscal year 2019/2020.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for fiscal year 2019/2020 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in fiscal year 2019/2020.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for fiscal year 2019/2020 for Landscaping and Lighting District No. 03 (De Anza Estates).

DISCUSSION:

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

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

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

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

The proposed assessments for fiscal year 2019/2020 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.52% (CPI) this year for both districts.

The Landscape and Lighting District has a surplus fund balance, so City staff held a neighborhood meeting to receive input from property owners as to the preference on how to treat the surplus. The property owners in attendance requested an assessment of about 19% of the allowable maximum annual assessments for the Landscaping and Lighting District, and about 73% for the Street and Storm Drain District. The total cost of both districts remains flat when compared to the prior year. These levies address the current and future needs of the Districts.

District	Amount Per EBU Maximum Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2019-20
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Senior Housing	\$ 760.18	\$ 342.48
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Single Family Residential	\$ 939.83	\$ 681.49
Atascadero Landscaping and Lighting Maintenance District No. 03 De Anza Estates	\$ 1,347.60	\$ 250.00

FISCAL IMPACT:

Annual assessments for 2019/2020 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2019/2020 for half of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer's Annual Levy Report - SSDMD No. 3
4. Draft Resolution C
5. Draft Resolution D
6. Engineer's Annual Levy Report - LLD No. 3

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE STREET AND STORM DRAIN
MAINTENANCE DISTRICT NO. 03 (DE ANZA ESTATES), AND THE
LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED
THERE TO FOR FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2019/2020, said fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 03 (De Anza Estates), fiscal year 2019/2020" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

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

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

SECTION 1. The above recitals are true and correct.

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

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

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

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

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

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

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer's Report and the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER:
DATE:
ATTACHMENT:

B-2
06/11/19
2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report For:

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

May 2019

Prepared by:

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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Associate Director

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1. ENGINEER'S LETTER

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

WHEREAS, on May 14, 2019, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2019/20:

FY 2019/20 Summary of Assessment

Description	Zone A - Amount	Zone B - Amount	Total Amount
Estimated Annual Costs	\$47,270	\$76,730	\$124,000
Capital Reserve Collection/(Uses)	(30,989)	(54,539)	(85,528)
Levy Adjustments	(3,438)	(4,472)	(7,910)
Balance to Levy	\$12,843	\$17,719	\$30,562
Fiscal Year 2019/20 Maximum Rate	\$760.18	\$939.83	
Fiscal Year 2019/20 Proposed Applied Rate	\$342.48	\$681.50	

Rates above are per Equivalent Benefit Unit.

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2019/20.

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

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

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

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

3.2 Funding Authorized by The 1982 Act

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

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

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

3.3 Description of Improvements and Services

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

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

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

3.3.1 STREET MAINTENANCE

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

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

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

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

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

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

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

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

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

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

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

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

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

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

4. ESTIMATE OF COSTS

Budget	Zone A (Senior Housing)	Zone B (SF-Residential)	Total Assessed
DIRECT COSTS			
Streets, Roads & Storm Drain Improvements			
Drainage Maintenance Services	\$0	\$7,100	\$7,100
Street Sweeping Services	640	960	1,600
Inspection & Operational Services- Roads, Drainage	680	1,020	1,700
Street Repairs	2,200	3,300	5,500
Total Annual Direct Costs	\$3,520	\$12,380	\$15,900
ADMINISTRATION EXPENSES			
City Annual Administration	800	800	1,600
Engineer's Report & Services	1,600	1,600	3,200
Public Noticing	150	150	300
Total Administration Costs	\$2,550	\$2,550	\$5,100
Capital Improvement Project-Slurry Seal	41,200	61,800	103,000
TOTAL DIRECT & ADMINISTRATION COSTS	\$47,270	\$76,730	\$124,000
CAPITAL RESERVE COLLECTIONS/(USES)			
Collection for Street Surface Activities	6,444	9,667	16,111
Collection for Street Re-striping	34	52	86
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	116	174	290
Collection for Debris Removal	0	307	307
Collection for Bridges	8,621	5,285	13,906
Collection for Storm Drain Infrastructure	0	111	111
Total Capital Reserve Collections/(Uses)	\$15,215	\$15,596	\$30,811
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$3,291)	(\$4,285)	(\$7,576)
Interest Income- Operating Reserve Fund	(147)	(187)	(334)
Reserve Fund Collection (Use)	(30,989)	(54,539)	(85,528)
Total Levy Adjustments	(\$34,427)	(\$59,011)	(\$93,438)
BALANCE TO LEVY	\$12,843	\$17,719	\$30,562
DISTRICT STATISTICS			
Total Parcels	61	28	89
Parcels Levied	60	26	86
Total EBU ⁽¹⁾	37.5	26	63.5
Proposed Levy per EBU	\$342.48	\$681.51	
Maximum Levy per EBU	\$760.18	\$939.83	
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance	\$6,098	\$7,942	\$14,040
Operational Reserve Interest	147	187	334
Surplus Transfer from Improvement Fund	8,915	11,610	20,525
Operational Reserve Collection (Use)	(9,229)	(12,020)	(21,249)
Ending Operating Reserve Balance	5,931	7,719	13,650
Beginning Improvement Fund Balance	\$184,360	\$240,099	\$424,459
Improvement Fund Interest	3,291	4,285	7,576
Surplus Transfer to Operations Fund	(8,915)	(11,610)	(20,525)
Improvement Fund Collection/(Use)	(31,355)	(40,834)	(72,189)
Estimated Ending Improvement Fund Balance	\$147,381	\$191,940	\$339,321

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

eventually have a negative impact on properties within the District.

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

5.3 Assessment Methodology

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

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

5.3.1 ZONES OF BENEFIT:

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

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

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

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

5.3.2 EQUIVALENT BENEFIT UNITS:

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

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

5.3.3 EBU APPLICATION BY LAND USE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.4 Assessment Range Formula

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

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

summary of the Assessment Range Formula described herein.

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

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

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

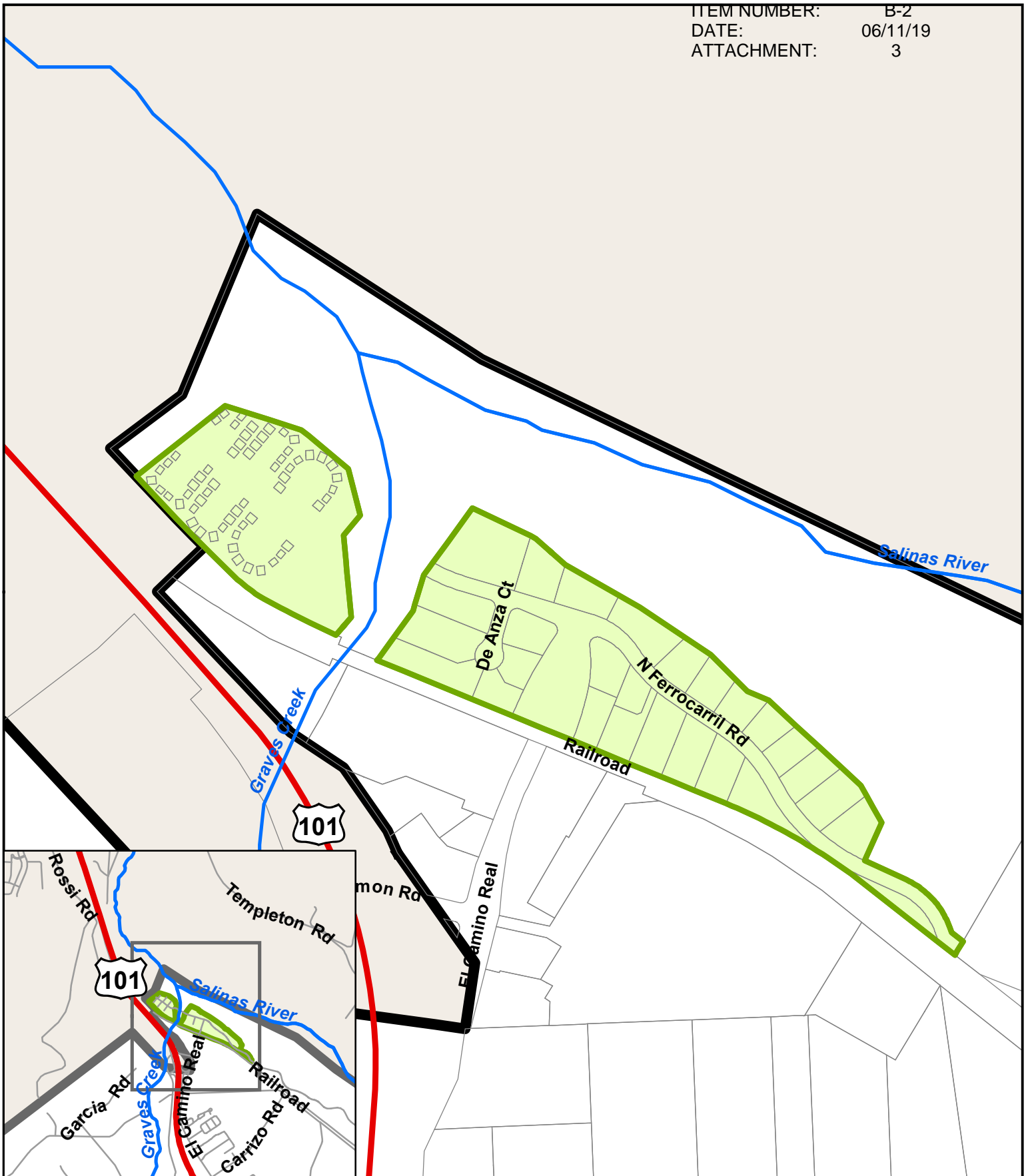
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

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

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



CITY OF ATASCADERO

DE ANZA ESTATES

Street and Storm Drain Maintenance District No. 3

Landscaping and Lighting District No. 3

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Print Date: 5/13/2015
Printed by: City of Atascadero
GIS Division

7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 03
(De Anza Estates)
Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-043-003	B	0	\$ -	\$ -
049-043-004	B	0	-	-
049-044-002	B	1	939.83	681.50
049-044-003	B	1	939.83	681.50
049-044-004	B	1	939.83	681.50
049-044-005	B	1	939.83	681.50
049-044-006	B	1	939.83	681.50
049-044-007	B	1	939.83	681.50
049-044-008	B	1	939.83	681.50
049-044-009	B	1	939.83	681.50
049-044-010	B	1	939.83	681.50
049-044-011	B	1	939.83	681.50
049-044-012	B	1	939.83	681.50
049-044-013	B	1	939.83	681.50
049-044-014	B	1	939.83	681.50
049-044-015	B	1	939.83	681.50
049-044-016	B	1	939.83	681.50
049-044-017	B	1	939.83	681.50
049-044-018	B	1	939.83	681.50
049-044-019	B	1	939.83	681.50
049-044-020	B	1	939.83	681.50
049-044-021	B	1	939.83	681.50
049-044-022	B	1	939.83	681.50
049-044-023	B	1	939.83	681.50
049-044-024	B	1	939.83	681.50
049-044-025	B	1	939.83	681.50
049-044-026	B	1	939.83	681.50
049-044-033	B	1	939.83	681.50
049-046-001	A	0	-	-
049-046-002	A	0.625	475.11	214.04
049-046-003	A	0.625	475.11	214.04
049-046-004	A	0.625	475.11	214.04
049-046-005	A	0.625	475.11	214.04
049-046-006	A	0.625	475.11	214.04
049-046-007	A	0.625	475.11	214.04
049-046-008	A	0.625	475.11	214.04
049-046-009	A	0.625	475.11	214.04



Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-046-010	A	0.625	475.11	214.04
049-046-011	A	0.625	475.11	214.04
049-046-012	A	0.625	475.11	214.04
049-046-013	A	0.625	475.11	214.04
049-046-014	A	0.625	475.11	214.04
049-046-015	A	0.625	475.11	214.04
049-046-016	A	0.625	475.11	214.04
049-046-017	A	0.625	475.11	214.04
049-046-018	A	0.625	475.11	214.04
049-046-019	A	0.625	475.11	214.04
049-046-020	A	0.625	475.11	214.04
049-046-021	A	0.625	475.11	214.04
049-046-022	A	0.625	475.11	214.04
049-046-023	A	0.625	475.11	214.04
049-046-024	A	0.625	475.11	214.04
049-046-025	A	0.625	475.11	214.04
049-046-026	A	0.625	475.11	214.04
049-046-027	A	0.625	475.11	214.04
049-046-028	A	0.625	475.11	214.04
049-046-029	A	0.625	475.11	214.04
049-046-030	A	0.625	475.11	214.04
049-046-031	A	0.625	475.11	214.04
049-046-032	A	0.625	475.11	214.04
049-046-033	A	0.625	475.11	214.04
049-046-034	A	0.625	475.11	214.04
049-046-035	A	0.625	475.11	214.04
049-046-036	A	0.625	475.11	214.04
049-046-037	A	0.625	475.11	214.04
049-046-038	A	0.625	475.11	214.04
049-046-039	A	0.625	475.11	214.04
049-046-040	A	0.625	475.11	214.04
049-046-041	A	0.625	475.11	214.04
049-046-042	A	0.625	475.11	214.04
049-046-043	A	0.625	475.11	214.04
049-046-044	A	0.625	475.11	214.04
049-046-045	A	0.625	475.11	214.04
049-046-046	A	0.625	475.11	214.04
049-046-047	A	0.625	475.11	214.04
049-046-048	A	0.625	475.11	214.04
049-046-049	A	0.625	475.11	214.04
049-046-050	A	0.625	475.11	214.04
049-046-051	A	0.625	475.11	214.04

Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-046-052	A	0.625	475.11	214.04
049-046-053	A	0.625	475.11	214.04
049-046-054	A	0.625	475.11	214.04
049-046-055	A	0.625	475.11	214.04
049-046-056	A	0.625	475.11	214.04
049-046-057	A	0.625	475.11	214.04
049-046-058	A	0.625	475.11	214.04
049-046-059	A	0.625	475.11	214.04
049-046-060	A	0.625	475.11	214.04
049-046-061	A	0.625	475.11	214.04
Totals		63.5	\$ 52,942.33	\$ 30,561.40

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

DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 03 (DE ANZA ESTATES), AND THE LEVY AND
COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 03 (De Anza Estates), fiscal year 2019/2020" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

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

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

SECTION 1. The above recitals are true and correct.

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

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

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of June, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") for fiscal year 2019/2020, said fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

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

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

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

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

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

b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report For:

Landscaping and Lighting District

No. 03 (De Anza Estates)

May 2019

Prepared by:



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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Associate Director

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1. ENGINEER'S LETTER

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

WHEREAS, on May 14, 2019, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2019/20:

FY 2019/20 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$22,680	\$708	\$21,972			
Administration	6,830	0	6,830			
Levy Adjustments	(13,635)	(708)	(12,927)			
Total	\$15,875	\$0	\$15,875	63.5	\$1,347.60	\$250.00

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2019/20, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by The 1972 Act

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

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

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

3.3 Description of Improvements and Services

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

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

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

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

Landscape Improvements

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

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

Public Lighting Improvements

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

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2019/2020 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$6,040	(\$708)	\$5,332
Landscape Supplies	840	0	840
Landscape Utilities	500	0	500
City Landscape Services	9,350	0	9,350
Other Maintenance Services	850	0	850
Total Annual Direct Costs	\$17,580	(\$708)	\$16,872
CAPITAL EXPENDITURES			
Special Projects	5,100	0	5,100
Total Annual Special Projects	5,100	0	5,100
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,140	\$0	\$2,140
Engineer's Report & Services	4,190	0	4,190
Public Noticing	500	0	500
Total Administration	\$6,830	\$0	\$6,830
TOTAL DIRECT & ADMINISTRATION COSTS	\$29,510	(\$708)	\$28,802
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$2,938	\$0	\$2,938
Trail and Pathway Rehabilitation/Replacement	1,000	(500)	500
Park and Open Space Rehabilitation/Replacement	762	0	762
Tree Rehabilitation/Replacement	1,207	0	1,207
Park Rehabilitation/Replacement	707	0	707
Total Annual Capital Reserve Collections/(Uses)	\$6,614	(\$500)	\$6,114
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$1,783)	\$0	(\$1,783)
Interest Income- Operating Reserve Fund	(327)	0	(327)
Reserve Collection/(Use)	(16,931)	0	(16,931)
Contribution from Other Sources	(1,208)	0	0
Total Levy Adjustments	(\$20,249)	\$0	(\$19,041)
BALANCE TO LEVY	\$15,875	\$0	\$15,875
DISTRICT STATISTICS			
Total Parcels			89
Parcels Levied			86
Total EBU ⁽¹⁾			63.50
Levy per EBU			\$250.00
Maximum Levy per EBU			\$1,347.60
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$14,079
Operational Reserve Interest			327
Surplus Transfer from Improvement Fund			14,918
Operational Reserve Collection (Use)			(13,749)
Estimated Ending Operating Reserve Balance			\$15,575
Beginning Improvement Fund Balance			\$96,024
Improvement Fund Interest			1,783
Surplus Transfer to Operations Fund			(14,918)
Improvement Fund Collection/(Use)			1,514
Estimated Ending Improvement Fund Balance			\$84,403

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

5. METHOD OF ASSESSMENT

5.1 General

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

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

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

5.2 Benefit Analysis

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

5.2.1 SPECIAL BENEFIT

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

The special benefits associated with landscape improvements are specifically:

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

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

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

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

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

5.2.2 GENERAL BENEFIT

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

5.3 Assessment Methodology

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

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.4 Assessment Range Formula

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

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

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

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

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.52% for fiscal year 2019/20.

