



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, May 14, 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.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Bourbeau

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.

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 – April 23, 2019

- Recommendation: Council approve the April 23, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. March 2019 Investment Report

- Fiscal Impact: None.
- Recommendation: Council receive and file the City Treasurer's report for quarter ending March 2019. [Administrative Services]

3. Title 9 and Title 11 Planning and Zoning Text Amendments - Annual Code Update (ZCH19-0023)

- Fiscal Impact: Potential savings of staff time.
- Recommendation: Council adopt on second reading, by title only, the Draft Ordinance amending the Atascadero Municipal Code, Title 9 Planning & Zoning, Section 9-1.110 Public hearings, Section 9-3.330 Nonresidential district allowable land uses, Sections 9-3.340 through 9-3.345 and 9-3.348 through 9-3.349 Property development standards, Section 9-6.112 Farm animal raising, Section 9-6.174 Seasonal or temporary sales, Section 9-12.104 Required approvals and Title 11 Subdivisions, Section 11-4.06 Noticing of planning commission hearing on tentative map and determining this Ordinance is exempt from review under the California Environmental Quality Act. [Community Development]

4. Second Amendment to Agreement for City Attorney Legal Services

- Fiscal Impact: None.
- Recommendation: Council approve Second Amendment to Agreement for Legal Services with Burke, Williams & Sorensen for City Attorney Services. [City Manager]

5. 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 Atascadero Transit's Title VI Plan for 2019-2022. [Public Works]

6. Apple Valley Assessment Districts

- 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 initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020.
 2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley).
 3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
 4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.

5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020.
6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020. [Administrative Services]

7. De Anza Estates Assessment Districts

- 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 initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020.
 2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
 3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
 4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.
 5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020.
 6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020. [Administrative Services]

8. Las Lomas (Woodridge) Assessment Districts

- 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 initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020.
 2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge).

3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.
5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020.
6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020. [Administrative Services]

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. Weed Abatement – Hearing of Objections

- Ex-Parte Communications:
- Fiscal Impact: None. Costs of the weed abatement program are recovered through the assessments charged to non-compliant parcels that must be abated by the City Contractor. Those property owners who comply with the Municipal Code are not assessed or charged.
- Recommendations: Council:
 1. Hear all objections to the proposed removal of vegetative growth and/or refuse and allow or overrule any objections.
 2. Authorize the Fire Chief to proceed and perform the work of abatement. [Fire Department]

C. MANAGEMENT REPORTS:

1. Amendment to the Contract Between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System (CalPERS)

- Fiscal Impact: None.
- Recommendation: Council adopt on second reading, by title only, the Draft Ordinance authorizing the Mayor to execute an amendment to the contract

between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System. [Administrative Services]

2. Wastewater Rate Study and Proposed Sewer Service Rate Increases

- Fiscal Impact: Approving staff recommendations has the potential to generate an estimated \$350,000 in additional revenue from sewer service charges collected in FY19/20. The recommendations will also approve additional total expenditures of up to \$20,000 related to the Proposition 218 majority protest process (\$5,000) and wastewater rate study professional services and support activities (\$15,000) from the Wastewater fund in the current fiscal year.
- Recommendations: Council:
 1. Receive and file report on Wastewater Rate Study.
 2. Adopt Draft Resolution establishing procedures for the submission and tabulation of protests in connection with rate hearings conducted pursuant to the requirements of Proposition 218.
 3. Direct staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners connected to the municipal sanitary sewer system.
 4. Set a Public Hearing on July 9, 2019 for the City Council's consideration of the proposed wastewater rate increases.
 5. Approve a budget amendment and authorize the Director of Administrative Services to appropriate \$5,000 from the Wastewater Fund for costs related to the Proposition 218 majority protest process.
 6. Approve a budget amendment and authorize the Director of Administrative Services to appropriate an additional \$15,000 from the Wastewater Fund to professional services related to wastewater rate study and support activities. [Public Works]

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, April 23, 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 6:01 p.m. and Council Member Fonzi 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, City Attorney Brian Pierik and Deputy City Manager/City Clerk Lara Christensen

PRESENTATIONS:

1. Proclamation recognizing the Atascadero Kiwanis 50 year anniversary

The City Council presented a Proclamation to the Atascadero Kiwanis on the occasion of their 50 year anniversary.

2. Presentation by SLOCOG/Rideshare about Commuter Challenges in May 2019 including Bike to School Day (May 8th) Bike to Coffee Day (May 11th) and Bike to Work Day (May 17th)

Jackie Mansoor, Air Pollution Control District gave a presentation on behalf of Rideshare regarding Commuter Challenges coming in the month of May.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – April 9, 2019

- Recommendation: Council approve the April 9, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. March 2019 Accounts Payable and Payroll

- Fiscal Impact: \$2,578,619.40
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for March 2019. [Administrative Services]

3. 2019 Pavement Resurfacing Project Construction Award

- Fiscal Impact: \$592,000.00
- Recommendations: Council:
 1. Award a construction contract for \$502,665 to American Asphalt South, Inc. for the 2019 Pavement Resurfacing Project (Project No. C2018R03).
 2. Authorize the City Manager to execute a contract with American Asphalt South, Inc. for \$502,665 for the construction of the 2019 Pavement Resurfacing Project.
 3. Authorize the Director of Public Works to file a Notice of Completion with the County Recorder upon satisfactory completion of the project. [Public Works]

4. Alcoholic Beverage Control (ABC) License for On-site Alcohol Sales at 5840 Traffic Way “Raconteur Room” (Type 42 License)(Dole/TSAM LLC)

- Fiscal Impact: A slight positive fiscal impact expected from increased sales tax.
- Recommendation: Council adopt Draft Resolution finding that a public convenience would be served by allowing the issuance of a Type 42 ABC, On-Sale Beer and Wine for Public Premises License for Raconteur Room, a bar located at 5840 Traffic Way. [Community Development]

5. Adopting a List of Projects for Fiscal Year 2019-2020 Funded by SB1

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution adopting a list of projects to be funded with Road Maintenance and Rehabilitation Account revenues from SB1 (The Road Repair and Accountability Act of 2017) for Fiscal Year 2019-2020. [Public Works]

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to approve the Consent Calendar. (#A-3: Contract No. 2019-003, #A4: Resolution No. 2019-012, #A5 Resolution No. 2019-013) Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

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

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Margi Bauer, Geoff Auslen, William Vega, Peter Burns, Randal Sears, Clyde Sneider, Kelly A., Betty Lightfoot (Exhibit A), Karen Levanway (Exhibit B) and Kim Chang

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Title 9 and Title 11 Planning and Zoning Text Amendments - Annual Code Update (ZCH19-0023)

- Ex-Parte Communications:
- Fiscal Impact: Potential savings of staff time.
- Recommendation: Council introduce for first reading, by title only, the Draft Ordinance amending the Atascadero Municipal Code, Title 9 Planning & Zoning, Section 9-1.110 Public hearings, Section 9-3.330 Nonresidential district allowable land uses, Sections 9-3.340 through 9-3.345 and 9-3.348 through 9-3.349 Property development standards, Section 9-6.112 Farm animal raising, Section 9-6.174 Seasonal or temporary sales, Section 9-12.104 Required approvals and Title 11 Subdivisions, Section 11-4.06 Noticing of planning commission hearing on tentative map and determining this Ordinance is exempt from review under the California Environmental Quality Act. [Community Development]

As this item was continued from the April 9, 2019 Meeting, Council Member Newsom noted that due to the potential conflict of interest disclosed, she was recusing herself from the discussion and vote for this item.

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

Ex Parte Communications

All Council Members noted receiving an email from attorney Sophie Treder.

PUBLIC COMMENT:

The following citizens spoke on this item: Sophie Treder and William Vega

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Fonzi and seconded by Council Member Funk to introduce for first reading, by title only, the Draft Ordinance amending the Atascadero Municipal Code, Title 9

Planning & Zoning, Section 9-1.110 Public hearings, Section 9-3.330 Nonresidential district allowable land uses, Sections 9-3.340 through 9-3.345 and 9-3.348 through 9-3.349 Property development standards, Section 9-6.112 Farm animal raising, Section 9-6.174 Seasonal or temporary sales, Section 9-12.104 Required approvals and Title 11 Subdivisions, Section 11-4.06 Noticing of planning commission hearing on tentative map and determining this Ordinance is exempt from review under the California Environmental Quality Act.

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AMENDING THE ATASCADERO MUNICIPAL CODE, TITLE 9 PLANNING & ZONING, SECTION 9-1.110 PUBLIC HEARINGS, SECTION 9-3.330 NONRESIDENTIAL DISTRICT ALLOWABLE LAND USES, SECTIONS 9-3.340 THROUGH 9-3.345 AND 9-3.348 THROUGH 9-3.349 PROPERTY DEVELOPMENT STANDARDS, SECTION 9-6.112 FARM ANIMAL RAISING, SECTION 9-6.174 SEASONAL OR TEMPORARYSALES, SECTION 9-12.104 REQUIRED APPROVALS AND TITLE 11 SUBDIVISIONS, SECTION 11-4.06 NOTICING OF PLANNING COMMISSION HEARING ON TENTATIVE MAP AND DETERMINING THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (ZCH19-0023)

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

Council Member Newsom returned to the dais at 7:37 p.m.

C. MANAGEMENT REPORTS:

1. Sphere of Influence Review

- Fiscal Impact: None.
- Recommendation: Council review the City's Sphere of Influence and provide staff with feedback towards a future Sphere of Influence and City/County MOU update. [Community Development]

Community Development Director Dunsmore introduced the staff report and answered questions from the Council. David Church and Mike Prater of LAFCO also presented and answered question from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None

Mayor Moreno closed the Public Comment period.

The City Council reviewed the City's Sphere of Influence and provided feedback to LAFCO staff to look at the four Sphere of Influence Study Areas and provide additional information on these areas to Council at a future meeting.

2. Amendment to the Contract Between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System (CalPERS)

- Fiscal Impact: None.
- Recommendations: Council:
 1. Adopt Draft Resolution of Intention to approve an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System; and
 2. Introduce for first reading by title only, the Draft Ordinance authorizing the Mayor to execute an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System. [City Manager]

Deputy City Manager Christensen gave the presentation and answered questions from the Council. Administrative Services Director Rangel also answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Bourbeau seconded by Council Member Funk to adopt Draft Resolution of Intention to approve an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System.
Motion passed 5:0 by a roll-call vote. (Resolution No. 2019-014)

MOTION: By Mayor Pro Tem Bourbeau seconded by Council Member Newsom to introduce for first reading by title only, the Draft Ordinance authorizing the Mayor to execute an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System.

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF ATASCADERO, CALIFORNIA, TO APPROVE AN AMENDMENT TO
CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM AND THE CITY
COUNCIL OF THE CITY OF ATASCADERO.**

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

Mayor Moreno recessed the meeting at 8:41 p.m.
Mayor Moreno reconvened the meeting at 8:49 p.m. with all present.

3. Santa Lucia Road Pavement Rehabilitation Construction Award

- Fiscal Impact: Total project funding of \$1,005,000.00
- Recommendations: Council:
 1. Award a construction contract for \$720,527 to Souza Engineering Contracting, Inc. for the Santa Lucia Road Pavement Rehabilitation Project (Project No. C2017R03).
 2. Authorize the City Manager to execute a contract with Souza Engineering Contracting, Inc. in the amount of \$720,527 for the construction of the Santa Lucia Road Pavement Rehabilitation Project.
 3. Authorize the Director of Administrative Services to appropriate an additional \$425,000 in Local Transportation Fund (LTF) balance toward the Santa Lucia Road Pavement Rehabilitation Project.
 4. Authorize the Director of Public Works to file a Notice of Completion with the County Recorder upon satisfactory completion of the project. [Public Works]

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

PUBLIC COMMENT:

The following citizens spoke on this item: Marcel Schade

Mayor Moreno closed the Public Comment period.

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

1. Award a construction contract for \$720,527 to Souza Engineering Contracting, Inc. for the Santa Lucia Road Pavement Rehabilitation Project (Project No. C2017R03).
2. Authorize the City Manager to execute a contract with Souza Engineering Contracting, Inc. in the amount of \$720,527 for the construction of the Santa Lucia Road Pavement Rehabilitation Project.
3. Authorize the Director of Administrative Services to appropriate an additional \$425,000 in Local Transportation Fund (LTF) balance toward the Santa Lucia Road Pavement Rehabilitation Project.
4. Authorize the Director of Public Works to file a Notice of Completion with the County Recorder upon satisfactory completion of the project.

Motion passed 5:0 by a roll-call vote. (Contract No. 2019-004)

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. County Mayors Round Table

Mayor Moreno noted that the proposed closure of the County Clerk's satellite office in Atascadero came as a surprise and she sent a letter out in opposition to the closure to the Board of Supervisors. She encouraged the rest of the Council, if they are so inclined, to also send a letter opposing the closure.

Mayor Moreno mentioned that the Block Party scheduled for May 4th on Entrada has been cancelled.

Mayor Pro Tem Bourbeau

1. City of Atascadero Finance Committee
2. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. City of Atascadero Finance Committee
2. League of California Cities – Council Liaison

Council Member Funk noted that she sent a letter off in support of the H.E.A.P. funding request by the City of Paso Robles and ECHO.

Council Member Funk also noted that the next League of California Cities dinner will be held in the City of Paso Robles and she encouraged her colleagues to RSVP and attend.

Council Member Newsom

1. City of Atascadero Design Review Committee

E. ADJOURN

Mayor Moreno adjourned the meeting at 9:24 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

The following exhibits are available for review in the City Clerk's office:

- Exhibit A – Mobile Home Rent Stabilization Documents
- Exhibit B – Mobile Home Rent Stabilization Documents

APPROVED:

Atascadero City Council
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Atascadero City Council

March 2019

Staff Report - City Treasurer

March 2019 Investment Report

RECOMMENDATION:

Council receive and file the City Treasurer's report for quarter ending March 31, 2019.