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

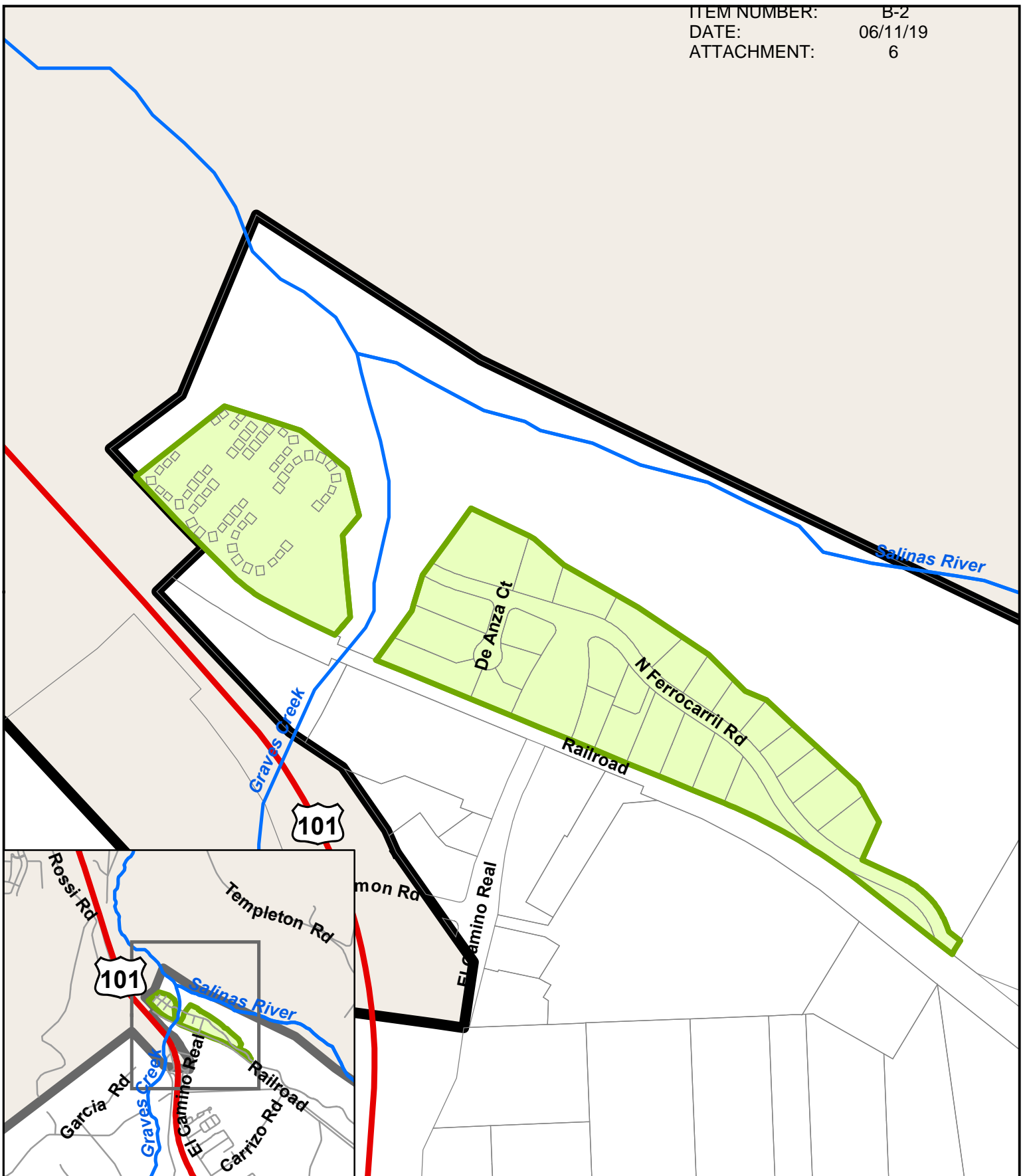
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

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

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



CITY OF ATASCADERO

DE ANZA ESTATES

Street and Storm Drain Maintenance District No. 3

Landscaping and Lighting District No. 3

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Print Date: 5/13/2015
Printed by: City of Atascadero
GIS Division

7. ASSESSMENT ROLL

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

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

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

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

CITY OF ATASCADERO
Landscaping and Lighting District No. 03
(De Anza Estates)
Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-043-003	0	\$ -	\$ -
049-043-004	0	-	-
049-044-002	1	1,347.60	250.00
049-044-003	1	1,347.60	250.00
049-044-004	1	1,347.60	250.00
049-044-005	1	1,347.60	250.00
049-044-006	1	1,347.60	250.00
049-044-007	1	1,347.60	250.00
049-044-008	1	1,347.60	250.00
049-044-009	1	1,347.60	250.00
049-044-010	1	1,347.60	250.00
049-044-011	1	1,347.60	250.00
049-044-012	1	1,347.60	250.00
049-044-013	1	1,347.60	250.00
049-044-014	1	1,347.60	250.00
049-044-015	1	1,347.60	250.00
049-044-016	1	1,347.60	250.00
049-044-017	1	1,347.60	250.00
049-044-018	1	1,347.60	250.00
049-044-019	1	1,347.60	250.00
049-044-020	1	1,347.60	250.00
049-044-021	1	1,347.60	250.00
049-044-022	1	1,347.60	250.00
049-044-023	1	1,347.60	250.00
049-044-024	1	1,347.60	250.00
049-044-025	1	1,347.60	250.00
049-044-026	1	1,347.60	250.00
049-044-033	1	1,347.60	250.00
049-046-001	0	-	-
049-046-002	0.625	842.25	156.24
049-046-003	0.625	842.25	156.24
049-046-004	0.625	842.25	156.24
049-046-005	0.625	842.25	156.24
049-046-006	0.625	842.25	156.24
049-046-007	0.625	842.25	156.24
049-046-008	0.625	842.25	156.24
049-046-009	0.625	842.25	156.24



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-046-010	0.625	842.25	156.24
049-046-011	0.625	842.25	156.24
049-046-012	0.625	842.25	156.24
049-046-013	0.625	842.25	156.24
049-046-014	0.625	842.25	156.24
049-046-015	0.625	842.25	156.24
049-046-016	0.625	842.25	156.24
049-046-017	0.625	842.25	156.24
049-046-018	0.625	842.25	156.24
049-046-019	0.625	842.25	156.24
049-046-020	0.625	842.25	156.24
049-046-021	0.625	842.25	156.24
049-046-022	0.625	842.25	156.24
049-046-023	0.625	842.25	156.24
049-046-024	0.625	842.25	156.24
049-046-025	0.625	842.25	156.24
049-046-026	0.625	842.25	156.24
049-046-027	0.625	842.25	156.24
049-046-028	0.625	842.25	156.24
049-046-029	0.625	842.25	156.24
049-046-030	0.625	842.25	156.24
049-046-031	0.625	842.25	156.24
049-046-032	0.625	842.25	156.24
049-046-033	0.625	842.25	156.24
049-046-034	0.625	842.25	156.24
049-046-035	0.625	842.25	156.24
049-046-036	0.625	842.25	156.24
049-046-037	0.625	842.25	156.24
049-046-038	0.625	842.25	156.24
049-046-039	0.625	842.25	156.24
049-046-040	0.625	842.25	156.24
049-046-041	0.625	842.25	156.24
049-046-042	0.625	842.25	156.24
049-046-043	0.625	842.25	156.24
049-046-044	0.625	842.25	156.24
049-046-045	0.625	842.25	156.24
049-046-046	0.625	842.25	156.24
049-046-047	0.625	842.25	156.24
049-046-048	0.625	842.25	156.24
049-046-049	0.625	842.25	156.24
049-046-050	0.625	842.25	156.24
049-046-051	0.625	842.25	156.24

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-046-052	0.625	842.25	156.24
049-046-053	0.625	842.25	156.24
049-046-054	0.625	842.25	156.24
049-046-055	0.625	842.25	156.24
049-046-056	0.625	842.25	156.24
049-046-057	0.625	842.25	156.24
049-046-058	0.625	842.25	156.24
049-046-059	0.625	842.25	156.24
049-046-060	0.625	842.25	156.24
049-046-061	0.625	842.25	156.24
Totals	63.5	\$ 85,572.60	\$ 15,874.40

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



Atascadero City Council

Staff Report – Administrative Services Department

Woodridge (Las Lomas) Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for Fiscal Year 2019/2020.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2019/2020 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in Fiscal Year 2019/2020.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2019/2020 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas).

DISCUSSION:

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

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

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

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

The proposed assessments for fiscal year 2019/2020 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.52% (CPI) this year for both districts.

The Landscape and Lighting District has a surplus fund balance, so the City staff held a neighborhood meeting to receive input from property owners as to the preference on how to treat the surplus. The property owners in attendance agreed on an assessment of about 15% of the allowable maximum annual assessments for the Landscaping and Lighting District, and about 51% of the Street and Storm Drain District.

The levies of both districts were increased only by CPI of 3.52% when compared to the prior year. At the direction of the residents in the District, the levy for the Street and Storm Drain District only includes costs to maintain the District Improvements through 2033. The residents were strongly opposed to including funding for any longer term maintenance in the current levy. As 2034 approaches, a bond issue or other financing mechanism will need to be approved and paid for by the residents to fund the longer term improvements needed to maintain the District.

District	Amount Per EBU Maximum Assessment Fiscal Year 2019-20	Amount Per EBU Proposed Assessment Fiscal Year 2019-20
Atascadero Street and Storm Drain Maintenance District No. 02 Las Lomas	\$ 765.93	\$ 390.00
Atascadero Landscaping and Lighting Maintenance District No. 02 Las Lomas	\$ 1,902.02	\$ 280.00

FISCAL IMPACT:

Annual assessments for 2019/2020 will total \$90,383 for road/drainage system maintenance and \$64,890 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Las Lomas (Woodridge). The City General Fund will contribute \$1,850 for the fiscal year 2019/2020 for 25% of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer's Annual Levy Report - SSDMD No. 2
4. Draft Resolution C
5. Draft Resolution D
6. Engineer's Annual Levy Report - LLD No. 2

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE STREET AND STORM DRAIN
MAINTENANCE DISTRICT NO. 02 (WOODRIDGE), AND THE LEVY
AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO
FOR FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2019/2020, said fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 02 (Woodridge), fiscal year 2019/2020" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

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

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

SECTION 1. The above recitals are true and correct.

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

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02
(WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

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

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

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

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

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

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer's Report and the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER:
DATE:
ATTACHMENT:

B-3
06/11/19
2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report For:

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

May 2019

Prepared by:



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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER'S LETTER

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

WHEREAS, on May 14, 2019, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2019/20:

FY 2019/20 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$19,810
Capital Reserve Collection/(Uses)	79,803
Levy Adjustments	(9,230)
Balance to Levy	\$90,383
Fiscal Year 2019/20 Maximum Rate	\$765.93
Fiscal Year 2019/20 Proposed Applied Rate	\$390.00

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2019/20.

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

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

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

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

3.2 Funding Authorized by The 1982 Act

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

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

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

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 STREET MAINTENANCE

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

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

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

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

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

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

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

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

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

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

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

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

4. ESTIMATE OF COSTS

Budget	2019/2020 Assessment
DIRECT COSTS	
Streets, Roads & Storm Drain Improvements	
Drainage Maintenance Services	\$7,100
Inspection & Operational Services- Roads, Drainage	7,200
Total Annual Direct Costs	\$14,300
ADMINISTRATION EXPENSES	
City Annual Administration	1,800
City Operational Services	200
Engineer's Report & Services	3,210
Public Noticing	300
Total Annual Administration Costs	\$5,510
TOTAL DIRECT & ADMINISTRATION COSTS	\$19,810
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	97,500
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	12,500
Collection for Debris Removal	1,250
Collection for Storm Drain Infrastructure	3,020
Total Annual Capital Reserve Collections/(Uses)	\$114,270
LEVY ADJUSTMENTS	
Interest Income- Improvement Fund	(\$8,993)
Interest Income- Operating Reserve Fund	(237)
Reserve Fund Collection (Use)	(34,467)
Total Levy Adjustments	(\$43,697)
BALANCE TO LEVY	\$90,383
DISTRICT STATISTICS	
Total Parcels	190
Parcels Levied	181
Total EBU ⁽¹⁾	231.75
Levy per EBU	\$390.00
Maximum Levy per EBU	\$765.93
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$12,305
Operational Reserve Interest	237
Surplus Transfer from Improvement Fund	44,032
Operational Reserve Collection (Use)	(43,697)
Ending Operating Reserve Balance	\$12,877
Beginning Improvement Fund Balance	\$409,789
Improvement Fund Interest	8,993
Surplus Transfer to Operations Fund	(44,032)
Improvement Fund Collection	114,270
Ending Improvement Fund Balance	\$489,020

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

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

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

5.3 Assessment Methodology

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

$$\begin{aligned} \text{Total Balance to Levy} / \text{Total EBU} &= \text{Levy per EBU} \\ \text{Levy per EBU} \times \text{Parcel EBU} &= \text{Parcel Levy Amount} \end{aligned}$$

5.4 Assessment Range Formula

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

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

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

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

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

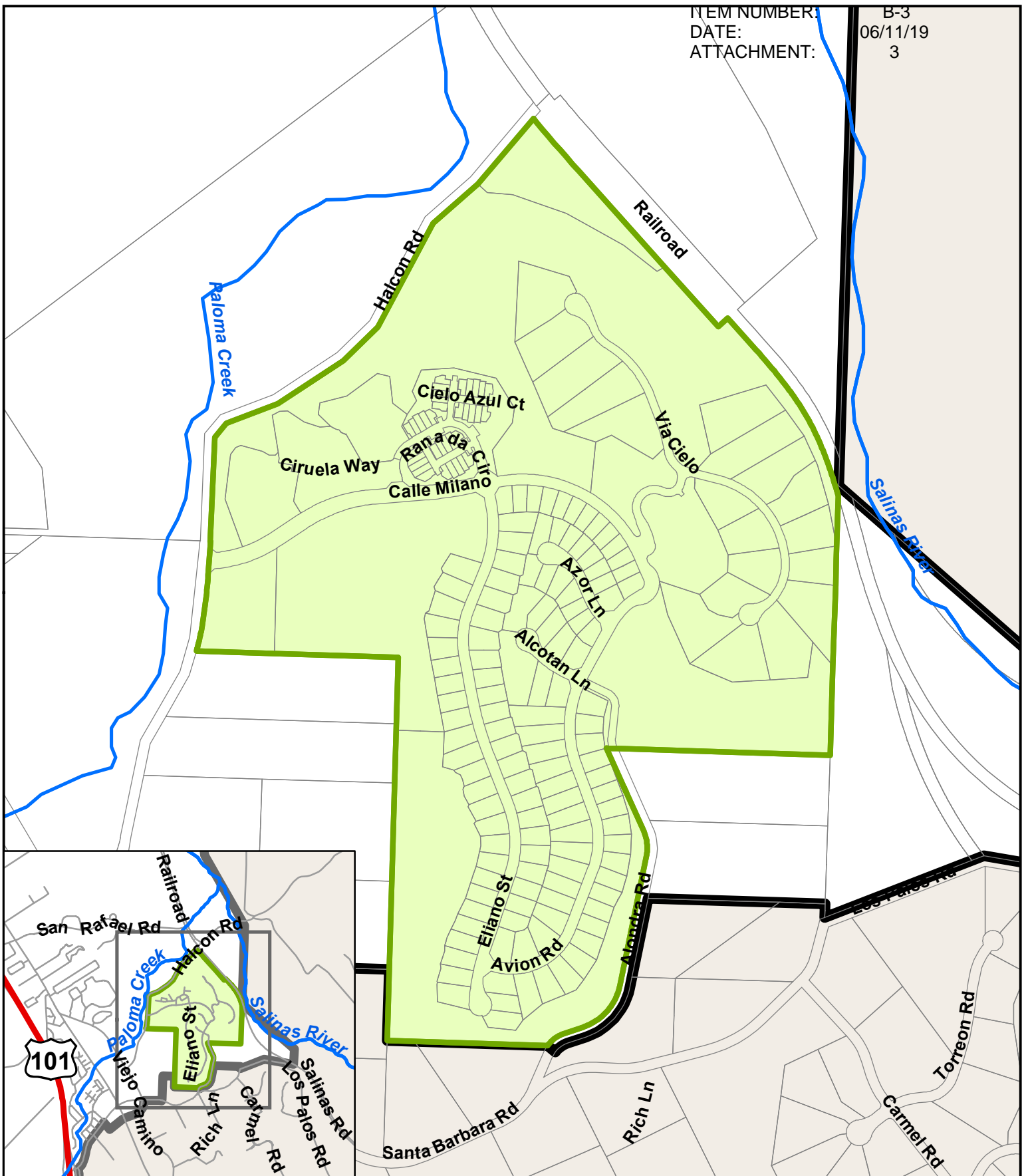
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