REPORT IN BRIEF:

Cash and Investments

Checking	\$ 1,473,270	
Zoo Credit Card Deposit Account	30,380	
Money Market Accounts	57,900	
Certificates of Deposit	10,735,000	
Government Securities	15,990,646	
Supranational Securities	2,494,542	
LAIF	14,160,870	
Cash with Fiscal Agents	2,625,641	
Cash in Banks at March 31, 2019		\$ 47,568,249
Outstanding Checks		(622,710)
Cash and Investments at March 31, 2019		<u>\$ 46,945,539</u>

Investment Activity

Securities Purchased:

Purchase Date	Description	Type	Cost	Maturity Date
01/10/19	FNMA CUSIP #3135G0U27	Government Security	\$ 499,395	04/13/21
01/30/19	First Premier Bank Sioux Falls, SD	Certificate of Deposit	245,000	01/30/24
02/06/19	Int'l Bank for Recon & Develop CUSIP #459058GL1	Supranational Security	509,790	09/27/23
02/22/19	Bank of Delight Delight, AR	Certificate of Deposit	245,000	02/22/24
03/07/19	FHLB CUSIP #3130AB3H7	Government Security	742,875	03/08/24
03/27/19	First National Bank East Lansing, MI	Certificate of Deposit	245,000	03/27/24

CITY OF ATASCADERO
TREASURER'S REPORT
CASH & INVESTMENTS ACTIVITY SUMMARY
for the quarter ending March 31, 2019

ITEM NUMBER:
DATE:

A-2
05/14/19

	<u>CHECKING ACCOUNTS</u>	<u>INVESTMENTS</u>	<u>FISCAL AGENT</u>	<u>TOTALS</u>
Balance per Banks at January 1, 2019	\$ 1,228,028	\$ 43,407,122	\$ 2,300,016	\$ 46,935,166
Receipts	6,636,663	217,349	551,029	7,405,041
Recognition of Premiums & Discounts		13,203	-	13,203
Disbursements	(6,559,757)	-	(225,404)	(6,785,161)
Transfers In	5,585,776	5,387,060	-	10,972,836
Transfers Out	<u>(5,387,060)</u>	<u>(5,585,776)</u>	<u>-</u>	<u>(10,972,836)</u>
Balance per Banks at March 31, 2019	<u>\$ 1,503,650</u>	<u>\$ 43,438,958</u>	<u>\$ 2,625,641</u>	47,568,249
Outstanding Checks				<u>(622,710)</u>
Adjusted Treasurer's Balance				<u><u>\$ 46,945,539</u></u>

Investment Activity (continued)

Securities Matured:

<u>Maturity Date</u>	<u>Description</u>	<u>Type</u>	<u>Original Cost</u>	<u>Amount Matured</u>
01/28/19	Gold Coast Bank Chicago IL	Certificate of Deposit	\$ 240,000	240,000
02/21/19	FHLMC CUSIP #3134G3PA2	Government Security	1,014,820	1,000,000

Securities Sold/Called Prior to Maturity:

None

Other Reportable Activities:

None

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2019

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
<i>Funds Managed by City</i>											
n/a	Local Agency Invest. Fund (LAIF)	n/a	State Investment Fund	n/a	n/a	2.44%	\$ 14,160,870	n/a	\$ 14,160,870	\$ 14,162,951	\$ 2,081
n/a	Broker Money Market	n/a	Money Fund	n/a	n/a	Vary	57,900	n/a	57,900	57,900	-
04/08/19	Venture Bank Bloomington, Mn	06/06/17	Certificate of Deposit	n/a	1.50%	1.50%	245,000	n/a	245,000	244,949	(51)
05/14/19	Cit Bank Salt Lake City, UT	05/14/14	Certificate of Deposit	n/a	1.95%	1.95%	245,000	n/a	245,000	244,892	(108)
05/21/19	Minnwest Bank Sioux Falls, SD	05/21/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	244,895	(105)
05/30/19	Bar Harbor Bar Harbor, ME	09/30/14	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	244,811	(189)
06/18/19	Community One Bank New York, NY	06/18/14	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	244,804	(196)
06/27/19	Synchrony Bank Salt Lake City, UT	06/27/14	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	244,767	(233)
07/24/19	American Express Salt Lake City, UT	07/24/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	244,704	(296)
07/25/19	NCB FSB Hillsboro, OH	07/25/14	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	244,542	(458)
08/13/19	NBT Bank Norwich, NY	08/13/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	244,647	(353)
08/20/19	Webster Bank Waterbury, CT	08/20/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	244,618	(382)
09/24/19	Capital One Bank Glen Allen, VA	09/24/14	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	244,508	(492)
11/20/19	Frontier Bank Omaha, NE	11/20/15	Certificate of Deposit	n/a	1.50%	1.50%	245,000	n/a	245,000	244,314	(686)
12/16/19	Federal Farm Credit Bank CUSIP #31331SJR5	02/26/16	Government Security	Aaa	4.95%	1.12%	165,000	4,442	169,442	167,972	(1,470)

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2019

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
01/21/20	Washington Trust Westerly, RI	11/20/15	Certificate of Deposit	n/a	1.50%	1.50%	\$ 245,000	n/a	\$ 245,000	\$ 244,101	\$ (899)
03/13/20	Federal Home Loan Mtge Corp CUSIP #3134G35V8	09/18/15	Government Security	Aaa	1.65%	1.65%	1,000,000	33	1,000,033	992,660	(7,373)
04/30/20	Federal National Mortgage Assn CUSIP #3136G0W23	11/20/15	Government Security	Aaa	1.50%	1.66%	695,000	(1,190)	693,810	688,031	(5,779)
05/15/20	Bridgewater Bank Bloomington, MN	11/17/15	Certificate of Deposit	n/a	1.45%	1.45%	245,000	n/a	245,000	242,192	(2,808)
05/22/20	Federal Home Loan Mtge Corp CUSIP #3134G44G0	02/26/16	Government Security	Aaa	1.50%	1.12%	350,000	1,202	351,202	346,455	(4,747)
06/22/20	Federal National Mortgage Assn CUSIP #3135G0D75	11/05/15	Government Security	Aaa	1.50%	1.61%	1,000,000	(1,094)	998,906	989,240	(9,666)
06/26/20	Federal National Mortgage Assn CUSIP #3136G16D6	02/26/16	Government Security	Aaa	1.35%	1.24%	500,000	689	500,689	493,270	(7,419)
07/30/20	Federal Home Loan Mtge Corp CUSIP #3134G33Z1	11/20/15	Government Security	Aaa	1.55%	1.74%	555,000	(1,357)	553,643	548,629	(5,014)
09/23/20	Capital One Bank McLean, VA	09/23/15	Certificate of Deposit	n/a	2.30%	2.30%	245,000	n/a	245,000	244,260	(740)
09/30/20	BMW Bank of North America Salt Lake City, UT	09/30/15	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	244,223	(777)
11/12/20	Enerbank USA Salt Lake City, UT	11/12/15	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	242,423	(2,577)
11/20/20	First Business Bank Madison, WI	11/20/15	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	242,401	(2,599)
11/30/20	Federal National Mortgage Assn CUSIP #3135G0F73	11/05/15	Government Security	Aaa	1.50%	1.70%	1,000,000	(3,315)	996,685	990,680	(6,005)
11/30/20	Federal National Mortgage Assn CUSIP #3135G0F73	11/20/15	Government Security	Aaa	1.50%	1.81%	500,000	(2,537)	497,463	487,946	(9,517)
12/10/20	Two Rivers Community Bank Middletown, NJ	12/10/15	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	243,978	(1,022)

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2019

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
12/24/20	Celtic Bank Salt Lake City, UT	12/24/15	Certificate of Deposit	n/a	1.85%	1.85%	\$ 245,000	n/a	245,000	\$ 242,464	\$ (2,536)
12/28/20	Federal National Mortgage Assn CUSIP #3135G0H55	11/20/15	Government Security	Aaa	1.50%	1.81%	800,000	(337)	799,663	794,136	(5,527)
12/28/20	Citizens State Bank Lacrosse, WI	12/28/15	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	243,915	(1,085)
12/29/20	First International Bank Watford City, ND	12/29/15	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	242,447	(2,553)
01/25/21	Federal Agriculture Mtge Corp CUSIP #3132X0EQ0	02/26/16	Government Security	Aaa	1.55%	1.34%	455,000	1,721	456,721	448,362	(8,359)
02/08/21	Federal Home Loan Bank CUSIP #3133827D9	02/26/16	Government Security	Aaa	1.75%	1.37%	480,000	3,353	483,353	474,634	(8,719)
04/13/21	Federal National Mortgage Assn CUSIP #3135G0U27	01/10/19	Government Security	Aaa	2.50%	2.56%	500,000	(545)	499,455	501,855	2,400
05/06/21	Federal National Mortgage Assn CUSIP #3135G0K69	06/09/16	Government Security	Aaa	1.25%	1.34%	500,000	(912)	499,088	489,205	(9,883)
06/09/21	Worlds Foremost Bank Sidney, NE	06/09/16	Certificate of Deposit	n/a	1.70%	1.70%	200,000	n/a	200,000	196,122	(3,878)
06/17/21	Wells Fargo Bank Sioux Falls, SD	06/17/16	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	240,171	(4,829)
08/23/21	Comenity Capital Bank Sidney, NE	08/22/16	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	238,625	(6,375)
08/30/21	PrivateBank & Trust Company Sioux Falls, SD	08/29/16	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	238,591	(6,409)
10/07/21	Federal National Mortgage Assn CUSIP #3135G0Q89		Government Security	Aaa	1.38%	1.72%	500,000	(4,191)	495,809	488,950	(6,859)
11/17/21	First Source Bank South Bend, IN	12/17/18	Certificate of Deposit	n/a	3.15%	3.15%	245,000	n/a	245,000	248,163	3,163
11/29/21	Federal Home Loan Bank CUSIP #3130AABG2	12/21/16	Government Security	Aaa	1.88%	2.12%	500,000	(3,224)	496,776	494,680	(2,096)

CITY OF ATASCADERO
INVESTMENT REPORT
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MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
01/13/22	Federal Home Loan Bank CUSIP #3137EADB2	01/26/17	Government Security	Aaa	2.38%	2.06%	\$ 500,000	\$ 4,211	\$ 504,211	\$ 501,390	\$ (2,821)
02/09/22	Triad Bank Frontenac, MO	02/09/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	240,208	(4,792)
02/21/22	Everbank Jacksonville, FL	02/14/17	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	240,494	(4,506)
03/11/22	Federal Home Loan Bank CUSIP #313378CR0	02/23/17	Government Security	Aaa	2.25%	2.00%	500,000	3,547	503,547	499,040	(4,507)
03/24/22	First Sentry Bank Huntington, WV	03/24/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	239,762	(5,238)
04/05/22	Federal National Mortgage Assn CUSIP #3135G0T45	05/04/17	Government Security	Aaa	1.88%	1.88%	500,000	n/a	500,000	494,510	(5,490)
05/17/22	MB Financial Bank Chicago, IL	02/09/22	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	239,358	(5,642)
05/31/22	Lakeside Bank Chicago, IL	06/02/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	239,260	(5,740)
06/10/22	Federal Home Loan Bank CUSIP #313379Q69	05/31/17	Government Security	Aaa	2.13%	1.86%	500,000	4,075	504,075	497,435	(6,640)
07/12/22	Barclays Bank Wilmington, DE	07/12/17	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	240,499	(4,501)
07/27/22	Federal Farm Credit Bank CUSIP #3133EDE65	07/12/17	Government Security	n/a	3.05%	1.98%	302,000	10,385	312,385	309,028	(3,357)
08/03/22	Federal Farm Credit Bank CUSIP #3133EHTS2	08/17/17	Government Security	Aaa	1.90%	1.72%	500,000	2,889	502,889	493,320	(9,569)
09/09/22	Federal Farm Credit Bank CUSIP #313380GJ0	09/11/17	Government Security	Aaa	2.00%	1.62%	500,000	6,310	506,310	495,005	(11,305)
09/14/22	Int'l Amer. Development Bank CUSIP #4581X0CZ9	12/18/17	Supranational Security	Aaa	1.75%	2.23%	500,000	(8,045)	491,955	490,480	(1,475)
10/05/22	Federal Farm Credit Bank CUSIP #3135G0T78	01/18/18	Government Security	Aaa	2.00%	2.30%	500,000	(5,159)	494,841	495,285	444

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2019

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
11/22/22	Federal Home Loan Mtge Corp CUSIP #3134GB3K6	07/25/18	Government Security	Aaa	2.00%	3.52%	\$ 432,000	\$ (998)	\$ 431,002	\$ 431,581	\$ 579
01/18/23	Int'l Amer. Development Bank CUSIP #4581X0DA3	01/18/18	Supranational Security	Aaa	2.50%	2.46%	500,000	657	500,657	503,215	2,558
01/18/23	Int'l Amer. Development Bank CUSIP #4581X0DA3	12/06/18	Supranational Security	Aaa	2.50%	2.90%	500,000	(7,104)	492,896	503,215	10,319
02/21/23	Merrick Bank South Jordan, UT	12/18/18	Certificate of Deposit	n/a	3.35%	3.35%	245,000	n/a	245,000	249,356	4,356
03/10/23	Federal Farm Credit Bank CUSIP #3130ADMX7	03/16/18	Government Security	Aaa	2.50%	2.71%	500,000	(3,885)	496,115	503,885	7,770
04/11/23	Federal Farm Credit Bank CUSIP #3133EJKN8	04/11/18	Government Security	Aaa	2.70%	2.71%	500,000	(210)	499,790	507,085	7,295
04/12/23	Morgan Stanley Salt Lake City, UT	04/12/18	Certificate of Deposit	n/a	2.95%	2.95%	245,000	n/a	245,000	245,622	622
05/09/23	Goldman Sachs New York, NY	05/09/18	Certificate of Deposit	n/a	3.15%	3.15%	245,000	n/a	245,000	247,470	2,470
06/06/23	Citibank Sioux Falls, SD	06/06/18	Certificate of Deposit	n/a	3.25%	3.25%	245,000	n/a	245,000	248,420	3,420
07/31/23	Medallion Bank Salt Lake City, UT	07/31/18	Certificate of Deposit	n/a	3.25%	3.25%	245,000	n/a	245,000	248,455	3,455
07/31/23	Int'l Finance Corporation CUSIP #45950KCP3	09/12/18	Supranational Security	Aaa	2.88%	2.90%	500,000	(508)	499,492	509,975	10,483
08/01/23	Discover Bank Wilmington, DE	08/01/18	Certificate of Deposit	n/a	3.35%	3.35%	245,000	n/a	245,000	249,427	4,427
09/26/23	MidSouth Bank Lafayette, LA	09/26/18	Certificate of Deposit	n/a	3.10%	3.10%	245,000	n/a	245,000	246,911	1,911
09/27/23	Int'l Bank for Recon & Develop CUSIP #459058GL1	02/06/19	Supranational Security	Aaa	300.00%	2.55%	500,000	9,543	509,543	515,155	5,612
11/06/23	Federal Farm Credit Bank CUSIP #3133EJQ85	11/06/18	Government Security	n/a	3.05%	3.06%	500,000	(172)	499,828	515,370	15,542