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



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2

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7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 02
Las Lomas (Woodridge)
Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-311-006	0	\$ -	\$ -
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	13,610.58	6,930.34
045-311-015	24.83	19,018.04	9,683.74
045-311-016	19.9	15,242.01	7,761.04
045-312-001	1	765.93	390.00
045-312-002	1	765.93	390.00
045-312-003	1	765.93	390.00
045-312-004	1	765.93	390.00
045-312-005	1	765.93	390.00
045-312-006	1	765.93	390.00
045-312-007	1	765.93	390.00
045-312-008	1	765.93	390.00
045-312-009	1	765.93	390.00
045-312-010	1	765.93	390.00
045-312-011	1	765.93	390.00
045-312-012	1	765.93	390.00
045-312-013	1	765.93	390.00
045-312-014	1	765.93	390.00
045-312-015	1	765.93	390.00
045-312-016	1	765.93	390.00
045-312-017	1	765.93	390.00
045-312-018	1	765.93	390.00
045-312-019	1	765.93	390.00
045-312-020	1	765.93	390.00
045-312-021	1	765.93	390.00
045-312-022	1	765.93	390.00
045-312-023	1	765.93	390.00
045-312-024	1	765.93	390.00
045-312-025	1	765.93	390.00
045-312-026	1	765.93	390.00
045-312-027	1	765.93	390.00
045-312-028	1	765.93	390.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-312-029	1	765.93	390.00
045-312-030	1	765.93	390.00
045-312-031	1	765.93	390.00
045-312-032	1	765.93	390.00
045-312-033	1	765.93	390.00
045-312-034	1	765.93	390.00
045-312-035	1	765.93	390.00
045-312-036	1	765.93	390.00
045-312-037	1	765.93	390.00
045-312-038	1	765.93	390.00
045-312-039	1	765.93	390.00
045-312-040	1	765.93	390.00
045-312-041	1	765.93	390.00
045-312-042	1	765.93	390.00
045-312-043	1	765.93	390.00
045-312-044	1	765.93	390.00
045-312-045	1	765.93	390.00
045-312-046	1	765.93	390.00
045-312-047	1	765.93	390.00
045-312-048	1	765.93	390.00
045-312-049	1	765.93	390.00
045-312-050	1	765.93	390.00
045-312-051	1	765.93	390.00
045-312-052	1	765.93	390.00
045-312-053	1	765.93	390.00
045-312-054	1	765.93	390.00
045-312-055	1	765.93	390.00
045-312-056	1	765.93	390.00
045-313-001	1	765.93	390.00
045-313-002	1	765.93	390.00
045-313-003	1	765.93	390.00
045-313-004	1	765.93	390.00
045-313-005	1	765.93	390.00
045-313-006	1	765.93	390.00
045-313-007	1	765.93	390.00
045-313-008	1	765.93	390.00
045-313-009	1	765.93	390.00
045-313-010	1	765.93	390.00
045-313-011	1	765.93	390.00
045-313-012	1	765.93	390.00
045-313-013	1	765.93	390.00
045-313-014	1	765.93	390.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-313-015	1	765.93	390.00
045-313-018	1	765.93	390.00
045-313-019	1	765.93	390.00
045-313-020	1	765.93	390.00
045-313-021	1	765.93	390.00
045-313-026	1	765.93	390.00
045-313-027	1	765.93	390.00
045-314-001	1	765.93	390.00
045-314-002	1	765.93	390.00
045-314-003	1	765.93	390.00
045-314-004	1	765.93	390.00
045-314-005	1	765.93	390.00
045-314-006	1	765.93	390.00
045-314-007	1	765.93	390.00
045-314-008	1	765.93	390.00
045-314-009	1	765.93	390.00
045-314-010	1	765.93	390.00
045-314-011	1	765.93	390.00
045-314-012	1	765.93	390.00
045-314-013	1	765.93	390.00
045-314-014	1	765.93	390.00
045-314-015	1	765.93	390.00
045-314-016	1	765.93	390.00
045-314-017	1	765.93	390.00
045-314-018	1	765.93	390.00
045-314-019	1	765.93	390.00
045-314-020	1	765.93	390.00
045-314-021	1	765.93	390.00
045-314-022	1	765.93	390.00
045-314-023	1	765.93	390.00
045-314-024	1	765.93	390.00
045-314-025	1	765.93	390.00
045-314-026	1	765.93	390.00
045-314-027	1	765.93	390.00
045-314-028	1	765.93	390.00
045-314-029	1	765.93	390.00
045-314-030	1	765.93	390.00
045-314-031	1	765.93	390.00
045-314-032	1	765.93	390.00
045-314-033	1	765.93	390.00
045-315-001	1	765.93	390.00
045-315-002	1	765.93	390.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-315-003	1	765.93	390.00
045-315-004	1	765.93	390.00
045-315-005	1	765.93	390.00
045-315-006	1	765.93	390.00
045-315-007	1	765.93	390.00
045-315-008	1	765.93	390.00
045-315-009	1	765.93	390.00
045-315-010	1	765.93	390.00
045-315-011	1	765.93	390.00
045-315-012	1	765.93	390.00
045-315-013	1	765.93	390.00
045-315-014	1	765.93	390.00
045-315-015	1	765.93	390.00
045-315-016	1	765.93	390.00
045-315-017	1	765.93	390.00
045-315-018	1	765.93	390.00
045-315-019	1	765.93	390.00
045-315-020	1	765.93	390.00
045-315-021	1	765.93	390.00
045-315-022	1	765.93	390.00
045-315-023	1	765.93	390.00
045-315-024	1	765.93	390.00
045-315-025	1	765.93	390.00
045-315-026	1	765.93	390.00
045-315-027	1	765.93	390.00
045-315-028	1	765.93	390.00
045-315-029	1	765.93	390.00
045-315-030	1	765.93	390.00
045-315-031	1	765.93	390.00
045-315-032	1	765.93	390.00
045-315-033	1	765.93	390.00
045-316-040	0	-	-
045-316-041	0.75	574.45	292.50
045-316-042	0.75	574.45	292.50
045-316-043	0.75	574.45	292.50
045-316-044	0.75	574.45	292.50
045-316-045	0.75	574.45	292.50
045-316-046	0.75	574.45	292.50
045-316-047	0.75	574.45	292.50
045-316-048	0.75	574.45	292.50
045-316-049	0.75	574.45	292.50
045-316-050	0.75	574.45	292.50



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-316-051	0.75	574.45	292.50
045-316-052	0.75	574.45	292.50
045-316-053	0.75	574.45	292.50
045-316-054	0.75	574.45	292.50
045-316-055	0.75	574.45	292.50
045-316-056	0.75	574.45	292.50
045-316-057	0.75	574.45	292.50
045-316-058	0.75	574.45	292.50
045-316-059	0.75	574.45	292.50
045-316-060	0.75	574.45	292.50
045-316-061	0.75	574.45	292.50
045-316-062	0.75	574.45	292.50
045-316-063	0.75	574.45	292.50
045-316-064	0.75	574.45	292.50
045-316-065	0.75	574.45	292.50
045-316-066	0.75	574.45	292.50
045-316-067	0.75	574.45	292.50
045-316-068	0.75	574.45	292.50
045-316-069	0.75	574.45	292.50
045-316-070	0.75	574.45	292.50
045-316-071	0.75	574.45	292.50
045-316-072	0.75	574.45	292.50
045-316-073	0.75	574.45	292.50
045-316-074	0.75	574.45	292.50
045-316-075	0.75	574.45	292.50
045-316-076	0	-	-
045-316-077	0	-	-
Totals	231.75	\$ 177,504.28	\$ 90,382.62

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

DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 02 (WOODRIDGE); AND THE LEVY AND COLLECTION
OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2019/2020**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2019 and ending June 30, 2020; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 02 (Woodridge), fiscal year 2019/2020" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

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

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

SECTION 1. The above recitals are true and correct.

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

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

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2019/2020.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of June, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 02 (WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") for fiscal year 2019/2020, said fiscal year commencing July 1, 2019 and ending June 30, 2020; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

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

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2019 and ending June 30, 2020, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

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

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

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

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

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

b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

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

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

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020.

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

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2019/20 Engineer's Report For:

Landscaping and Lighting District

District No. 02 Las Lomas (Woodridge)

May 2019

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 02
Las Lomas (Woodridge)

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Associate Director

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1. ENGINEER'S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-051, the City Council of the City of Atascadero (the "City"), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the "1972 Act")) established the City of Atascadero Landscaping and Lighting District No. 02 Las Lomas (Woodridge) (the "District"); and

WHEREAS, on May 14, 2019 the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District; and

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

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2019/20:

FY 2019/20 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$85,710	\$1,578	\$84,132			
Administration	6,000	0	6,000			
Levy Adjustments	(26,820)	(1,578)	(25,242)			
Total	\$64,890	\$0	\$64,890	231.75	\$1,902.02	\$280.00

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information, and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

City Engineer

2. EXECUTIVE SUMMARY

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

Landscaping and Lighting District No. 02 Las Lomas (Woodridge)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2019/20, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

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

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

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2525-1; and by reference these plans and specifications are made part of this Report.

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

This residential subdivision is planned to include one hundred forty-four (144) single-family residential units; thirty-five (35) condominium/senior housing units; and a single one hundred (100) unit multi-family residential project at build-out. Due to parcel splits the multi-family residential project is spread over three parcels. The planned subdivision is situated in the southeast portion of the City of Atascadero and is generally located:

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

3.2 Improvements and Services Authorized by the 1972 Act

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

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

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

3.3 Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2525-1). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2525-1 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2525-1;
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas

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

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

3.3.1 LANDSCAPE IMPROVEMENTS

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

- Approximately 34,420 square feet of streetscape landscaping and trees within the public right-of-ways along or adjacent to Halcon Road, Calle Milano, Via Cielo and Eliano Street including but not limited to approximately 27,200 square feet of parkway landscaping and 7,220 square feet of median landscaping;
- Approximately 220,850 square feet (5.07 acres) of landscaped slope areas within the District boundaries and adjacent to the residential properties, open space areas, drainage basins and streets of Tract 2525-1;
- Approximately 175,550 square feet (4.03 acres) of landscaped area in and around the two (2) drainage basins within Tract 2525-1;
- Approximately 106,460 square feet of non-irrigated open space area within the District;
- Approximately 1,981,980 square feet of non-irrigated open space area within the boundaries of the District associated with the development of the residential properties within Tract 2525-1;
- Approximately 225 street trees located within the public right-of-ways of the streets within Tract 2525-1 including but not limited to Calle Milano, Via Cielo, Eliano Street, Avion Road, Azor Lane and Alcotan Lane;
- Approximately 1,910 square feet of paths and trails, 45,265 square feet sidewalks and 6,100 linear feet of fencing within and adjacent to the various landscape improvement areas.

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

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

- There are five (5) public streetlights currently planned for Tract 2525-1. These streetlights are located on Calle Milano between Halcon Road and Eliano Street (The entryway to the residential properties within the District);

- Lighting facilities may also include but are not limited to safety lights, security lights or ornamental lights located within the various landscape improvement areas installed as part of the District's landscape improvements.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2019/2020 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$54,680	(\$1,578)	\$53,102
Landscape Supplies	1,060	0	1,060
Landscape Utilities	4,700	0	4,700
City Landscape Services	12,300	0	12,300
Other Maintenance Services	5,470	0	5,470
Total Annual Direct Costs	\$78,210	(\$1,578)	\$76,632
CAPITAL EXPENDITURES			
Special Projects	7,500	0	7,500
Total Annual Special Projects	7,500	0	7,500
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$1,340	\$0	\$1,340
Engineer's Report & Services	4,160	0	4,160
Public Noticing	500	0	500
Total Administration	\$6,000	\$0	\$6,000
TOTAL DIRECT & ADMINISTRATION COSTS	\$91,710	(\$1,578)	\$90,132
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$3,128	\$0	\$3,128
Median Rehabilitation/Replacement	138	0	138
Open Space Rehabilitation/Replacement	1,000	(250)	750
Tree Rehabilitation/Replacement	5,806	0	5,806
Slope Rehabilitation/Replacement	3,754	0	3,754
Other Rehabilitation/Replacement	741	0	741
Total Annual Capital Reserve Collections/(Uses)	\$14,567	(\$250)	\$14,317
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	(\$1,909)	\$0	(\$1,909)
Interest Income- Operating Reserve Fund	(1,150)	0	(1,150)
Reserve Collection/(Use)	(36,500)	0	(36,500)
Contribution from Other Sources	(1,828)	0	0
Total Levy Adjustments	(\$41,387)	\$0	(\$39,559)
BALANCE TO LEVY	\$64,890	\$0	\$64,890
DISTRICT STATISTICS			
Total Parcels			190
Parcels Levied			181
Total EBU ⁽¹⁾			231.75
Levy per EBU			\$280.00
Maximum Levy per EBU			\$1,902.02
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$44,278
Operational Reserve Interest			1,150
Surplus Transfer from Improvement Fund			38,095
Operational Reserve Collection (Use)			(32,036)
Estimated Ending Operating Reserve Balance			\$51,487
Beginning Improvement Fund Balance			\$114,584
Improvement Fund Interest			1,909
Surplus Transfer to Operations Fund			(38,095)
Improvement Fund Collection/(Use)			7,067
Estimated Ending Improvement Fund Balance			\$85,465

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

5. METHOD OF ASSESSMENT

5.1 General

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

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

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

5.2 Benefit Analysis

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

5.2.1 SPECIAL BENEFIT

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

The special benefits associated with landscape improvements are specifically:

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

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

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

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

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

5.2.2 GENERAL BENEFIT

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

the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. With respect to the open space areas, these areas are an integral part of property development within the District and clearly provide a direct and special benefit those properties. However, it is also recognized that the majority of this open space area is located on the perimeter of the District and is directly accessible from surrounding properties and the public at large. Therefore it has been determined that up to twenty-five percent (25%) of the costs to maintain this area shall be allocated as general benefit and not assessed as part of the District's special benefit assessments

5.3 Assessment Methodology

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

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

(1) Single-family Residential — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit (i.e. Equivalent Benefit Unit "EBU").

(2) Multi-family Residential — This land use is defined as a fully subdivided residential parcel that has

more than one residential unit developed on the property. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single-family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (Sample Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate that most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

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

benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

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

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

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

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

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

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

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

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

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

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

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

5.4 Assessment Range Formula

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

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

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

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

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.52% for fiscal year 2019/20.

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

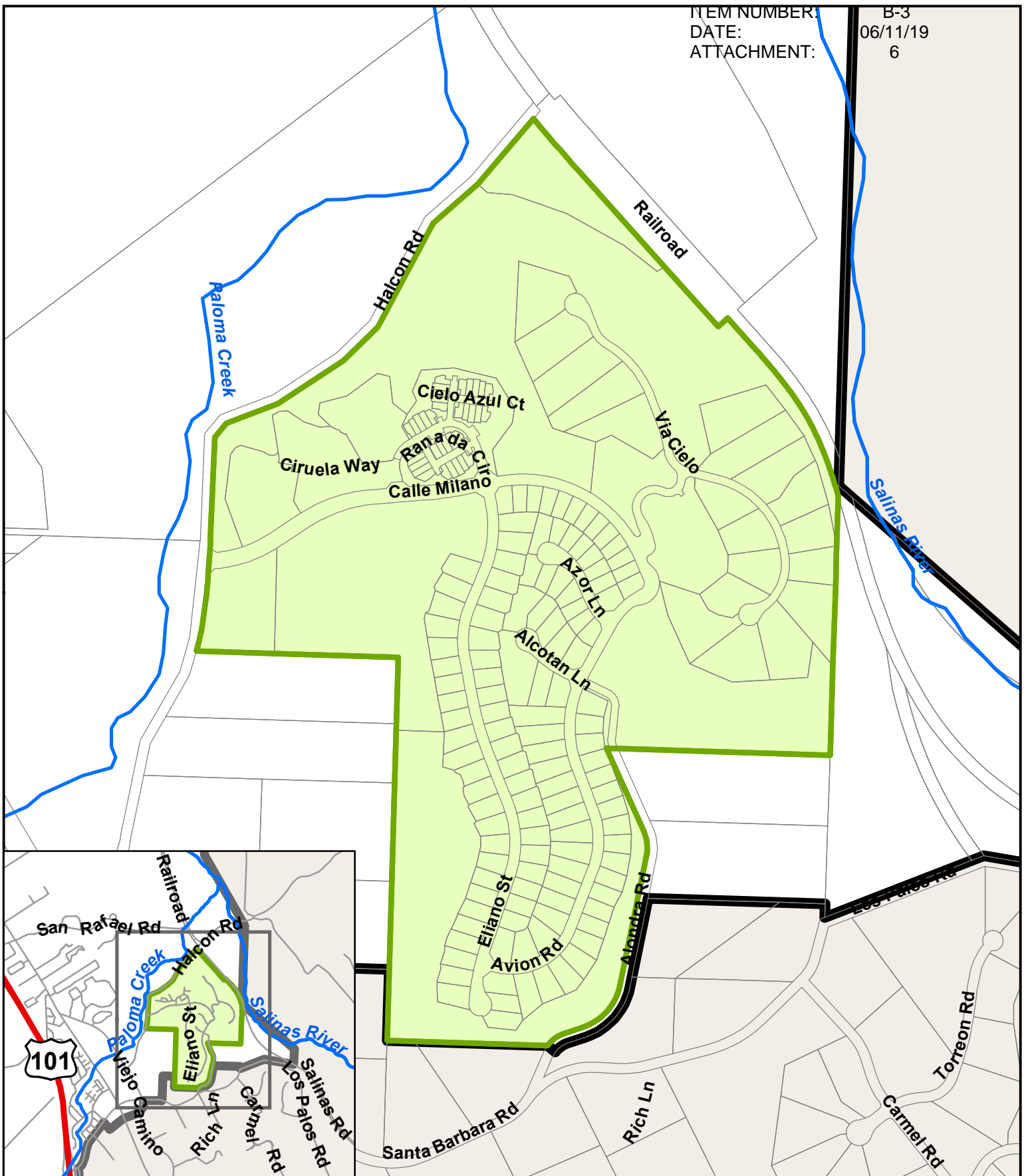
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the planned residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