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2019

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
11/08/23	Morgan Stanley Private Bank New York, NY	11/08/18	Certificate of Deposit	n/a	3.55%	3.55%	\$ 245,000	n/a	\$ 245,000	\$ 250,831	\$ 5,831
01/30/24	First Premier Bank Sioux Falls, SD	01/30/19	Certificate of Deposit	n/a	2.95%	2.95%	245,000	n/a	245,000	245,118	118
02/22/24	Bank of Delight Delight, AR	02/22/19	Certificate of Deposit	n/a	2.85%	2.85%	245,000	n/a	245,000	243,959	(1,041)
03/08/24	Federal Home Loan Bank CUSIP #3130AB3H7	03/07/19	Government Security	Aaa	2.38%	2.58%	750,000	(7,086)	742,914	751,035	8,121
03/27/24	First National Bank East Lansing, MI	03/27/19	Certificate of Deposit	n/a	2.75%	2.75%	245,000	n/a	245,000	242,731	(2,269)
Total Funds Managed by the City							43,437,770	1,188	43,438,958	43,321,973	(116,985)
Funds Managed by Fiscal Agent											
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	1.09%	1,769,646	n/a	1,769,646	1,769,646	-
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	0.88%	855,995	n/a	855,995	855,996	1
Total Funds Managed by Fiscal Agent							2,625,641	n/a	2,625,641	2,625,642	1
							\$ 46,063,411	\$ 1,188	\$ 46,064,599	\$ 45,947,615	\$ (116,984)

Average Maturity of Total Portfolio 655 Days

Weighted Average Yield of Total Portfolio 2.2%

Certification:

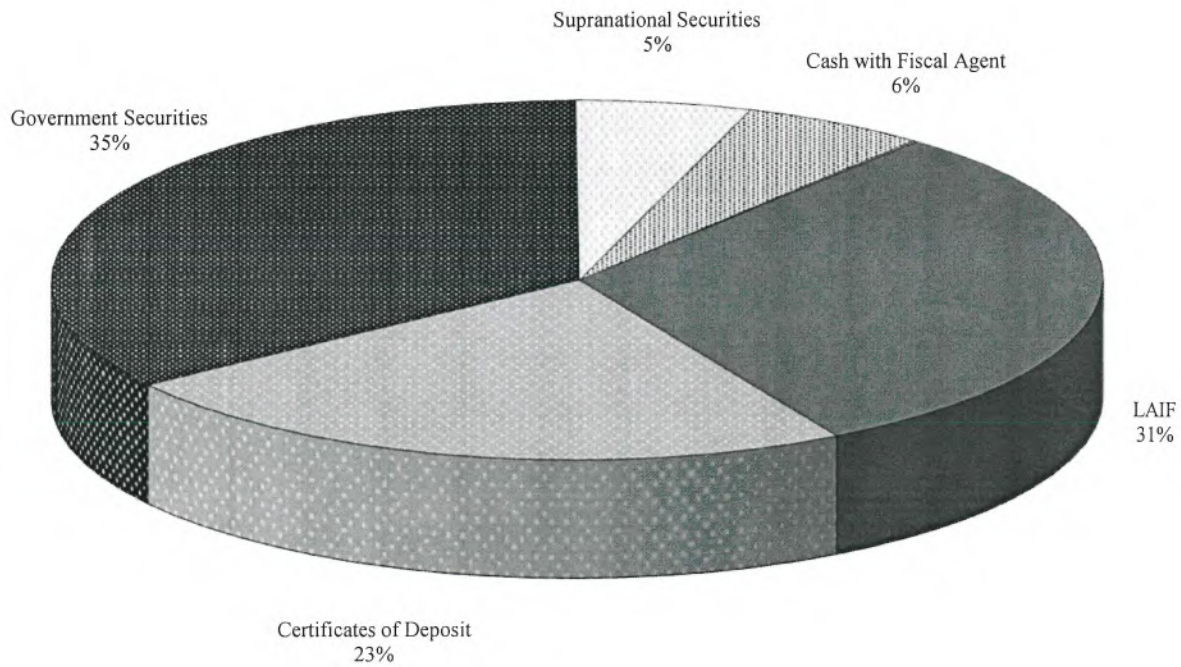
It has been verified that this investment portfolio is in conformity with the City of Atascadero's investment policy, which was approved by the City Council on November 28, 2017.
The City Treasurer certifies that there is sufficient liquidity to meet the City of Atascadero's estimated future expenditures for a period of six months.

Verified by: J. Rangel
Jeri Rangel - Director of Administrative ServicesApproved by: Gere Sibbach
Gere Sibbach - City Treasurer

City of Atascadero
Investments by Type
March 2019

ITEM NUMBER:
DATE:

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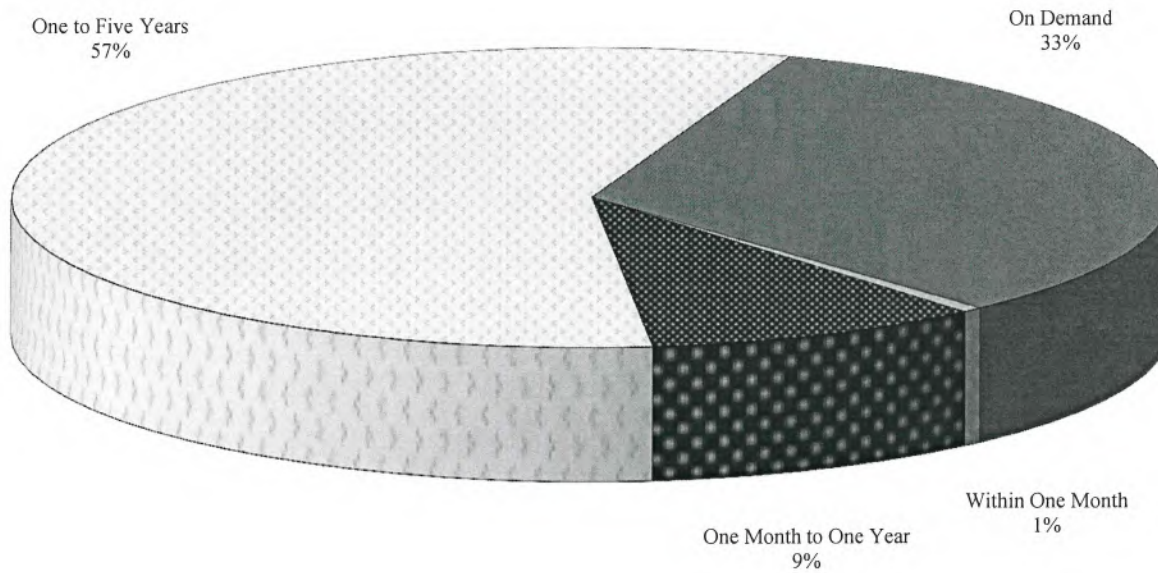


Investment	March 2019
LAIF	\$ 14,160,870
Certificates of Deposit	10,735,000
Government Securities	15,990,646
Supranational Securities	2,494,542
Cash with Fiscal Agent	2,625,641
Other	57,900
	<u>\$ 46,064,599</u>

City of Atascadero
Investments by Maturity *
March 2019

ITEM NUMBER:
DATE:

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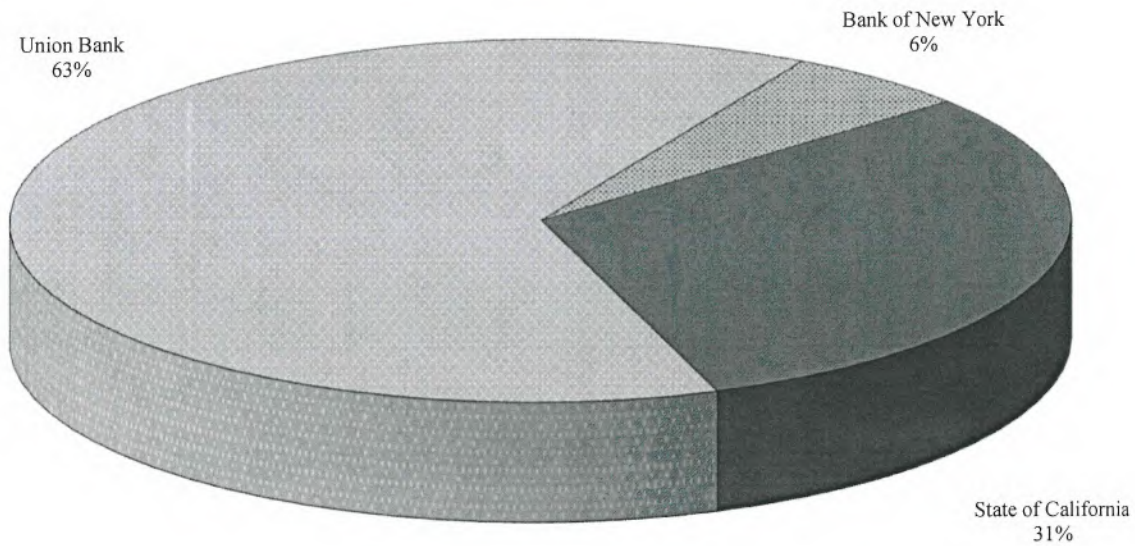
<u>Investment</u>	<u>March 2019</u>
On Demand	\$ 14,218,770
Within One Month	245,000
One Month to One Year	4,109,475
One to Five Years	24,865,713
	<u>\$ 43,438,958</u>

* Cash with fiscal agent is not included in the totals for this graph because the amounts are restricted based on bond covenants, and therefore, the City doesn't retain the option to liquefy these funds at will.

City of Atascadero
Investments by Custodial Agent
March 2019

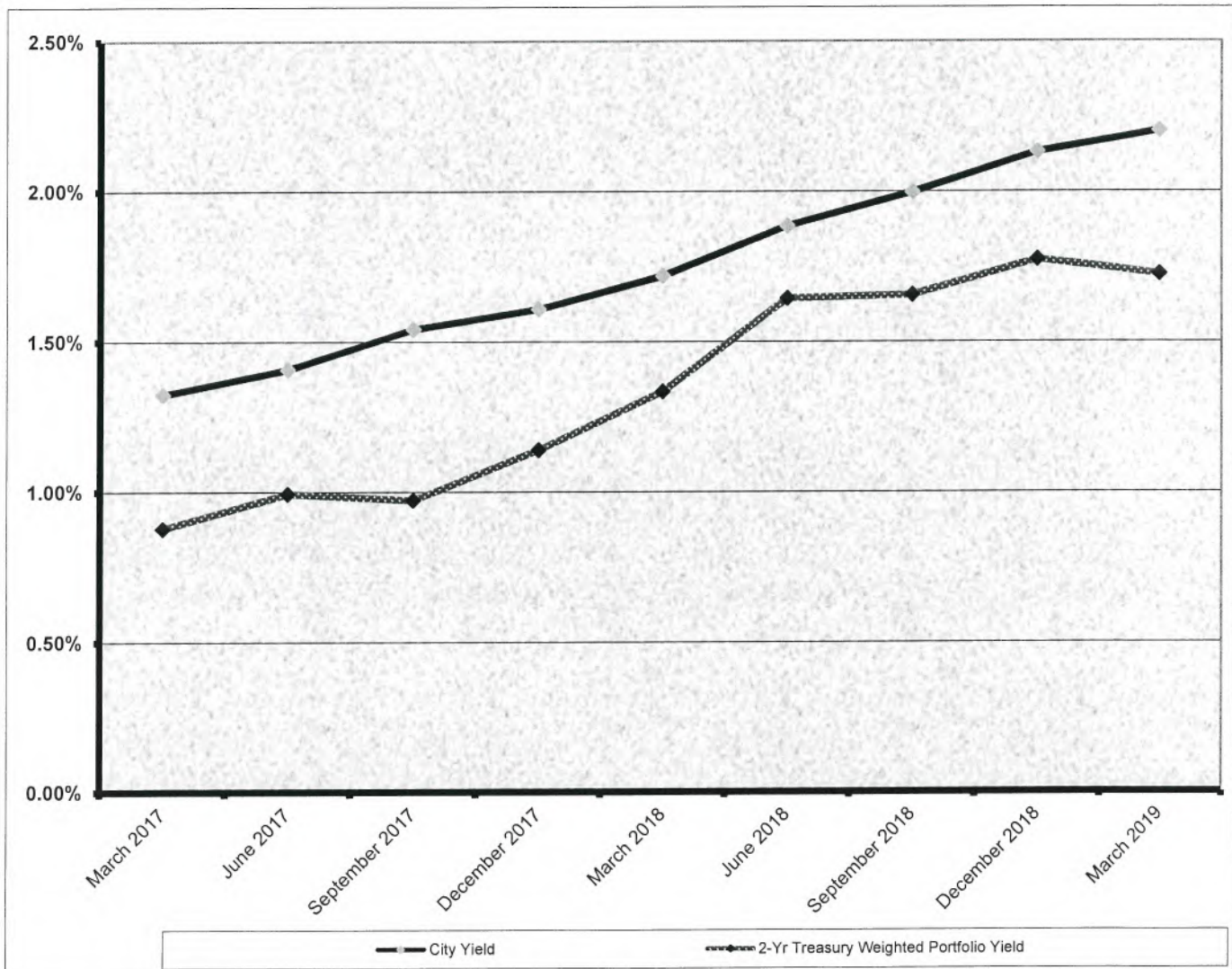
ITEM NUMBER:
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<u>Custodial Agent</u>	<u>March 2019</u>
State of California	\$ 14,160,870
Union Bank	29,278,088
Bank of New York	2,625,641
	<u>\$ 46,064,599</u>

City of Atascadero
Investment Yield vs. 2-Year Treasury Yield
For the Quarter Ended March 31, 2019



	City Yield	2-Yr Treasury Weighted Portfolio Yield
March 2017	1.32%	0.88%
June 2017	1.41%	0.99%
September 2017	1.54%	0.97%
December 2017	1.61%	1.14%
March 2018	1.72%	1.33%
June 2018	1.88%	1.64%
September 2018	2.00%	1.66%
December 2018	2.13%	1.77%
March 2019	2.20%	1.72%



Atascadero City Council

Staff Report - Community Development Department

Title 9 and Title 11 Planning and Zoning Text Amendments Annual Code Update ZCH19-0023

RECOMMENDATION:

Council adopt on second reading, by title only, the Draft Ordinance amending the Atascadero Municipal Code, Title 9 Planning & Zoning, Section 9-1.110 Public hearings, Section 9-3.330 Nonresidential district allowable land uses, Sections 9-3.340 through 9-3.345 and 9-3.348 through 9-3.349 Property development standards, Section 9-6.112 Farm animal raising, Section 9-6.174 Seasonal or temporary sales, Section 9-12.104 Required approvals and Title 11 Subdivisions, Section 11-4.06 Noticing of planning commission hearing on tentative map and determining this Ordinance is exempt from review under the California Environmental Quality Act.

DISCUSSION:

At the April 23, 2019 City Council meeting, the attached Draft Ordinance was introduced, amending Titles 9 & 11 of the Atascadero Municipal Code. Amendments include adding clarifications and correcting inconsistencies to multiple code sections including those related to outdoor storage on commercial properties, youth animal projects, mobile food vending and temporary sales, noticing requirements, lot posting requirements, minimum lot sizes for commercial properties, and condominium map processing.

ATTACHMENT:

Draft Ordinance

DRAFT ORDINANCE

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF ATASCADERO, CALIFORNIA, AMENDING THE ATASCADERO
MUNICIPAL CODE, TITLE 9 PLANNING & ZONING, SECTION 9-1.110
PUBLIC HEARINGS, SECTION 9-3.330 NONRESIDENTIAL DISTRICT
ALLOWABLE LAND USES, SECTIONS 9-3.340 THROUGH 9-3.345 AND
9-3.348 THROUGH 9-3.349 PROPERTY DEVELOPMENT STANDARDS,
SECTION 9-6.112 FARM ANIMAL RAISING, SECTION 9-6.174 SEASONAL
OR TEMPORARY SALES, SECTION 9-12.104 REQUIRED APPROVALS
AND TITLE 11 SUBDIVISIONS, SECTION 11-4.06 NOTICING OF
PLANNING COMMISSION HEARING ON TENTATIVE MAP AND
DETERMINING THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(ZCH19-0023)**

WHEREAS, an application has been received from the City of Atascadero (6500 Palma Ave., Atascadero, CA 93422), to consider Zone Change Text Amendments to Title 9 Planning and Zoning and Title 11 Subdivisions of the Atascadero Municipal Code, (ZCH19-0023); and

WHEREAS, the Planning Commission has determined that it is in the best interest of the City to enact amendments to Title 9 Planning and Zoning and Title 11 Subdivisions of the Atascadero Municipal Code for consistency with the General Plan and to maintain a clear and legible set of Zoning Regulations that are easily interpreted by the public and staff; and

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

WHEREAS, the Planning Commission of the City of Atascadero, at a Public Hearing held on March 19, 2019, studied and considered said amendments; and

WHEREAS, the Planning Commission of the City of Atascadero has recommended approval of proposed amendments to Title 9 Planning and Zoning and Title 11 Subdivisions, of the Atascadero Municipal Code as presented to them on March 19, 2019; and

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

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

WHEREAS, the City Council of the City of Atascadero, at a Public Hearing held on April 23, 2019, studied the Planning Commission's recommendations and considered the proposed zoning text amendments.

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

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

SECTION 2. Public Hearing. The City Council of the City of Atascadero, in a regular session assembled on March 27, 2018, resolved to introduce for first reading, by title only, an Ordinance that would amend the City Zoning Code Text as shown in Exhibit B, attached hereto and incorporated herein by this reference.

SECTION 3. Facts and Findings. The City Council makes the following findings, determinations and approvals with respect to the Zone Text Amendment:

A. Findings for Approval of a Zone Text Change

FINDING: (i) The Planning and Zoning Text Change is consistent with General Plan policies and all other applicable ordinances and policies of the City.

FACT: The proposed zone text amendments align the code requirements with the vision, intent, and policies of the adopted General Plan.

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

FACT: The proposed text amendment provides for orderly development within the Commercial zoning districts in accordance with the adopted General Plan and will allow for the orderly use of residential land for the raising of farm animals associated with youth projects.

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

FACT: The proposed text changes are minor and do not trigger any environmental impacts.

SECTION 4. Approval. Atascadero Municipal Code Title 9 Planning & Zoning and Title 11 Subdivisions are amended as detailed in Exhibit B, attached hereto and incorporated herein by this reference.

SECTION 5. CEQA. This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public resources Code Section 21000 et seq., because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code § 21065; CEQA Guidelines §§ 15378(b)(4), 15061(b)(3) A Notice of Exemption has been prepared and adopted as shown in Exhibit A, attached hereto and incorporated herein by this reference.

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

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

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

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

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

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

INTRODUCED at a regular meeting of the City Council held on April 23, 2019, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____.

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

Exhibit A



CITY OF ATASCADERO
NOTICE OF EXEMPTION

6500 Palma Avenue Atascadero, CA 93422 805.461.5000

TO: ☒ File

FROM: Kelly Gleason
Senior Planner
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

SUBJECT: Filing of Notice of Determination in Compliance with Section 21152 of the Public Resources Code.

Project Title: ZCH19-0023

Project Applicant: City of Atascadero

Project Location: 6500 Palma Ave, Atascadero, CA 93422, San Luis Obispo County

Project Description: Zoning Ordinance Text Updates including revisions to the land use definitions, development standards, and eliminating inconsistencies found in Title 9 of the Atascadero Municipal Code. The application does not include the construction of any project.

Name of Public Agency Approving Project: City of Atascadero

Name of Person or Agency Carrying Out Project: City of Atascadero

Exempt Status:

- | | |
|---|---|
| <input type="checkbox"/> Ministerial (Sec. 15073) | <input type="checkbox"/> Emergency Project (Sec. 1507(b) and (c)) |
| <input type="checkbox"/> Declared Emergency (Sec. 15061(a)) | <input checked="" type="checkbox"/> General Rule Exemption (Sec. 15061(b)(3)) |
| <input type="checkbox"/> Categorically Exempt (Sec. 15303) | |

Reasons why project is exempt: The Guidelines of the California Environmental Quality Act (CEQA) (Section 15061.(3), (b)) exempts activities that are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed text amendment will not have any significant adverse environmental impacts associated with this project application.

Contact Person: Kelly Gleason (805) 470-3446

Date:

Phil Dunsmore
Community Development Director

Exhibit B

9-6.112 Farm animal raising

(h) Modification of Certain Standards. The minimum site area and allowable animal density standards set forth in this section may be adjusted ~~through administrative use permit approval (refer to Section 9-1.112)~~ subject to compliance with the criteria set forth in this section, except that these standards may also be modified through Conditional Use Permit approval (refer to Section 9-2.110) if these criteria cannot be satisfied. The setback, maintenance and special requirements standards may not be modified by ~~administrative use permit or~~ conditional use permit.

(1) Youth Projects. An adjustment not to exceed one (1) additional animal equivalency unit per acre or an adjustment to reduce the minimum site area by no more than twenty-five (25) percent may be granted for a youth project sponsored by a recognized organization, subject to the following criteria:

(i) The project is for a limited duration with a known termination date at which time the project animal will be removed from the site and the site brought into conformance with all applicable standards; and

(ii) There is an adult project supervisor who has reviewed and approved, in writing, the project and who can take corrective action if necessary regarding the project; and

(iii) All other standards of the section including setbacks, maintenance and special standards applicable to the project are and will be continuously satisfied; and

(iv) The site otherwise conforms to the standards set forth in the section; and

(v) All animals maintained on the site are owned by the residents of the premises; and

(vi) The youth involved in the project has demonstrated in prior adjustments, if applicable, the responsibility to maintain the project in a satisfactory manner.

9-3.330 Nonresidential district allowable land uses.

Notes: (These notes apply only to Table 3-2).