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



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2

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7. ASSESSMENT ROLL

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

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

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

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

CITY OF ATASCADERO
Landscaping and Lighting District No. 02
(Las Lomas)
Fiscal Year 2019/2020 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-311-006	0	\$ -	\$ -
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	33,798.90	4,975.60
045-311-015	24.83	47,227.16	6,952.40
045-311-016	19.9	37,850.20	5,572.00
045-312-001	1	1,902.02	280.00
045-312-002	1	1,902.02	280.00
045-312-003	1	1,902.02	280.00
045-312-004	1	1,902.02	280.00
045-312-005	1	1,902.02	280.00
045-312-006	1	1,902.02	280.00
045-312-007	1	1,902.02	280.00
045-312-008	1	1,902.02	280.00
045-312-009	1	1,902.02	280.00
045-312-010	1	1,902.02	280.00
045-312-011	1	1,902.02	280.00
045-312-012	1	1,902.02	280.00
045-312-013	1	1,902.02	280.00
045-312-014	1	1,902.02	280.00
045-312-015	1	1,902.02	280.00
045-312-016	1	1,902.02	280.00
045-312-017	1	1,902.02	280.00
045-312-018	1	1,902.02	280.00
045-312-019	1	1,902.02	280.00
045-312-020	1	1,902.02	280.00
045-312-021	1	1,902.02	280.00
045-312-022	1	1,902.02	280.00
045-312-023	1	1,902.02	280.00
045-312-024	1	1,902.02	280.00
045-312-025	1	1,902.02	280.00
045-312-026	1	1,902.02	280.00
045-312-027	1	1,902.02	280.00
045-312-028	1	1,902.02	280.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-312-029	1	1,902.02	280.00
045-312-030	1	1,902.02	280.00
045-312-031	1	1,902.02	280.00
045-312-032	1	1,902.02	280.00
045-312-033	1	1,902.02	280.00
045-312-034	1	1,902.02	280.00
045-312-035	1	1,902.02	280.00
045-312-036	1	1,902.02	280.00
045-312-037	1	1,902.02	280.00
045-312-038	1	1,902.02	280.00
045-312-039	1	1,902.02	280.00
045-312-040	1	1,902.02	280.00
045-312-041	1	1,902.02	280.00
045-312-042	1	1,902.02	280.00
045-312-043	1	1,902.02	280.00
045-312-044	1	1,902.02	280.00
045-312-045	1	1,902.02	280.00
045-312-046	1	1,902.02	280.00
045-312-047	1	1,902.02	280.00
045-312-048	1	1,902.02	280.00
045-312-049	1	1,902.02	280.00
045-312-050	1	1,902.02	280.00
045-312-051	1	1,902.02	280.00
045-312-052	1	1,902.02	280.00
045-312-053	1	1,902.02	280.00
045-312-054	1	1,902.02	280.00
045-312-055	1	1,902.02	280.00
045-312-056	1	1,902.02	280.00
045-313-001	1	1,902.02	280.00
045-313-002	1	1,902.02	280.00
045-313-003	1	1,902.02	280.00
045-313-004	1	1,902.02	280.00
045-313-005	1	1,902.02	280.00
045-313-006	1	1,902.02	280.00
045-313-007	1	1,902.02	280.00
045-313-008	1	1,902.02	280.00
045-313-009	1	1,902.02	280.00
045-313-010	1	1,902.02	280.00
045-313-011	1	1,902.02	280.00
045-313-012	1	1,902.02	280.00
045-313-013	1	1,902.02	280.00
045-313-014	1	1,902.02	280.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-313-015	1	1,902.02	280.00
045-313-018	1	1,902.02	280.00
045-313-019	1	1,902.02	280.00
045-313-020	1	1,902.02	280.00
045-313-021	1	1,902.02	280.00
045-313-026	1	1,902.02	280.00
045-313-027	1	1,902.02	280.00
045-314-001	1	1,902.02	280.00
045-314-002	1	1,902.02	280.00
045-314-003	1	1,902.02	280.00
045-314-004	1	1,902.02	280.00
045-314-005	1	1,902.02	280.00
045-314-006	1	1,902.02	280.00
045-314-007	1	1,902.02	280.00
045-314-008	1	1,902.02	280.00
045-314-009	1	1,902.02	280.00
045-314-010	1	1,902.02	280.00
045-314-011	1	1,902.02	280.00
045-314-012	1	1,902.02	280.00
045-314-013	1	1,902.02	280.00
045-314-014	1	1,902.02	280.00
045-314-015	1	1,902.02	280.00
045-314-016	1	1,902.02	280.00
045-314-017	1	1,902.02	280.00
045-314-018	1	1,902.02	280.00
045-314-019	1	1,902.02	280.00
045-314-020	1	1,902.02	280.00
045-314-021	1	1,902.02	280.00
045-314-022	1	1,902.02	280.00
045-314-023	1	1,902.02	280.00
045-314-024	1	1,902.02	280.00
045-314-025	1	1,902.02	280.00
045-314-026	1	1,902.02	280.00
045-314-027	1	1,902.02	280.00
045-314-028	1	1,902.02	280.00
045-314-029	1	1,902.02	280.00
045-314-030	1	1,902.02	280.00
045-314-031	1	1,902.02	280.00
045-314-032	1	1,902.02	280.00
045-314-033	1	1,902.02	280.00
045-315-001	1	1,902.02	280.00
045-315-002	1	1,902.02	280.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-315-003	1	1,902.02	280.00
045-315-004	1	1,902.02	280.00
045-315-005	1	1,902.02	280.00
045-315-006	1	1,902.02	280.00
045-315-007	1	1,902.02	280.00
045-315-008	1	1,902.02	280.00
045-315-009	1	1,902.02	280.00
045-315-010	1	1,902.02	280.00
045-315-011	1	1,902.02	280.00
045-315-012	1	1,902.02	280.00
045-315-013	1	1,902.02	280.00
045-315-014	1	1,902.02	280.00
045-315-015	1	1,902.02	280.00
045-315-016	1	1,902.02	280.00
045-315-017	1	1,902.02	280.00
045-315-018	1	1,902.02	280.00
045-315-019	1	1,902.02	280.00
045-315-020	1	1,902.02	280.00
045-315-021	1	1,902.02	280.00
045-315-022	1	1,902.02	280.00
045-315-023	1	1,902.02	280.00
045-315-024	1	1,902.02	280.00
045-315-025	1	1,902.02	280.00
045-315-026	1	1,902.02	280.00
045-315-027	1	1,902.02	280.00
045-315-028	1	1,902.02	280.00
045-315-029	1	1,902.02	280.00
045-315-030	1	1,902.02	280.00
045-315-031	1	1,902.02	280.00
045-315-032	1	1,902.02	280.00
045-315-033	1	1,902.02	280.00
045-316-040	0	-	-
045-316-041	0.75	1,426.52	210.00
045-316-042	0.75	1,426.52	210.00
045-316-043	0.75	1,426.52	210.00
045-316-044	0.75	1,426.52	210.00
045-316-045	0.75	1,426.52	210.00
045-316-046	0.75	1,426.52	210.00
045-316-047	0.75	1,426.52	210.00
045-316-048	0.75	1,426.52	210.00
045-316-049	0.75	1,426.52	210.00
045-316-050	0.75	1,426.52	210.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-316-051	0.75	1,426.52	210.00
045-316-052	0.75	1,426.52	210.00
045-316-053	0.75	1,426.52	210.00
045-316-054	0.75	1,426.52	210.00
045-316-055	0.75	1,426.52	210.00
045-316-056	0.75	1,426.52	210.00
045-316-057	0.75	1,426.52	210.00
045-316-058	0.75	1,426.52	210.00
045-316-059	0.75	1,426.52	210.00
045-316-060	0.75	1,426.52	210.00
045-316-061	0.75	1,426.52	210.00
045-316-062	0.75	1,426.52	210.00
045-316-063	0.75	1,426.52	210.00
045-316-064	0.75	1,426.52	210.00
045-316-065	0.75	1,426.52	210.00
045-316-066	0.75	1,426.52	210.00
045-316-067	0.75	1,426.52	210.00
045-316-068	0.75	1,426.52	210.00
045-316-069	0.75	1,426.52	210.00
045-316-070	0.75	1,426.52	210.00
045-316-071	0.75	1,426.52	210.00
045-316-072	0.75	1,426.52	210.00
045-316-073	0.75	1,426.52	210.00
045-316-074	0.75	1,426.52	210.00
045-316-075	0.75	1,426.52	210.00
045-316-076	0	-	-
045-316-077	0	-	-
Totals	231.75	\$ 440,793.14	\$ 64,890.00



Atascadero City Council

Staff Report – City Manager’s Office

Atascadero Tourism Business Improvement District Confirmation of Annual Assessment (Fiscal Year 2019-2020)

RECOMMENDATION:

Council adopt Draft Resolution confirming the annual assessment for the Atascadero Tourism Business Improvement District (Fiscal Year 2019-2020).

DISCUSSION:

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

The City Council appointed ATBID Advisory Board Members to serve at the pleasure of the Council. The Advisory Board is made up of lodging business owners or employees, or other representatives holding the written consent of a lodging business owner within the ATBID area.

The Streets and Highways Code requires that the Advisory Board provide a report to the City Council annually for the expenditure of funds derived from the assessment paid by lodging businesses within the City. The annual report must meet the requirements of the California Streets and Highway Code §36533. The Council received and approved the annual report at its May 28, 2019 meeting. After the approval of the report, the City Council is required to hold a public hearing. The purpose of the public hearing is to receive public comment prior to the assessment being collected.

The Atascadero Tourism Business Improvement District assessments are estimated to be approximately \$284,000 for the fiscal year. This represents the two percent (2%) of the rent charged by the business per occupied room or space per night for transient occupancies.

Following the public hearing, it is staff's recommendation that the Council adopt the proposed Resolution. Adoption of the Resolution constitutes the levying of the assessment.

FISCAL IMPACT:

Annual assessments for 2019-2020 are expected to be approximately \$284,000 and will be assessed as 2% of the rent charged on the occupied rooms and spaces for transient occupancies.

ALTERNATIVES:

The City Council may direct staff to amend the Resolution before adoption.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, CONFIRMING ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT (ATBID) ASSESSMENT FOR FISCAL YEAR 2019-2020

WHEREAS, the City of Atascadero established the Atascadero Tourism Business Improvement District (ATBID) consistent with Section 36500 et seq. of the Streets and Highways Code of the State of California; and

WHEREAS, the City Council has determined to set the assessment at two percent (2%) of the rent charged by the Business per occupied room or space per night for transient occupancies; and

WHEREAS, the purpose of this assessment is to provide tourism promotions and marketing programs to promote the City as a tourism destination pursuant to the Streets & Highways Code of the State of California; and

WHEREAS, the City Council, having received the annual report from the ATBID, adopted Resolution No. 2019-034, declaring intent to levy annual ATBID assessment pursuant to Section 36534 of the California Streets and Highways Code; and

WHEREAS, the City Council did fix a time and place for a public hearing on the levy of the proposed assessment for fiscal year 2019-2020; and

WHEREAS, on June 11, 2019, the City Council conducted a public hearing at the date and time for such purpose; and

WHEREAS, the City Council did not receive the required number of protests for the levy of such assessment.

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

SECTION 1. The City Council of the City of Atascadero does hereby confirm the assessment at two percent (2%) of the rent charged by the Business per occupied room or space per night for transient occupancies.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – City Manager’s Office

Downtown Parking and Business Improvement Area Confirmation of Annual Assessment (FY 2019-2020)

RECOMMENDATION:

Council adopt Draft Resolution confirming the annual assessment for the Downtown Parking and Business Improvement Area (Fiscal Year 2019-2020).

DISCUSSION:

The City of Atascadero established a Downtown Parking and Business Improvement Area in 1986 (Chapter 11 of the Atascadero Municipal Code) for the purpose of *acquisition, construction or maintenance of parking facilities, decoration of public places, promotion of public events, and general promotion of business activities in the downtown area*. The formation and operation of a Business Improvement Area is governed by the California Streets and Highways Code (Section 36500 et. seq.). The Code requires, the City to levy and collect the assessments, the City Council to adopt an annual Resolution of Intention, declaring the City’s intent to levy an annual Downtown Parking and Business Improvement Area assessment, and hold a public hearing confirming the assessment. The City Council adopted a draft Resolution of Intention on May 28, 2019, and set a public hearing for June 11, 2019 to receive public comment.

The Downtown Parking and Business Improvement Area (BIA) assessment was reduced to \$0.00 in 2010 at the behest of downtown landlords as part of a program to encourage downtown businesses. In January 2018, staff was approached by an informal group of downtown business owners, who expressed interest in reinstituting the full levy of the assessment for the BIA. The full levy of the assessment is equal to 100 percent of the business license fee, essentially doubling the business license fee, and is charged to businesses located in the BIA.

Following reinstitution of the assessment last fiscal year, the City has entered into an agreement with the Atascadero Chamber of Commerce. The Chamber of Commerce serves as the advisory body and the sub-contractor to the City regarding the DPBIA. The informal committee of downtown business owners advises the Chamber of Commerce on expenditures and assists in the creation of the annual budget. As part of the contract, the Chamber will provide an annual accounting of expenditures for the BIA funds.

The Chamber has submitted a report, which was provided to the Council at the May 28, 2019 Meeting and is Exhibit A to the proposed Resolution confirming the assessment. The Downtown Parking and Business Improvement Area assessments collected by the City are estimated at approximately \$9,800 annually. The recommended action would confirm the assessment and collection of these funds for downtown revitalization activities for 2019/2020. The Chamber of Commerce is proposing expenditures for 2019/2020 with the Downtown Parking and Business Improvement Area funds as follows:

BIA Funds requested for 2019/2020	\$ 9,800
Carry over from 2018/2019	\$ 0
Estimated revenue from events	\$ 1,000
Total Proposed Funding Available	\$ 10,800
<u>2019/2020 Proposed Expenditures:</u>	
Events Promotion	\$ 4,200
Beautification	\$ 4,000
Marketing	\$ 2,600
Total Proposed Expenditures for 2019/2020	\$ 10,800
<i>Fund Residual</i>	<i>\$ 0</i>

There are three events held in the Downtown to help promote the downtown and strengthen the businesses in the area. One of these events, Taco Day on Traffic Way, has historically generated income for the committee through ticket sales. Income from this event is again anticipated in the 2019/2020 fiscal year in the amount of \$1,000. This revenue will be collected directly by the committee and/or the Chamber of Commerce.

The City will collect funds for the Downtown Parking and Business Improvement Area along with business license fees in December and January.

FISCAL IMPACT:

Adopting the staff recommendation will result in the collection and expenditure of approximately \$9,800 in BIA funds.

ALTERNATIVES:

1. The City Council may choose not to adopt the Resolution, confirming the levy of the assessment as recommended, and discontinue the levy.
2. The City Council may grant Downtown Parking and Business Improvement Area assessment funds in an amount lower than requested.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, CONFIRMING
DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA
ASSESSMENT FOR FISCAL YEAR 2019-2020**

WHEREAS, the City of Atascadero established a Downtown Parking and Business Improvement Area (DBPIA) consistent with Section 36500 et seq. of the Streets and Highways Code of the State of California; and

WHEREAS, Section 36533 of the Streets & Highway Code of the State of California requires a report to be filed with the City prior to the levy and collection of the assessment; and

WHEREAS, the City Council determined in 2010 to set the assessment at \$0.00 to provide a stimulus to downtown businesses in this time of unprecedented economic downturn, eliminating the need for a report in accordance with Section 36533 of the Streets & Highway Code of the State of California; and

WHEREAS, the City Council reinstituted the full levy of the assessment for the DPBIA in 2018 at the request of downtown businesses; and

WHEREAS, the City has entered into an agreement with the Chamber of Commerce, which serves as the advisory body and the sub-contractor to the City regarding the DPBIA; and

WHEREAS, an informal committee of downtown business owners advises the Chamber of Commerce on expenditures and assists in the creation of the annual budget; and

WHEREAS, the Atascadero Chamber of Commerce filed a report with the City in accordance with Section 36533 of the Streets & Highway Code of the State of California attached hereto and incorporated herein by this reference; and

WHEREAS, the City Council having received the report adopted Resolution No. 2019-035 declaring intent to levy annual Downtown Parking and Business Improvement Area assessment pursuant to Section 36534 of said code; and

WHEREAS, the City Council did fix a time and place for a public hearing on the levy of the proposed assessment for fiscal year 2019-2020; and

WHEREAS, on June 11, 2019, the City Council conducted a public hearing at the date and time for such purpose; and

WHEREAS, the City Council did not receive the required number of protests for the levy of such assessment.

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

SECTION 1. The City Council of the City of Atascadero does hereby confirm approval of the Section 36533 Report as originally filed and confirmation of approval of such report constitutes the levy of an assessment for fiscal year 2019-2020, pursuant to the Streets and Highways Code of the State of California.

SECTION 2. The Atascadero Chamber of Commerce is hereby designated to receive and manage, with direction from the downtown businesses, Downtown Parking and Business Improvement Area assessment funds for fiscal year 2019-2020.

SECTION 3. The City Council directs staff to make appropriations in the City's budget in accordance with such report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2019.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

Exhibit A

Atascadero Main Street Downtown Parking and Business Improvement Area Annual Report for Fiscal Year 2019-2020

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

No boundary changes are proposed for Fiscal Year 2019-2020. The boundaries are more specifically described as follows:

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

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

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

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

The proposed work plan and budget for Fiscal Year 2019/2020 is as follows:

BIA Funds requested for 2019/2020	\$ 9,800
Carry over from 2018/2019	\$ 0
Estimated revenue from events	\$ 1,000
Total Proposed Funding Available	\$ 10,800
<u>2019/2020 Proposed Expenditures:</u>	
Events Promotion	\$ 4,200
Beautification	\$ 4,000
Marketing	\$ 2,600
Total Proposed Expenditures for 2019/2020	\$ 10,800
<i>Fund Residual</i>	\$ 0

This report shall be filed with the City Clerk on behalf of the DPBIA for Fiscal Year 2019-2020.



Atascadero City Council

Staff Report – Community Development Department

Formation of Improvement Area No. 1, Community Facilities District 2005-1 (6300, 6320, 6420, 6450, 6490, and 6500 El Camino Real: Parcel Map AT 17-0088)

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A, adopting a boundary map showing the territory proposed for inclusion in proposed Improvement Area No. 1 (Public Services) of the City of Atascadero.
2. Adopt Draft Resolution B, declaring its intention to establish Improvement Area No. 1 of Community Facilities District 2005-1 (Public Services) of the City of Atascadero and to authorize the levy of special taxes therein to finance Public Services.

DISCUSSION:

Background:

In July 2004, as a key part of the adoption of the City's Comprehensive Financial Strategy, the Council addressed the need to recover all costs associated with new residential development by directing the formation of a Community Facilities District (CFD). California law allows the formation of such districts for the purpose of recovering the cost of providing public safety services, including police and fire services, and park services for new developments. CFDs ensure that new homeowners pay special taxes in an amount equal to the actual cost of the City services they are expected to receive. Without such special taxes in place, new residential units have a negative impact on the General Fund.

The Citywide CFD was established in 2005. Consistent with this policy a number of projects have been annexed into the CFD as a requirement prior to recordation of a final map.

Analysis:

The applicant for the La Plaza Mixed-Use project, Z 3 LLC, is required to provide means to ensure their project is fiscally neutral to the City as a condition to finalize their subdivision maps and fulfill the conditions of approval. This process is usually accomplished through annexation into the City's Community Facilities District.

A proposed annexation into the Citywide CFD was reviewed by the City Council on May 28th, 2019. The Applicant and the Council discussed the merits of the CFD as it applies to vertical mixed-use projects within the Downtown Commercial Zone that may generate revenue to offset residential costs while contributing to the desired revitalization of Downtown.

The applicant has stated that mixed use projects in the Downtown, such as the La Plaza Project, could have a significant positive affect on the Downtown. Downtown Mixed-use projects provide a 24-hour presence, seven days a week in the Downtown. This consistent downtown population can encourage businesses to stay open and promotes safety and oversight when businesses are closed. More people living in the downtown typically results in more people using downtown restaurants, retail stores and other local services. The combination of commercial and residential uses in downtown areas goes back to the turn of the century and provides a logical solution to providing housing close to services and transit. Furthermore, many downtown mixed-use residential projects serve as short-term rentals and can produce transient occupancy tax just like a hotel room.

The Council formed an ad hoc committee to analyze the issue and determine if a discounted tax rate was warranted for mixed-use development in the Downtown. The CFD proposal being brought before Council includes the establishment of Improvement Area No. 1 to the existing Citywide CFD. The improvement area would have its own rate and Method of Apportionment (RMA) to determine the annual tax amount. The ad hoc committee proposes a 35% potential tax reduction for qualifying vertical mixed-use projects in the Downtown Commercial Zoning District that include viable ground floor commercial uses. In order for projects to qualify, the project must include the following:

- The project must be located in the Downtown Commercial Zoning District,
- The project must be a vertical mixed-use development with commercial on the ground floor,
- The commercial must have a substantial retail component which cannot be less than 30% of the total building floor area,
- The building must be architecturally superior and constructed with quality materials, and
- The project must be maintained at the same level as the City maintains similar properties throughout the City.

The establishment of Improvement Area No. 1 will allow other qualifying projects in the Downtown to annex in at the same tax reduced rate. Projects would need to qualify annually as part of the CFD annual fiscal analysis process.

The La Plaza Mixed-Use project is located in the Downtown and was approved in 2018. The project consists of 42 residential units on the second and third floors above 18,000 square feet of ground floor commercial tenant spaces. The applicant will have the option of converting the residential units into condominiums at a later date if desired. The project is moving forward with their final map which is expected to be recorded this summer. Grading of the project site has begun and building construction is expected to begin later this year.



BUILDING A



The attached Resolutions establish Improvement Area No. 1 and set the date for the public hearing to complete the process for July 11, 2019. There are no registered voters in the improvement area so the election will be a landowner vote. Following completion of the CFD process, staff anticipates levying taxes on the parcels on which development has actually begun in the 2020-2021 tax year.

Conclusion:

The La Plaza project was conditioned to be fiscally neutral through annexation into the existing Citywide CFD. The establishment of Improvement Area No. 1 of CFD 2005-1 will satisfy the project's conditions of approval and allow for the vote to occur. A total of 42 units will be added to the CFD.

ALTERNATIVE:

Council may refer the item back to staff for additional review and analysis.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ADOPTING A BOUNDARY
MAP SHOWING THE BOUNDARIES OF THE TERRITORY
PROPOSED FOR INCLUSION IN PROPOSED
IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES
DISTRICT NO. 2005-1 (PUBLIC SERVICES)
OF THE CITY OF ATASCADERO**

WHEREAS, the City of Atascadero (the "City") desires to initiate proceedings to create Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services), pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, for the purpose of providing an alternative method of financing certain public services necessary to serve new development within Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services); and

WHEREAS, proposed Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services) shall hereinafter be designated as Improvement Area No. 1 of City of Atascadero Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero ("CFD No. 2005-1 IA No. 1"); and

WHEREAS, a map has been submitted showing the boundaries of the territory proposed to be included in CFD No. 2005-1 IA No. 1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2005-1 IA No. 1.

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

SECTION 1. The above recitals are all true and correct.

SECTION 2. The map designated as "Proposed Boundary Map of Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services), City of Atascadero, County of San Luis Obispo, State of California" (the "CFD No. 2005-1 IA No. 1 Boundary Map"), attached as Exhibit A to this Resolution and incorporated herein by this reference, showing the boundaries of the territory proposed for inclusion in CFD No. 2005-1 IA No. 1 upon the initial establishment of CFD No. 2005-1 IA No. 1, including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2005-1 IA No. 1, is hereby approved and adopted.

SECTION 3. A certificate shall be endorsed on the original mylar of the CFD No. 2005-1 IA No. 1 Boundary Map, evidencing the date and adoption of this Resolution, and within fifteen (15) days after the adoption of the Resolution fixing the time and place of the hearing on the establishment or extent of CFD No. 2005-1 IA No. 1, a copy of such map shall be filed with the correct and proper endorsements thereon with the County Recorder, all in the manner and form provided for in Sections 3110 and 3111 of the Streets and Highways Code of the State of California.

SECTION 4. Environmental Review. This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 5. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th day of June, 2019.

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

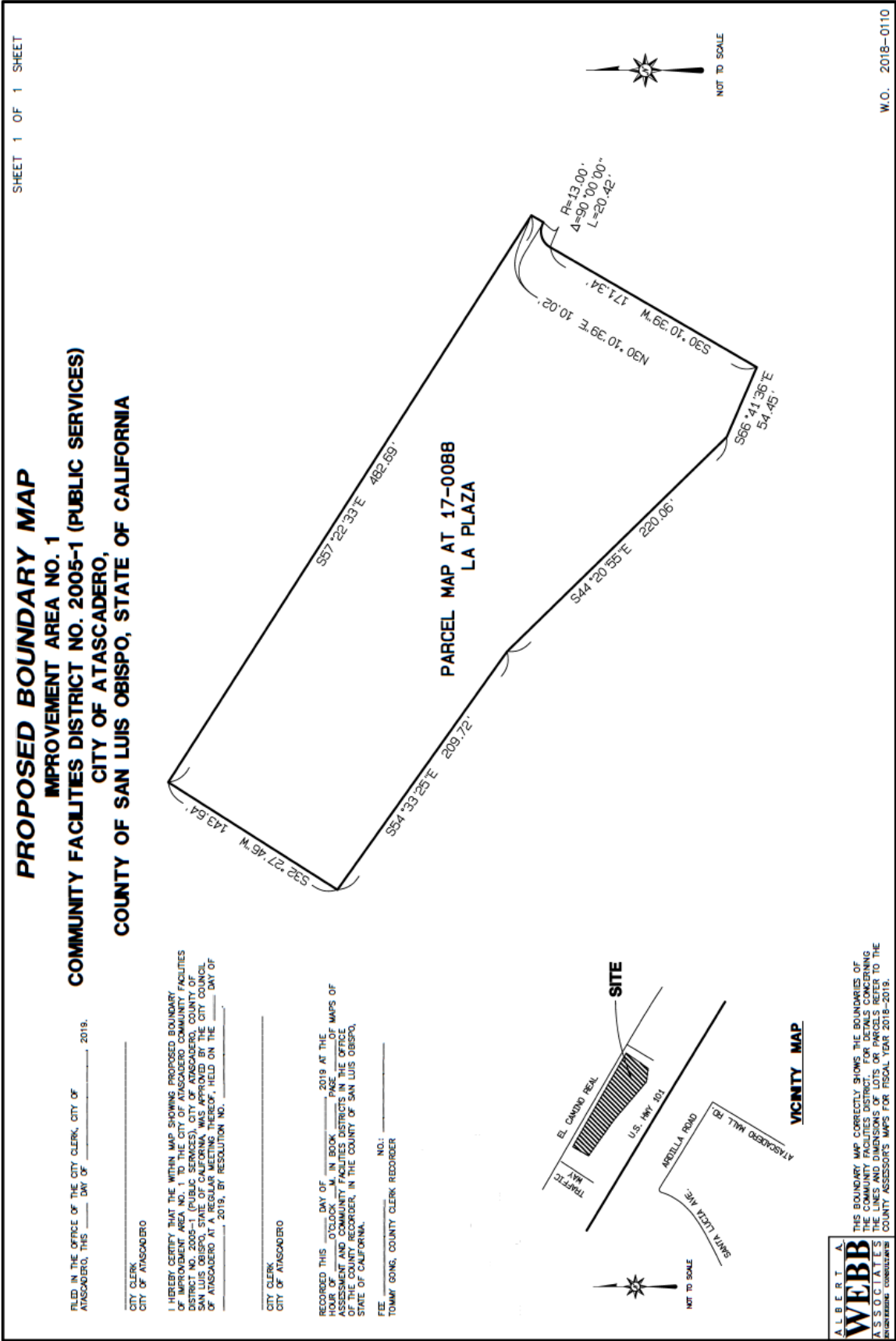
ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

EXHIBIT A



DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING ITS
INTENTION TO ESTABLISH IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES) OF THE CITY OF ATASCADERO AND
TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN
TO FINANCE PUBLIC SERVICES**

WHEREAS, the City of Atascadero (the "City") desires to initiate proceedings to create Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services) pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of providing an alternative method of financing the public services necessary to serve new development within Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services); and

WHEREAS, Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services) shall hereinafter be referred to as Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero ("CFD No. 2005-1 IA No. 1"); and

WHEREAS, this City Council now desires to proceed to adopt its Resolution of Intention to initiate proceedings for the establishment of CFD No. 2005-1 IA No. 1 to set forth the boundaries for CFD No. 2005-1 IA No. 1, to indicate the type of services to be financed by CFD No. 2005-1 IA No. 1, to indicate the rate and apportionment of special tax sufficient to finance such services and to set a time and place for a public hearing relating to the establishment of CFD No. 2005-1 IA No. 1; and

WHEREAS, a map of CFD No. 2005-1 IA No. 1 (the "Boundary Map") has been submitted to the City Council showing the boundaries of the territory proposed for inclusion in CFD No. 2005-1 IA No. 1 upon the initial establishment of CFD No. 2005-1 IA No. 1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2005-1 IA No. 1 and such map has been adopted by Resolution No. ____ of the City Council.

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

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

SECTION 2. Initiation of Proceedings. These proceedings are initiated by this City Council pursuant to the authorization of Section 53318 of the Government Code of the State of California and the other provisions of the Act.

SECTION 3. Boundaries of CFD No. 2005-1 IA No. 1 It is the intention of this City Council to establish CFD No. 2005-1 IA No. 1 thereto pursuant to the provisions of the Act, and to determine the boundaries and parcels on which the special tax may be levied to finance the

Authorized Services defined in Section 5. A description of the boundaries of the territory proposed for inclusion in CFD No. 2005-1 IA No. 1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2005-1 IA No. 1 is as follows:

All that property as shown on the Boundary Map as previously approved by this City Council, such map designated as "Proposed Boundary Map of Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services), City of Atascadero, County of San Luis Obispo, State of California" a copy of which is on file in the Office of the City Clerk and shall remain open for public inspection.

SECTION 4. Name of the Community Facilities District Improvement Area The name of the Community Facilities District proposed to be established shall be known and designated as "Improvement Area No. 1 of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero."

SECTION 5. Descriptions of Services and Determination of Necessity. It is the intention of this City Council to finance public services that will not be replacing services already available within the boundaries of CFD No. 2005-1 IA No. 1. A general description of such services (collectively, the "Authorized Services"), whether provided directly by the City or by a third party contracting with the City or CFD No. 2005-1 IA No. 1, that may be financed is set forth in Exhibit A attached hereto and incorporated herein by this reference.

The City Council finds that the Authorized Services described in Section 5 hereof are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed CFD No. 2005-1 IA No. 1.

The Authorized Services that are necessary to meet the certain demands placed upon the City as the result of new development within CFD No. 2005-1 IA No. 1 are set forth in Exhibit A (the "Authorized Services").

SECTION 6. Special Tax. It is hereby further proposed that, except where funds are otherwise available, a special tax sufficient to finance the Authorized Services (the "Special Tax") and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in CFD No. 2005-1 IA No. 1, will be levied annually within the boundaries of such CFD No. 2005-1 IA No. 1 thereto. For further particulars as to the rate and method of apportionment of the proposed Special Tax, reference is made to Exhibit B (the "Rate and Method") attached hereto and incorporated herein by this reference, which sets forth in sufficient detail the rate and method of apportionment of the Special Tax to allow each landowner or resident within proposed CFD No. 2005-1 IA No. 1 to clearly estimate the maximum amount of Special Tax that such person will have to pay for the Authorized Services. The Special Tax may not be prepaid.

The Special Tax herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. Such Special Tax shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as

applicable for ad valorem taxes. Any Special Tax that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the Special Tax.

SECTION 7. Public Hearing. Notice is given that on Tuesday, July 11, 2019, at 6:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this City Council at the City of Atascadero, City Hall Council Chambers, 6500 Palma Ave, Atascadero, California, and the same are hereby appointed and fixed as the time and place when and where this City Council, will consider the establishment of the proposed CFD No. 2005-1 IA No. 1, the proposed Rate and Method of Apportionment of the Special Tax, and all other matters as set forth in this Resolution of Intention. At the above-mentioned time and place for public hearing any interested persons, including taxpayers and property owners may appear and be heard. The testimony of all interested persons for or against the establishment of CFD No. 2005-1 IA No. 1, the extent of the Community Facilities District Improvement Area, or the financing of Authorized Services, will be heard and considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the Public Hearing. Written protests may be withdrawn in writing at any time before the conclusion of the Public Hearing.

If a written majority protest against the establishment of CFD No. 2005-1 IA No. 1 is filed, the proceedings shall be abandoned. If such majority protest is limited to certain Authorized Services, those services shall be eliminated by the City Council.

SECTION 8. Election. If, following the public hearing described in Section 7, the City Council determines to establish CFD No. 2005-1 IA No. 1 and proposes to levy the Special Tax within CFD No. 2005-1 IA No. 1, the City Council shall then submit the levy of the Special Tax to the qualified electors of CFD No. 2005-1 IA No. 1. If at least twelve (12) persons, who need not necessarily be the same 12 persons, have been registered to vote within CFD No. 2005-1 IA No. 1 for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of CFD No. 2005-1 IA No. 1, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of CFD No. 2005-1 IA No. 1 who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within CFD No. 2005-1 IA No. 1.

A successful election relating to the Special Tax authorization shall, as applicable, establish the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to CFD No. 2005-1 IA No. 1.

SECTION 9. Notice of Public Hearing. Notice of the time and place of the public hearing shall be given by the City Clerk by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

SECTION 10. Report. The City Manager, as the officer of the City who will be responsible for providing the Authorized Services to be provided within and financed by CFD No. 2005-1 IA No. 1, if established, shall study or cause CFD No. 2005-1 IA No. 1 to be studied, and, at or before the time of the public hearing as described in Section 7, file a report or cause a report to be filed with the City Council containing a brief description of the Authorized Services which will in her opinion be required to adequately meet the needs of CFD No. 2005-1 IA No. 1 thereto, and his estimate of the fair and reasonable cost of providing such services, and the incidental expenses to be incurred in connection therewith. Such report shall be made a part of the record of the hearing to be held pursuant to Section 7 hereof.

SECTION 11. Environmental Review. This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 12. Effective Date. This resolution shall become effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th day of ____, 2019.

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

APPROVED AS TO FORM:

Brian Pierik, City Attorney

EXHIBIT A
DESCRIPTION OF AUTHORIZED SERVICES
IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES
DISTRICT NO. 2005-1 (PUBLIC SERVICES)

The services which CFD No. 2005-1 IA No. 1 is authorized to finance are in addition to those provided in or required for the territory within CFD No. 2005-1 IA No. 1 and will not be replacing services already available. A general description of the services to be financed is as follows:

POLICE AND FIRE SERVICES

Police services and fire protection and suppression services (the “Services”) of the City of Atascadero required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City of Atascadero, including but not limited to, related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel; provided, however, that any increases in special taxes for costs related to employee wages and benefits shall be limited as provided in the Rate and Method of Apportionment of the Special Taxes to fund such Services.

PARK SERVICES

Park services of the City of Atascadero required for the operation and maintenance of public parks.

The City of Atascadero is authorized to finance and direct administrative and incidental annual costs and expenses necessary to provide the maintenance and servicing for public services. No additional services will be necessary or provided in CFD No. 2005-1 and the services as described for CFD No. 2005-1 IA No. 1 will serve the properties within CFD No. 2005-1 IA No. 1. It is presently intended that the services will be provided, without preference or priority, to the existing territory in CFD No. 2005-1 IA No.

EXHIBIT B

**CITY OF ATASCADERO
IMPROVEMENT AREA 1 OF
COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)
RATE AND METHOD OF APPORTIONMENT**

A Special Tax of Improvement Area 1 of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero ("CFD") shall be levied on all Assessor's Parcels in the CFD and collected each Fiscal Year commencing in Fiscal Year 2019-20 in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or estimated costs incurred by the City as administrator of the CFD to determine, levy and collect the Special Taxes, including salaries, benefits and overhead costs of City employees whose duties are directly related to administration of the CFD and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Affordable Unit(s)" means dwelling units located on one or more Assessor's Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing. Affordable Units will require annual application to the City for verification of their affordable housing status. The City will have the authority to approve and establish policies regarding Affordable Housing Dwelling Units and their status.

Affordable dwelling units shall be classified as Affordable Units by the CFD Administrator in the chronological order in which the building permits for such property are issued.

"Annual Escalation Factor" means the greater of, five percent (5%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area or comparable index if such index is no longer in use.

"Approved Property" means an Assessor's Parcel and/or Lot in the District, which has a Final Map recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, but for which no building permit has been issued prior to the May 1st preceding the Fiscal Year in which the Special Tax is being levied. The term "Approved Property" shall apply only to Assessors' Parcels and/or Lots, which have been subdivided for the purpose of residential or commercial development, excluding any Assessor's Parcel that is designated as a remainder parcel determined by final documents and/or maps available to the CFD Administrator.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year ending June 30, 2019.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD" means Improvement Area 1 of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero.

"City" means the City of Atascadero.

"Council" means the City Council of the City of Atascadero, acting as the legislative body of the CFD.

"County" means the County of San Luis Obispo, California.

"Developed Property" means all Taxable Property, exclusive of Property Owner Association Property, or Public Property, for which a building permit was issued after July 1, 2019 and prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Final Map" means an Assessor's Parcel Map, a final subdivision map, other parcel map, other final map, other condominium plan, or functionally equivalent map that has been recorded in the Office of the County Recorder.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Land Use Class" means any class provided for in Title 9 of the City's Municipal Code, or other such similar document, as determined by the CFD Administrator.

"Lot" means property within a recorded Final Map identified by a lot number for which a building permit has been issued or may potentially be issued.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below that can be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

"Multi-Family Residence" means all Lot(s) of Developed Property for which a building permit has been issued for a residential structure consisting of two or more residential units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, condominiums, apartment units, and secondary units as defined in Ordinance No. 454.

"Mixed-Use Residential Property" means all Lot(s) for which one or more building permit(s) has been issued for a combination of non-residential and residential uses.

"Mixed-Use Residential Property– Qualified" means all Lot(s) classified as Mixed-Use Residential Property which meet all of the following criteria:

1. Located in the Downtown Commercial Zoning District as defined by Title 9 of the City's Municipal Code.
2. Has a substantial Quality Retail component, which must not be less than 30% of the total square foot space, as determined by the CFD Administrator.
3. Is located within a building that is vertical mixed-use with commercial uses on the ground floor.
4. The building must be of superior quality and architecture, as determined by the CFD Administrator.
5. Must be maintained at the same level as the City maintains similar properties throughout the City, as determined by Council.

"Non-Residential Property" means all Lot(s) of Developed Property for which a building permit(s) has been issued for a non- residential use and does not contain any Residential Units as defined under Residential Property or Multi-Family Residence.

"Park Services" means the estimated and reasonable costs for maintaining authorized parks within the City.

"Property Owner Association Property" means any property within the boundaries of the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

"Proportionately" means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all applicable Assessor's Parcels.

"Public Property" means any property within the boundaries of the CFD that is, at the time of the CFD formation or at the time of an annexation, expected to be used for rights-of-way, parks, schools or any other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency.

"Public Safety Costs" means the estimated and reasonable costs of providing Public Safety services, including but not limited to (i) the costs of contracting for police and fire services, (ii) related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff if the City directly provides police and fire protection services, and (iv) City overhead costs associated with providing such services within the CFD. The Special Tax provides only partial funding for Public Safety.

"Quality Retail" means a land use pursuant to Title 9, Chapter 3 of the Atascadero Municipal Code, including but not limited to: Bar/Tavern, Eating & drinking places, Microbrewery – brewpub, Tasting room, Artisan Foods & products, General retail and Hotels/Motels, all as determined by the CFD Administrator.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more Residential Units, as determined by the CFD Administrator.

"Residential Unit" means any residence in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use. This includes Single-Family Residence and Multi-Family Residence.

"Single-Family Residence" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for purposes of constructing one residential dwelling unit.

"Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

"Special Tax Requirement" means that amount required in any Fiscal Year for the CFD to: (i) pay for Public Safety Costs; (ii) pay for Park Services; (iii) pay reasonable Administrative Expenses; (vi) pay any amounts required to establish or replenish any reserve funds; and (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less any surplus of funds available from the previous Fiscal Year's Special Tax levy.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or as defined below.

"Tax-Exempt Property" means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, and (iii) property designated by the City or CFD Administrator as Tax-Exempt Property.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Approved Property, including an Assessor's Parcel that is designated as a remainder parcel and is not identified as potential Public Property by any final document and/or maps available to the CFD Administrator.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year using the definitions above, all Taxable Property within the CFD shall be classified as Developed Property, Approved Property, or Undeveloped Property. Developed Property shall further be classified as Non-Residential Property, Residential Property, Mixed-Use Residential Property or Mixed-Use Residential Property-Qualified and shall be subject to Special Taxes pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

TABLE 1
Maximum Special Tax for Residential Property
Improvement Area 1 of Community Facilities District
No. 2005-1 (Public Services)

Description	Maximum Special Tax Per Unit
Residential Units	\$679.84 per Unit
Affordable Units	\$0 per Unit

On each July 1, commencing July 1, 2020, the Maximum Special Tax Rates shall be increased in accordance with the Annual Escalation Factor.

TABLE 2
Maximum Special Tax for Mixed-Use Residential Property and Mixed-Use Residential Property-Qualified
Improvement Area 1 of Community Facilities District
No. 2005-1 (Public Services)

Description	Maximum Special Tax Per Residential Unit
Mixed-Use Residential Property	\$679.84 per Unit
Mixed-Use Residential Property- Qualified	\$441.90 per Unit

On each July 1, commencing July 1, 2020, the Maximum Special Tax Rates shall be increased in accordance with the Annual Escalation Factor.

2. Approved Property

TABLE 3
Maximum Special Tax for Approved Property
Improvement Area 1 of Community Facilities District No. 2005-1
(Public Services)

Description	Maximum Special Tax Per Lot
Approved Property	\$356.92 per Lot

On each July 1, commencing July 1, 2020, the Maximum Special Tax Rate shall be increased in accordance with the Annual Escalation Factor.

3. Non-Residential Property

TABLE 4
Maximum Special Tax for Non-Residential Property
Improvement Area 1 of Community Facilities District No. 2005-1
(Public Services)

Description	Maximum Special Tax Per Acre
Non-Residential Property	\$2,855.33 per Acre

The minimum special tax Non-Residential Property shall be subject to is \$77.25 per parcel. On each July 1, commencing July 1, 2020, the Maximum Special Tax Rate for Non-Residential Property shall be increased in accordance with the Annual Escalation Factor.

4. Undeveloped Property

Undeveloped Property will be assigned a Maximum Special Tax Rate of \$633.49 per acre or portion thereof, with a minimum rate of \$154.51 for Undeveloped Property less than or equal to one-fourth (1/4) of an Acre as described in Table 4.

TABLE 5
Maximum Special Tax for Undeveloped Property
Improvement Area 1 of Community Facilities District No. 2005-1
(Public Services)

Description	Maximum Special Tax Per Parcel/Acre
Undeveloped Property 1/4 Acre	\$154.51 per Parcel
Undeveloped Property >1/4 Acre	\$633.49 per Acre

On each July 1, commencing July 1, 2020, the Maximum Special Tax Rate, for Undeveloped Property, shall be increased in accordance with the Annual Escalation Factor

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2019-20, and for each following Fiscal Year, the CFD Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement.

Step 1:

The Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property classified as Residential Property, Mixed-Use Residential Property or Mixed-Use Residential Property- Qualified Proportionately up to 100% of the applicable Maximum Special Tax.

Step 2:

If the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Approved Property up to 100% of the applicable Maximum Special Tax for Approved Property.

Step 3:

If the first two steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property which is classified as Non-Residential Property up to 100% of the applicable Maximum Special Tax.

Step 4:

Lastly, if the preceding steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax for Undeveloped Property.

E. APPEALS

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

F. MANNER OF COLLECTION

Special Tax as levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the CFD Administrator.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity or until such time as Council terminates the Special Tax.

H. INTERPRETATION

Council may interpret this Rate and Method of Apportionment of Special Tax by ordinance or resolution for purposes of clarifying any vagueness or ambiguity. Any decision of Council shall be final and binding as to all persons.



Atascadero City Council

Staff Report – City Manager’s Office

Strategic Planning 2019-2021 Council Goals and Action Plan

RECOMMENDATIONS:

Council:

1. Adopt the goals and decision criteria selected at the Strategic Planning Workshop of January 25-26, 2019.
2. Approve the 2019-2021 City of Atascadero Draft Action Plan implementing Council Goals.

DISCUSSION:

The City utilizes a two-year Budget prepared in odd numbered years following an election. Since 1997 the City has used a Strategic Planning process as the foundation of the Budget. The Strategic Plan is the City’s major policy document identifying City Council goals while the Budget is the implementation plan.

The City adopted the Strategic Goal Setting approach as a comprehensive process to deal effectively with the many competing needs and issues facing the City. Through a systematic program, the City anticipates the future, assesses the capabilities of the organization and forces the organization to look at what it is and what it should be in order to deliver effective service to the citizenry. This process provides the Council an opportunity to discuss the many issues and priorities throughout the community and focus the organization on Council priorities. As an organization we can accomplish almost any project, however, we cannot do everything. As the City Council sets clear priorities and provides appropriate resources, we can advance the top priorities.

The Process

The City Council met at a Special Meeting on January 25th & 26th, 2019. On Friday the Council reviewed accomplishments, insights, council norms, and trends. Saturday was devoted to developing clear “Decision Criteria” to determine day to day priorities, setting of goals/objectives and an exercise to brainstorm creative ways to accomplish the goals and objectives.

The City Council and Staff Leadership identified two decision criteria that will be used to filter the priorities of the City and will serve as guidance to staff as they make operational decisions.

- 1. Enhance the qualities of community expressed in our vision, for all segments of our community.**
- 2. Efficiently steward resources for the greatest strategic impact over the long term and address true needs.**

The City Council also identified the following three priorities for the next two years:

- 1. Leverage Place-Making in the Commercial Areas for Long-Term Economic Development**
- 2. Ensure Comprehensive Safety Readiness and Risk Mitigation**
- 3. Foster Financial Sustainability**

Each focus or goal area was discussed at length by the Council to clarify the vision and expected outcomes of the City Council.

The next step in the process was to identify general action plans or steps for the organization. Staff developed a series of actions that would implement the Council's goals and organized the steps into a general action plan. On May 15, 2019, the Council, staff and public gathered at a special Council meeting to discuss the Draft Action Plan, provide guidance to insure actions are accurately depicted, and offered clarifications and revisions.

The purpose of tonight's action is to formally adopt the Council's goals, decision criteria, and action plan for fiscal years 2019-2020 and 2020-2021.

FISCAL IMPACT:

The two-year budget is based on the goals developed through the strategic planning process. While there is no direct impact as a result of the approval of this work plan, future budgets are based on these goals, and specific projects may require the expenditure of funds or additional resources.

ATTACHMENTS:

1. 2019-2021 Action Plan
2. Strategic Planning Retreat Recap prepared by Coraggio Group

2019 – 2021 City of Atascadero Draft Action Plan

Process

We know that, as an organization, we can accomplish nearly any project; however, we cannot do everything. As the City Council sets clear priorities and provides appropriate resources, the organization can then move their top priorities forward.

The City Council held a Special Meeting on January 25th & 26th, 2019 to develop their current list of goals and discuss actions. Then, utilizing the Council's newly established Decision Criteria and list of Strategic Priorities, the next step in the process was for staff to identify general action plans or steps and to develop a series of actions for the organization that would implement the Council's identified goals over the next two year budget cycle.

This document is intended to set forth that action plan or work plan for the next two years. By Council formerly adopting the Action Plan, it forces the organization to focus on those agreed upon actions that move the community and organization forward on the identified strategic priorities, keeping in mind the City Mission, 10-Year Vision and Decision Criteria.

Mission:

The City of Atascadero is committed to building community by fostering an outstanding quality of life with excellent public service, stewardship of the environment, preservation of our heritage and promotion of economic prosperity.

Atascadero Ten-Year Vision:

Atascadero is a beautiful and authentic city of outdoor recreation, culinary adventures, and welcoming hospitality. It's a safe place where the arts & history thrive, and the diversity of experience, generosity of spirit, and small-town ambiance are here to be enjoyed by visitors and residents alike.

Decision Criteria:

The City Council and Staff Leadership identified two decision criteria that will be used to filter the priorities of the City and will serve as guidance to staff as they make operational decisions about the priorities.

1. Enhance the qualities of community expressed in our vision, for all segments of our community
2. Efficiently steward resources for the greatest strategic impact over the long term and address true needs

2019 – 2021 City of Atascadero Draft Action Plan

Strategic Priorities:

The City Council identified the following three priorities for the next two years:

- 1. Leverage Place-Making in the Commercial Areas for Long-Term Economic Development**
- 2. Ensure Comprehensive Safety Readiness and Risk Mitigation**
- 3. Foster Financial Sustainability**

DRAFT

2019 – 2021 City of Atascadero Draft Action Plan

Leverage Place-Making in the Commercial Areas for Long-Term Economic Development

Complete the El Camino Corridor Study which shall be used as a basis to guide future policies, updates and development along the corridor. At minimum the plan should include:

- An analysis that identifies strengths, weaknesses, opportunities and threats for commercial development.
- Identification of underutilized land along the El Camino Corridor.
- Identification of community wants/needs for the development of the El Camino Corridor.
- Concepts for development of the El Camino Real Corridor.
- A market analysis that identifies market gap and opportunities for commercial growth and/or commercial saturation.
- A traffic analysis and recommendations to improve corridor for all transportation modes.
- A final corridor plan that includes community design concepts, market recommendations and a potential land use plan.

Facilitate Downtown Infrastructure Enhancement

- Complete and implement Downtown Infrastructure Enhancement Plan (Formerly known as Traffic Calming Plan) including:
 - Continue to explore opportunities for increased on-street parking in the downtown (El Camino Real, West Mall, East Mall).
 - Continue to look for ways to slow traffic in the downtown.
 - Continue to look for ways to increase pedestrian safety, bicycle safety, and the “walkability” of the downtown.
 - Increase aesthetic enhancements along El Camino in the downtown (including landscaping, signage, pavement types and lighting).
 - Continue to explore potential reduction of lanes along El Camino Real between Highway 41 and Rosario Avenue as a means to achieve these ends.
 - Adopt a final design plan for the enhancement improvements along El Camino in the downtown.
 - Look for funding, grants and opportunities to complete the desired downtown infrastructure improvements.

2019 – 2021 City of Atascadero Draft Action Plan

- Look for ways to improve traffic circulation at Traffic Way and El Camino Real.
- Consider downtown watershed improvements and potential available funding as a way to facilitate all desired infrastructure improvements.
- Install and implement wayfinding/parking signs.
- Consider creation of new parking spaces.
- Adopt a Street Trees Program that indicates tree replacement and tree care responsibility, tree varieties and planting specifications.
- Implement the Sunken Gardens tree replanting plan as approved by City Council.
- Consider the incorporation of an Atascadero Entry/Identification sign as part of any downtown infrastructure improvements.
 - Encourage development of a community led murals and electrical box art program

Facilitate Commercial Development near Del Rio

- Facilitate the submittal of a General Plan Amendment and development concept for the West Side (church) property north of Del Rio adjacent to Highway 101. The plan should include commercial development adjacent to Highway 101 transitioning to residential development closer to San Ramon.
 - Principal use of property being commercial and residential a secondary use.
- Facilitate the issuance of construction permits and site development of the Armet site fuel station and electric vehicle charging station.
- Complete a revised traffic analysis for anticipated development at the Del Rio, Hwy 101 and El Camino Real intersections.
- Amend the Del Rio Specific Plan to facilitate development of the corner of Del Rio and El Camino with a proposed business park prior to completion of improvements to the Del Rio overpass.
- Continue to move forward with plans for street improvements at the Del Rio/Highway 101 Interchange off-ramps and adjacent areas along Del Rio and El Camino Real.
 - Continue to work with Caltrans on required steps for ultimate construction of the Del Rio Road / US 101 interchange.
 - Continue to advocate and apply for funding for the portion of the Del Rio /US101 Interchange project, which is attributable to general City traffic.
 - Continue to look for ways to reduce potential costs for the Del Rio/US101 Interchange Project.

2019 – 2021 City of Atascadero Draft Action Plan

- Continue to facilitate and prioritize construction of the new Hilton Home 2 Suites Hotel.
- Continue to work with property owner at west side of Hwy 101 to develop the modular unit motel lodging facility.
- Continue to facilitate and prioritize construction of the new restaurant spaces at the North West corner of Del Rio and El Camino Real.
- Help market and attract tenants to the potential business park at the NE corner of Del Rio and El Camino Real.
- Help market and attract tenants to the proposed Barrel Creek development.

Examine Future Uses of City-Owned Lots to Best Facilitate Vibrancy in the Downtown

- Remove existing structure from the East Mall lot and prepare the site for future development.
- Consider options for the use of the two East Mall lots including:
 - Parking expansion
 - Commercial development that includes restaurant space and outdoor dining

Support and Adopt Legislation that Maintains Quality Public Spaces, and a Vibrant Environment in the Downtown

- Consider adopting an updated smoking ordinance.
- Consider adopting an ordinance restricting the consumption of alcohol in public spaces.
- Support state legislation that assists with chronic homelessness, mental health support and addiction support.
- Oppose state legislation providing unrestricted use of public land.
- Actively drive legislation to insure that ABC licenses in the downtown area do not contain provisions and limitations that conflict with the community's vision for a vibrant downtown.

Explore and Investigate Potential Code Options / Changes to the Code that Would Promote Creative Solutions to Perceived Barriers to Redevelopment.

- Continue to inform potential tenants and landlords about available tax credits for ADA improvements.
- Look for opportunities for shared restrooms and shared accessible paths.
- Continue to seek creativity in design ideas.

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In Coordination with the El Camino Corridor Plan, Focus on Other Opportunity Areas for Community Place-making

- La Plaza
 - Continue to facilitate the construction and completion of the La Plaza project.
 - Fast-track City construction of the Plaza to assure timely completion of the required public space in order to complement the La Plaza Project and overall downtown improvements.
 - Continue to facilitate the recordation of the map and road abandonment.
 - Work with the La Plaza broker to assist with marketing and finding appropriate tenants for the commercial spaces.
 - Assist tenants with any necessary tenant improvements, permits and ABC licenses.
 - Work to insure that La Plaza continues to move forward given the needs/constraints of the wireless communications facility (cell tower).
 - Continue to work with the owner of KLEMS fuel station and the auto mechanic spaces adjacent to the plaza to encourage redevelopment of the property and a transition to conforming businesses that support downtown revitalization.
- Colony Square
 - Continue to facilitate construction permit review for the hotel development.
 - Look for potential City solutions to assist with downtown/Colony Square parking (including wayfinding signs, parking directories and creation of new parking spaces).
 - Continue to strongly encourage development of the vacant parcels in Colony Square.
 - Be flexible and look for creative interim uses of vacant areas if development will not occur in the near future.
 - Be creative in stimulating development of Colony Square.
 - Look for opportunities to increase foot traffic in Colony Square.
 - Look for opportunities to improve communications with owner of vacant parcels.
 - Work with the developer of Colony Square to remove barriers to development.
 - Look for development incentives such as fee deferments, density bonus, or other options to allow the development to proceed.

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- Home Depot/Marriott Springhill Center
 - Facilitate the development of the proposed new hotel by assisting with attracting an operator.
 - Streamline and prioritize necessary permits and approvals for the proposed new hotel.
 - Continue to guide appropriate quality development on vacant sites.
 - Work with Tesla on facilitating the location of a Tesla charging facility or other Tesla support facility.
 - Continue to promote lodging stays in Atascadero through the City TBID and Countywide TMD.
 - Promote Atascadero businesses through marketing, special events and infrastructure investment.
 - Provide front counter handout on available pads and other undeveloped retail opportunities.
 - Steer potential developers / broker on-site based on needs and accommodations.
- Dove Creek Commercial Parcel
 - Continue to work with property owner on any potential site design or leads for new commercial tenants at this property.
 - Provide a handout at the counter outlining potential uses and site information for perspective developers.
 - Work to preserve this piece of property as a future small commercial opportunity for the Dove Creek, Las Lomas, Eagle Ranch and other south Atascadero neighborhoods.

Continue to Encourage and Expect Quality Development

- Continue to refine our property development standards towards quality.
 - Encourage sit down restaurants and discourage drive thrus to embrace place-making concepts.
- Continue to expect and encourage quality through the building permit review process.
- Continue to support code enforcement actions to maintain compliance with community expectations on neighborhood/area preservation and appearance.
- Continue to facilitate the removal of illegal storage within important industrial zone sites near Via Avenue to help facilitate redevelopment and new investment.

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- Continue to facilitate compliance of new businesses within the Commercial Park zone to preserve valuable land for uses that are consistent with the General Plan.
- Continue to strongly enforce the City's Sign Program.
- Consider implementing a receivership program for long-term violations.
- Consider revisions to the Municipal Code to enhance the abilities of the code enforcement officer to ensure compliance.
- Annually review the City's Zoning Code to improve transparency and clarity of City expectations.

Work to Reduce the Number of Vacant Store Fronts

- Continue to improve Atascadero's commercial district appearance working to make it appear attractive and professional.
- Continue to actively spread the word about the City's economic development strategies, successes and potential tools.
- Continue to actively promote the City's business potential.
- Continue to improve customer service image.
- Continue to foster an entrepreneurial / can do attitude with staff.
- Encourage creative ideas to get things done.
- Encourage reasonableness in our regulatory positions.
- Continue our successful streamlined permitting program for businesses:
 - Continue to prioritize business development permits over residential.
 - Provide intake meeting opportunities for business developers.
 - Purchase and implement a new permitting issuance and tracking system.
 - Actively communicate with owners and consultants if there is the same plan check comment through multiple submittals.
 - Provide training and professional opportunities for our employees.
 - Work to retain professional, friendly employees.
 - Maintain capacity in staff to support projects and permit streamlining.
 - Review all plan check resubmittals prior to sending them to outside plan check for a second review.
 - Allow correction comments to be a condition of approval on the permit card when possible.

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- Continue to work with plan check consultants to reduce boilerplate/repetitive comments.
- Advocate legislation that provides communities with new economic tools.
- Work with businesses to develop programs that will encourage downtown businesses to remain open more.
- Continue to engage owners of vacant buildings to facilitate building upgrades and marketing options that will attract new tenants.
- Encourage absent property owners to actively market their property for sale at appropriate market rates.
- Engage property owners that are maintaining important downtown storefronts as storage uses to help facilitate a change to conforming business that can contribute to the downtown vibrancy.
- Continue to enforce building and zoning code to ensure timely completion of seismic retrofits and removal of land use violations.

Build Partnerships and Alliances with Local Business Interests

- Support, encourage and help grow the Downtown Business Improvement District by:
 - Continue to actively increase traffic to downtown businesses through a promotions and events program.
 - Participate in downtown business district meetings and events.
 - Support the downtown business district through assessment of “BIA” Fees or other program intended to raise funds for downtown business promotions or improvements.
 - Look for potential solutions to help reduce the pigeon population in the downtown.
- Meet regularly with Chamber of Commerce leadership.
 - Look for opportunities for common goal partnerships.
 - Share information about what is going well and what is not going well.
 - Provide accurate information to dispel rumors.
- Remain actively involved with the EVC and Hourglass, promoting Atascadero as a sound business investment opportunity.
- Work with informal communicators in town to learn of business problems or opportunities where City could help.
- Look for opportunities to meet regularly with commercial brokers.

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Ensure Comprehensive Safety Readiness and Risk Mitigation

Develop and Implement a Comprehensive Evacuation and Communications Plan

- Consider hiring an outside consultant to assist the City in preparing a comprehensive evacuation and communication plan that addresses lessons learned in recent catastrophic fire events. At minimum the study should consider:

Evacuation Notification:

- Effectiveness of cell phone towers and cell phone notifications in the event of loss of power.
- Effectiveness / feasibility of implementing a siren system.
- Development of a strong social media platform for constant communication during an emergency.
- Effectiveness of “weather radio” system.
- Effectiveness of landline notifications.
- Educating the community on evacuation notifications.
- Activating evacuation and evacuation routes.

Evacuation Implementation:

- Developing clear evacuation route scenarios based on the event.
- Pre-identified routes for evacuation of residents vs. bringing resources and equipment in.
- Identifying areas and streets to close to facilitate one-way traffic moving people out of the affected area.
- Identify choke areas where traffic control personnel will be need to be stationed to move people through quickly.
- Identifying those neighborhoods with one way in / out and look for ways to mitigate through easements, neighborhood discussions and paper roads.
- Identify and train City staff members in implementing an evacuation.
- Train neighborhood volunteers to assist with knowing evacuation plans and helping others learn about the plans.
- Train neighborhood volunteers to gather information on those that may have special needs in an evacuation (elderly, homebound, etc.) and to assist those with special needs in an evacuation.
- Develop a program that allows those that may not be able to self-evacuate to identify themselves in advance to police/fire.

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- Identify potential safe refuge areas in the event that full evacuation is not possible.

Look for grants and funding for implementation

Target High Hazard Areas for Additional Education and Resources

- Use mapping solutions to identify high-risk areas.
- Prioritize preparedness/evacuation education of those residents in the identified high-risk areas.
- Prioritize high-risk areas for programs such as chipping and fuel modification programs.

Reduce the Risk and Severity of Wildland Fire by Identifying Methods of Mitigating High Hazard Fuels

- Consider hiring a fuels consultant/specialist:
 - To study and understand areas of wildland fire risk.
 - To make recommendations regarding potential brush removal weighing factors such as wildland fire risk, erosion risk and environmental factors.
 - To make recommendations on other wildland fire risk mitigation actions such as shaded fuel breaks, roadside fuel treatment and other fuel removal projects.
- Partner with Fire Safe Council and others to identify and pursue available funding for fire mitigation activities.

Implement a Strong Public Education and Outreach Program Regarding Public Safety

- Implement a “Defend Atascadero” campaign to:
 - Increase public awareness of wildland fire risk.
 - Call community members to take action / personal responsibility:
 - What to do in an emergency.
 - Where to get information.
 - Register for emergency notifications / special needs.
 - How to help your neighbors.
 - Educate on defensible space principles.
 - Educate on “Ready, Set, Go”.
 - Educate people on “hardening” their home to increase fire resistance.

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- Continue all hazard education programs for earthquakes, floods, riots, structure fires and other natural disasters.
- Work with PG&E to educate the public on PG&E's new power shut-off program.
- Hold neighborhood meetings and/or consultations.
- Set realistic expectations about available public safety resources and capabilities.

Look for Ways to Increase Public Safety Resources to Better Address Public Safety Concerns.

- Consider a potential tax measure to address both staffing and infrastructure needs.
- Look for potential grants and other opportunities to retro-fit, rehabilitate and upgrade Station #1.
- Take next steps to move forward with construction of a new EOC facility at Fire Station #1, freeing up space at both the Police Station and current Station #1.
- Participate in the joint dispatch study to determine if service levels can be increased during high-volume events by partnering with other agencies.
- Evaluate the long-term uses of the two City parcels that were originally purchased with fire impacts fees to determine if selling the parcels would be a sound financial strategy in the long-run.
- Update impact fees to reflect current understanding of future infrastructure needs of public safety.
- Update impact fees to maximize flexibility of use to address critical infrastructure needs necessary to serve future development.
- Look for funding opportunities to provide additional police staffing to reduce days/hours at minimum staffing.
- Look for funding opportunities to provide "overhead" coverage for incident management at fires and other large emergency events.
- Look for opportunities to fund replacement of unfunded public safety equipment.
- Look for opportunities to enhance public safety communications by partnering with allied agencies for repeater sites within the North Atascadero area.

Develop Personnel to take on Future Leadership Roles/Next Steps Within the Organization.

- Hold second leadership class for line level personnel.
- Continue mentoring mid-level managers within the organization for future

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advancement.

- Delegate responsibilities throughout the organization in order to provide learning opportunities.
- Continue to focus on culture of the organization to reduce staff turnover.

Increase Solution Based Response to Homeless Transient Issues.

- Provide office space for Mental Health Community Action Team (CAT) at the Police Station in order to better partner with their organization.
- Dedicate street crimes detective to working with CAT.
- Work with the District Attorney's office to enhance prosecution of repeat/significant offenders.
- Continue to seek modification to Municipal Code as appropriate to deal with community concerns/problem behaviors.
- Consider purchase of surveillance cameras for problem areas.

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Foster Financial Sustainability

Consider Putting a Tax Measure on the November 2020 Ballot

- Conduct a public outreach campaign to hear about priorities from the community and to educate community members about fiscal realities.
 - Talk on the Block
 - Presentations to Community Clubs
 - Employee Education
- Conduct scientific polling to learn community thoughts on priorities, fiscal choices and receptiveness to additional taxes to fund priorities.
- Explore different types and levels of tax measures to determine which would best be suited for the ballot measure.
- Hold public hearings and prepare tax measure language.

Set Fees at Rates Necessary to Provide Services at the Service-Level Expected by the Public

- Update the Service Cost Study to ensure that fees and any resulting tax payer subsidies are being set at levels consistent with Council policies.
- Adopt significant increases to wastewater fees to fund current and future wastewater needs in accordance with a Wastewater Rate Review Study.
- Consider increasing Business Tax.
- Consider pro-active enforcement of Business Tax Ordinance.
- Complete impact fee study and adopt updated impact fees needed to fund infrastructure for future development.
- Continue to annually update all service fees.

Reduce Tax Subsidies to City Services

- Consider eliminating or reducing hours that Planning staff is available at the front counter and move toward appointment only assistance.
- Reduce the types of calls that the Police Department responds to and move toward community self-reporting via the web-site or filing a form at the Police Station for certain types of calls.

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- Investigate what services other similarly funded cities provide and don't provide.
- Consider ways to reduce the tax subsidy to the Zoo.
 - Consider expanding fundraising for operations at the Zoo.
 - Consider increasing admission fees and annual pass membership costs.
 - Work with the Friends of the Zoo on a strong community capital campaign for new exhibits/exhibit renovation in accordance with modern zoological practices.
 - Work with the Friends of the Zoo to increase funding for operational support.
 - Consider a countywide tax measure just for the Zoo (operations and capital).
 - Consider reducing operational costs by changing mission.
 - Consider privatizing the Zoo.
 - If all else fails, consider closing the Zoo.
- Examine possibilities for reducing tax subsidies for other City amenity programs such as parks, Pavilion on the Lake, and recreation programming.
- Look for solutions to reduce the cost of providing animal services to the community by implementing changes aimed at reducing the community's feral cat population.

Consider Allowing Commercial Cannabis Activities to Increase the City's Tax Base

- Consider allowing non-store front retail sales (delivery facilities) of cannabis within the City.

Embrace "Essentialism" and the Decision Criteria set by Council

- Actively look for and implement investments needed to remove impediments to getting things done.
- Consider bringing in outside subject matter experts to review each department's processes, procedures and service levels to look for opportunities to streamline work processes and look for areas to reduce services.
- Continue to look for opportunities for streamlining.
- Change organizational culture to embrace essentialism at all areas of the organization.
- Look for ways to reduce time and resources on those items that do not solidly meet the priorities outlined in the Decision Criteria.



City of Atascadero

Strategic Planning Retreat Recap

January 25, 2019

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Decision Criteria

The City Council and Staff Leadership identified two decision criteria that will be used to filter the priorities of the City and will serve as guidance to staff as they make operational decisions about the priorities.

1. Enhance the qualities of community expressed in our vision, for all segments of our community
2. Efficiently steward resources for the greatest strategic impact over the long term and address true needs

Strategic Priorities

The City Council identified the following three priorities for the next two years:

1. Leverage Place-Making in the Commercial Areas for Long-Term Economic Development
2. Ensure Comprehensive Safety Readiness and Risk Mitigation
3. Foster Financial Sustainability

Other Council Topics

The Council identified the following topics for further exploration by staff, if staff believe they support the identified Strategic Priorities:

1. Homelessness
 - a. Cooperative agreement with neighboring communities and County services to address homelessness
 - b. ECHO space limitations
2. Future use of the National Guard Armory
3. State housing policy
4. Community Outreach – Getting the word out and word in from the public
 - a. “Talk on the Block” opportunities
 - b. Single topic community forum/workshop
 - c. Monthly/quarterly branded message from Council Members to community groups
5. Affordable housing
 - a. Rent control for senior mobile home parks
 - b. Tiny homes
 - c. Self-Help Housing
6. Actively push back on State policy/regulations when it impacts us
7. Evaluate cannabis as an opportunity area
 - a. Consider use of resources and quality of life
 - b. Does it generate revenue?
8. Consider formalizing approach/stance on environmental issues

Appendix 1: Insight Report

Overview

There are more areas of alignment than disagreement among City Council members and City staff leadership. Coraggio conducted one-on-one interviews with each City Councilor and City Department Head, as well as a focus group with community business leaders. Based on these conversations, we have identified six key themes. On the pages that follow, each theme is highlighted with representative quotes from our conversations:

- › The City has a talented and dedicated staff that is very effective with the limited resources they have
- › There is a desire to focus on fewer highly impactful priorities
- › Aligning on a common vision for the City and community will help clarify our priorities
- › Generating additional revenue for the City is seen as essential
- › Economic development, with a focus on revitalizing downtown, is still an opportunity
- › Quality of life concerns, including wildfire readiness and the homeless population, are top of mind

Atascadero Ten-Year Vision (City Council, 2014)

Atascadero is a beautiful and authentic city of outdoor recreation, culinary adventures, and welcoming hospitality. It's a safe place where the arts & history thrive, and the diversity of experience, generosity of spirit, and small-town ambiance are here to be enjoyed by visitors and residents alike.

The City has a talented and dedicated staff that is very effective with the limited resources they have

- › “The people who work here are the best. We can’t pay as much as other places around us, but we can make it a great place to work. It’s pretty unusual.”
- › “We have a pretty lean staff and a pretty full plate.”
- › “We’ve been trying to trim the fat for years, but I don’t know how much there is to cut out.”
- › “We’re consistently efficient with lean resources. Given what we have to accomplish, we accomplish it quite well.”
- › “We’re still being asked to do everything with fewer resources. It affects employee morale.”
- › “We have less staff and less resources than most of our neighbors and we put out a better product.”
- › “We can count on them for putting a lot of time, money and energy into events that bring people to Atascadero and into our downtown.”
- › “They support existing business very well. They have been very supportive through the years.”

There is a desire to focus on fewer highly impactful priorities

- › “It’s easier to measure things you do if it’s going to impact the largest number of community members.”
- › “If you add something new, you have to take something away.”
- › “The more scattered we are, the less focus we will have on the important things.”
- › “What can we do with the resources we have?”
- › “[We struggle with] being able to tell the community no.”
- › “I don’t want strategic planning to be: ‘Here are the 25 goals we want accomplish this year.’”
- › “Expectations from the public and the Council are rising without the resources to deal with it.”

Aligning on a common vision for the City and community will help clarify our priorities

- › “Try to find our identity, we don’t really have an identity beyond a bedroom community.”
- › “We need to have Council and City staff on the same page as far as vision.”
- › “I would like for us to figure out what is the identity for Atascadero. Things like culture, who are we, how do we identify ourselves, what makes us, us?”
- › “[We need to] have a coherent vision of what our community is at least at a high level. If we have consensus of vision, the decision criteria is: ‘Does this get us closer of further from our vision?’”
- › “People are not going to want to go to a town that doesn’t have identity.”
- › “We want to be the best of who we are; we don’t want to lose that small-town feel.”
- › “How do we continue to make Atascadero a destination? How can we make Atascadero more attractive as a destination?”

Generating additional revenue for the City is seen as essential

- › “Maintaining and improving City services, in an economy that doesn’t generate much sales tax or TOT—how do we provide a sufficient level of services with less money?”
- › “[There are] things we’d love to do but don’t have enough money for.”
- › “How do we increase City revenue?”
- › “Being proud of the fact that we charge less for everything [is] running our city into the ground.”
- › “Our expenses and our needs are outpacing our revenue. I don’t know that we can bring in enough retail and TOT to fill that gap in the long-term.”
- › “If we have something people truly want, I think people are willing to pay more to get that.”
- › “Our zoo is a drain on City services... it’s a tough one because a lot of the community take pride in having the County’s only zoo.”

Economic development, with a focus on revitalizing downtown, is still an opportunity

- › “We can’t keep being this bedroom community we’ve been for 100 years.”
- › “Jobs into our community is a key one. Particularly tech jobs because we don’t have the physical space to accommodate much else”
- › “We have a lot of development coming in and we have the opportunity to do things right.”
- › “Let’s create the kind of environment where you want to take your kids on a Saturday night.”
- › “We have for years tried to have a more vital downtown and only in the last five years have we made progress.”
- › “We need to focus on our business community and in particular making our downtown thrive... if we don’t get that right and the downtown is dead... then we won’t attract more investment, we won’t get additional services, we won’t be attractive to employers.”
- › “One of the focus areas I would like to see is the continued activation of vacant lots and buildings in the downtown. As much as there is so much growth, these vacant lots detract from the beauty of what has grown.”
- › “[We should foster] partnerships with local developers to have collaboration and joint understanding of the types of businesses we would like to see in the community.”
- › “Whether we like it or not, we need a more diverse housing stock. We don’t need more 5,000 square foot homes on 3-acre lots. We need more townhomes and apartments.”
- › “We could be making a better plan to avoid some of the issues around parking. Stay in front of that.”
- › “I talk to new businesses, or businesses hoping to come to this community, who get different answers from different departments, or either from staff members in the same department. The process to get through permitting to open your doors can be tedious, difficult, and inconsistent.”
- › “We have a lot of interested parties wanting to be a part of our growth.”
- › “There is a perception that we’re so business friendly that people can go forward without permission and without consequence.”

Quality of life concerns, including wildfire readiness and the homeless population, are top of mind

- › “Fire Station 1 needs significant Improvements just for safety.”
- › “We have to address homelessness.”
- › “Fire safety is a big issue for everyone.”
- › “We underfund and understaff our police and fire.”
- › “It’s a challenge for us to deal with the homeless community. Some of the community’s efforts to help homeless folks draws more people to the city.”
- › “We need address housing because there is money coming for it from the state. We need to do it on our terms.”
- › “Homelessness... if we don’t talk about it the public will bring that back up.”
- › “I would love, at the end of two years, for the City to have a solution for the people who are experiencing homelessness—a plan to help them in some way.”
- › “I don’t think we can blame the homelessness on the City, but somehow it seems to be our problem to deal with.”

Appendix 2: Other Discussions

The City Council, Staff Leadership, and members of the public identified the following as context for developing the City's two-year goals.

Recent Accomplishments

- › LAMP – Local Agency Management Plan
- › Downtown progress
- › Streamlining tree ordinance
- › Community events
- › Event growth
- › Purchasing ordinance
- › Groundwater sustainability
- › Zoning
- › Co-working space
- › Centennial bridge
- › Homeless emergency
- › Joy Park
- › Creekside building
- › Trak-it
- › Hotel
- › Echo
- › New zoo exhibits
- › Red panda
- › Cornhole tournaments
- › Historical park
- › Downtown BID
- › Road improvements
- › El Camino
- › La Plaza
- › New city properties
- › New Lake Park playground
- › Farmers market
- › Reputation ++
- › Firefighter grant
- › Bridge walk hotel
- › Traffic calming
- › Disbanded parks & rec
- › Marketing assets & collaborations
- › Expanded visitor center
- › Laser
- › Rural sourcing
- › New chamber brand
- › Boys & Girls Club
- › Cannabis tax
- › Animal shelter

Positive Trends

- › More experiential retail
- › State \$ for housing, fire, homeless
- › Wine & beer boom
- › More interest in Atascadero
- › Downtown thriving due to more events
- › State incentives for affordable housing
- › Increase in spirits sales
- › Modular & prefab conservation
- › More awareness of climate change
- › Rural sourcing trend
- › Focus on civility in politics
- › Inter city/ county cooperation
- › Fiber optic internet
- › Water sustainability
- › Appreciation for local artisans
- › More diverse population
- › Higher quality development
- › More women in leadership
- › Intervention at an early age against addiction
- › Career Technical Education (CTE) training at high school

Negative Trends

- › Decriminalization at state level
- › Housing requirements
- › Less traditional retail
- › Fire risk
- › More rooms, lower occupancy
- › Increased traffic, road deterioration
- › PERS
- › Labor competition
- › Closure of Diablo
- › Decrease in beer sales
- › Flat wine sales
- › Too expensive for middle class
- › Pushing tax burden to business
- › Polarization in politics
- › Waste water
- › County self-help/ infrastructure
- › Homelessness
- › Opioid addiction, young adults
- › Volatility in recycling

Appendix 3: Goals Brainstorm

The City Council and Staff Leadership individually brainstormed several potential goals before aligning on final Strategic Priorities

- › Continue Downtown Revitalization
- › Vibrant Downtown
- › Downtown Success
- › Enhance Downtown Shopping/Dining Experience
- › Continue to Promote Our Assets:
 - Vibrant Downtown
 - Outdoors, Hiking, Biking
 - Zoo
 - Central Location
- › Economic Development Focus Through Marketing Efforts
- › Economic Growth to Support Services
- › Expanded Base of Jobs and Opportunities
- › Balance our Economy with more HOH Jobs – How do we incentivize/facilitate?
- › Economic Development –
 - Downtown
 - Restaurants
- › Promote Economic Development
- › Employee Retention
- › Employees
- › Staff Retention
- › Employees (morale), Community within a Community
- › Maintain Natural Resources and Provide Outdoor Recreation
- › Streamline Local Regulation and Staff Processes
- › Disaster Readiness
 - Wildland
 - Evacuation
 - Community Preparedness
- › Sustainably Safe Community
- › Public Safety
- › Community Risk Preparedness
- › Facilities
- › Staffing
- › Public Safety Enhanced
- › Wildfire Protection
- › Police Needs
- › Public Safety (Fire)
- › Public Safety (Police) Public Outreach
- › Improve Communication with Community
- › Communication
- › El Camino Plan
- › Del Rio Specific Plan II
- › Long-Term Planning – Sphere of Influence
- › Traffic Calming
- › Grow/Enhance Existing Signature Events
- › Reliable and Cost-Efficient Infrastructure
- › Special Projects (Prioritization)
- › Revenue Generation. e.g. Tax measure, Increase Sewer Rates
- › Revenue to Support Vision
- › Have Economic Sustainability
- › Build Reserves
- › Resource Optimization
 - Increase Revenue
 - Eliminate Non-Essentials
 - Stick to Decision Criteria
- › Cost Analysis
- › Close the Gap Between Revenue and Expenditures Including Long-Term Infrastructure Needs and Employee Constraints
- › Maintain/Enhance Fiscal Position
- › Resources
- › Stay Focused on the Other Two [Goals]

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Appendix 4: Propelling Questions

The City Council, Staff Leadership, and members of the public worked in small groups to identify potential barriers and solutions to achieving the City's goals.

How can we leverage place-making when we have geographic challenges, specifically: size, parking or infrastructure?

We can if...

1. We do specific plans that narrow our focus to have specific desirable businesses/outcomes per zone.
2. We are more creative with stepping outside the box and promoting experience-like businesses.
3. We work closely with the Planning Department to get creative with the spaces we have in Atascadero. e.g. food trucks—making best use of small spaces.

How can we leverage place-making when we have business not wanting to move to our area?

We can if...

1. We expand our marketing into larger metro cities, e.g. San Jose. Educating local as well.
2. We provide incentives to attract people here/more partnerships-bridging the gap. Business Success Checklist that includes the Chamber & the resources they have—"The Bridge to Success" Terrie Banish
3. We focus on the quality of life Atascadero provides. Promoting large & educated workforce.

How can we increase Head of Household jobs; internet home jobs, mindspace growth when we have poorly planned commercial areas?

We can if...

1. We develop fiber optic infrastructure
2. We complete (El Camino Plan), Housing Element and as catalyst for General Plan update, change zoning along ECR for more apartments, multi-family, workforce housing
3. We redo the specific plan for Del Rio

How can we leverage place making when we have no open flat land for development, small properties need to be combined and we have uncooperative landlords?

We can if...

1. We develop policies to deal with problems as above
2. We partner with community groups like SCORE, EVC to help new business thrive
3. We expect quality, prepared ventures

How can we increase property value to make development happen downtown when we have vacant property & uncooperative/out of town landlords?

We can if...

1. We develop a vacancy tax modeled after need abatement ordinance
2. We enforce vacant property maintenance standard
3. We decorate vacant windows
4. We provide lighting at night
5. We liberalize possibilities on their property re: height restrictions
6. We provide incentives to renovate incompatible uses, change prop 13 to increase property tax revenue, or sell it

7. We embrace cannabis industry/ manufacturing
8. Charging station for public downtown (free or Charge Point)

How can we have safety readiness & risk mitigation when we have lack of funding?

We can if...

1. We create a Go Fund Me Account, fundraising for new fire station
2. The public can contribute directly to the cause – fund staff volunteer – citizen academy – patrols – youth explorer growth or program
3. We offer incentives; ride in police car & fire truck, ride on helicopter, public recognition – paper, council meetings

How can we increase public perception of readiness when we have public apathy?

We can if...

1. We participate on radio shows and we can offer incentives to people who participate – i.e. ride on fire truck
2. We have a neighborhood/ group champion, we use our recreation guide, we provide mailers
3. We concentrate the message – 1-week blast
 - a. Involve school kids
 - b. Involve community groups
 - c. Use NextDoor
 - d. Public recognition

How can we ensure comprehensive safety readiness & risk mitigation when we have fuels unique to Atascadero that burn quickly?

We can if...

1. We bring in a fire behavior/ fuel expert that helps us to weigh out the pros & cons of protective measures
2. We share the knowledge from & to residents
3. We start a “Defend Atascadero” program to rally community around taking fire safety measure in their space
4. We get the word out through Talk on the Block

How can we ensure comprehensive safety readiness & risk mitigation when we have limited personnel?

We can if...

1. We introduce a tax measure for public safety
2. We utilize grants towards people, equipment
3. We utilize volunteers
4. We look to CCC for use
5. We use functional consolidation
6. We leverage partnerships for non-emerging calls for service (county/RideToCare Spokane)

How can we grow revenue when we have limited revenue-generating business, limited access to transportation, and no quality broadband services?

We can if...

1. We do cannabis sales & productions
2. We increase access to transportation – airport, etc. for tourism and business
3. We increase sales tax, close the zoo or offset with tax specific for the zoo
4. We attract large industry that can offer support on tax base & employment incentives

5. We expand on quality businesses that contribute to sales tax base
6. We develop quality broadband
7. We increase revenue from already existing infrastructure, i.e. zoo memberships, sewage treatment
(We need reminders sent to zoo society members)

How can we boost staff morale when we have constrained resources?

We can if...

1. We increase “salaries” (non-monetary incentives – making it enjoyable) or increase revenue – another ½ cent sales tax measure
 - a. lunch & learn
 - b. departmental challenges
2. We use contract services where feasible
3. We hire additional “staff” or reduce service levels, decrease workload (eliminating non-essential tasks)
 - a. increasing training opportunities
4. We allow flexible schedules (i.e. core hours)



Atascadero City Council

Staff Report – Administrative Services Department

2019-2021 Operating and Capital Budget

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution adopting the budgets for the 2019-2020 and 2020-2021 fiscal years and delegating to the City Manager the authority to implement same.
2. Adopt Draft Resolution amending fiscal year 2018-2019 budget.
3. Adopt Draft Resolution adopting the fiscal year 2019-2020 annual spending limit.

REPORT-IN-BRIEF:

The budget for fiscal years 2019-2020 and 2020-2021 was reviewed by the Finance Committee during five public meetings held in April and May. Included in the budget document is the Budget Message, which provides a detailed analysis of the budget philosophy and process, trends and changes to service levels, and the key priorities for the next two years. Also included in the document are the Draft Resolutions adopting the proposed 2019-2021 budget, amending the 2018-2019 budget, and adopting the 2019-2020 annual spending limit.

FISCAL IMPACT:

The total revenues for all funds are budgeted at \$37,822,370 and \$40,425,820 for fiscal years 2019-2020 and 2020-2021, respectively. Total expenditures for all funds are budgeted at \$44,994,920 and \$43,125,440 for fiscal years 2019-2020 and 2020-2021, respectively.

ATTACHMENT:

The City of Atascadero Draft Budget for fiscal years 2019-2020 and 2020-2021 may be viewed in the Office of the City Clerk or online at www.atascadero.org/budget. (Also included in the document are the Draft Resolutions adopting the proposed 2019-2021 budget, amending the 2018-2019 budget, and adopting the 2019-2020 annual spending limit.)