6 Mobile food vending permitted ~~if use is located outside of right of way and located~~ on private property with owner's permission and City review of parking and access on-site. Mobile food trucks used as part of an event may be permitted in the right-of-way with the issuance of an Event Permit.

9-6.174 Seasonal or temporary sales.

Seasonal sales include the retail sale of seasonal products such as produce and Christmas trees. Temporary sales include retail trade activities of short duration which involve the sale of other products. Both types of sales occur outdoors or in locations not otherwise designated by this title as being appropriate for permanent retail trade facilities. Such activities are subject to the provisions of this section.

(a) Licensing Requirement. Business license clearance is required for all seasonal or temporary sales, except sidewalk sales when conducted by merchants with previously approved annual business licenses; and

(b) Temporary Sales Generally. Temporary sales of items other than seasonal agricultural products are allowed only in conjunction with temporary events (Section 9-6.177), except:

(1) The temporary sale of handcrafted items and artwork, produced by an authorized home occupation are allowable as set forth in Section 9-6.105.

(2) Sidewalk or Temporary sales are allowed ~~in commercial zones~~ when:

~~(i) Conducted by the merchants of shops abutting the sidewalk; and~~

- (ii) Authorized by an ~~encroachment~~ City permit (if using the public sidewalk or are a mobile vendor in the right-of-way); ~~and.~~
- ~~(iii) Such sales are conducted no more frequently than one (1) two (2) day period in every ninety (90) days.~~

9-3.330 Nonresidential district allowable land uses.

Table 3-2 identifies the uses of land allowed by this Zoning Code in each nonresidential district, and the planning permit required to establish each use, in compliance with Chapters 9-1 and 9-2 of this code. Where the last column in the tables (“Specific Use Regulations”) includes a section number, the regulations in the referenced section apply to the use. Provisions in other sections of this article may also apply.

Table 3-2 – Nonresidential Use Table
Allowed Land Uses and Permit Requirements

Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required ☐ Not Permitted										Special Regulation(s)
	Permitted Uses By Zones										
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
Agricultural Resources											
Agricultural Produce Stands	A	A			A	A					9-6.117
Farm Equipment and Supplies w/ outdoor storage or sales area less than 10,000sf			A	A		A			A	A	
Farm Equipment and Supplies w/ outdoor storage or sales area 10,000 sf or greater			CUP	CUP		CUP			CUP	CUP	
Farmers’ Market	CUP	CUP	CUP		CUP	CUP	A	A			
Horticultural Specialties w/ outdoor sales or storage area less than 10,000 sf		A	A	A	A	A			A	A	9-6.116
Horticultural Specialties w/ outdoor storage or sales area 10,000 sf		CUP	CUP	CUP	CUP	CUP			CUP	CUP	9-6.116

Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required <input type="checkbox"/> Not Permitted										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
or greater											
Large Scale Ag Manufacturing				CUP					CUP	A	9-6.103
Residential Uses											
Age Restricted Housing							CUP				
Caretaker's Residence/Employee Unit		CUP	CUP	CUP							
Live/Work Unit							A ¹				
Multifamily Dwelling	CUP ²	CUP ²	CUP ²	CUP ²			A ¹	A ¹			
Single-Family Dwelling							A ¹	A ¹			
Single-Room			CUP								9-6.184
Recreation, Education, and Public Assembly											
Amusement Services		A	A	A		A	A			A	
Churches and Related Activities		CUP	CUP								9-6.121
Indoor Recreation Services		CUP	CUP	CUP	A	A	CUP		CUP	CUP	
Libraries, Museums		A	A	A	A		A	A			
Membership Organizations			A	A		CUP	CUP				
Outdoor Recreation Services			CUP	CUP	A						9-6.123
Parks and Playgrounds							A	A			
Public Assembly and Entertainment			CUP	CUP	A	CUP	CUP				
Schools – Business		A	A	A		A	CUP	CUP	CUP	CUP	9-6.125

Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required <input type="checkbox"/> Not Permitted										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
and Vocational											
Schools		A	A	A			CUP	CUP			9-6.125
Social and Service Organizations		A	A	A							
Sports Assembly			CUP	CUP	A						
Temporary Events	A/ CUP ³	CUP	A/ CUP ³	A/ CUP ³	A/ CUP ³	A/ CUP ³	A/ CUP ³	A/ CUP ³	A	A	9-6.177
Tourism, Lodging, and Dining											
Bar/Tavern			CUP		CUP	CUP	A				
Bed and Breakfast			CUP	CUP	CUP	CUP					
Drive-Through Sales or Services	CUP	CUP	CUP	CUP	CUP	CUP					9-4.122
Eating and Drinking Places	A	A	A	A	A	A	A	A	A	A	
Hotels, Motels		CUP	A	A	A		CUP				
Microbrewery – Brewpub	A	CUP	A	A	A	A	A	A	A	A	
Recreational Vehicle Parks					A						9-6.180
Tasting Room	A	CUP	A	A	A	A	A	A	A	A	
Retail Trade and Sales⁴											
Accessory Storage		A ⁴	A ⁴	A ⁴	A ⁴	A ⁴			A ⁴	A ⁴	9-6.103
Adult Oriented Business			A	A					A	A	9-16
Artisan Foods and Products			A	A		A	A ⁵		A	A	
Auto Dealers (New and Used) and Supplies			CUP	CUP	CUP	CUP	CUP				9-6.163
Building Materials and Hardware w/ outdoor sales or		A	A	A		A			A	A	9-6.165

Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required ☐ Not Permitted										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
storage area less than 10,000sf											
Building Materials and Hardware w/ outdoor sales or storage area 10,000sf or greater		CUP	CUP	CUP		CUP			CUP	CUP	9-6.165
Fuel Dealer			A	A⁴		A CUP			A⁴	A⁴	9-6.129
General Retail	A⁴	A⁴	A⁴	A⁴	A⁴	A⁴	A⁴				
General Retail Greater than 50,000 sf	CUP	CUP	CUP	CUP	CUP	CUP	CUP				
Mobile Eating and Drinking Vendors ⁶	A	A	A	A		A	A		A	A	
Retail Sales— Restricted				A	CUP	CUP					
Sales Lots					CUP	CUP			CUP	CUP	9-6.139
Service Stations	CUP		CUP	CUP	A CUP						9-6.164
Temporary or Seasonal Sales	A	A	A	A	A	A	A		A	A	9-6.174
Services—Business, Financial and Professional											
ATM	A	A	A	A	A	A	A	A	A	A	
Financial Services and Banks	A	A	A	A	A	A	CUP	A			
Government Offices and Facilities	A	A	A	A	A	A	CUP ⁹	A	A	A	
Health Care Services		A	A	A	CUP	A	CUP ⁹	A			
Offices	A	A	A	A	A	A	CUP ⁹	A			
Temporary Offices		A	A	A							9-6.176

Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required ☐ Not Permitted										Special Regulation(s)
	Permitted Uses By Zones										
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
General Services											
Animal Hospitals		CUP ⁷	CUP	A		CUP					9-6.110
Auto Repair and Services			CUP	A	A	CUP			A	A	9-6.168
Business Support Services		A	A	A		A	A	A	A	A	
Contract Construction Services w/ outdoor storage or sales area less than 10,000 sf				A		A			A	A	
Contract Constriction Services w/ outdoor storage or sales area 10,000 sf or greater				CUP		CUP			CUP	CUP	
Day Care											
Childcare Center	A	A	A					CUP			9-6.125
Large Family Day Care		CUP ⁸	CUP ⁸								9-6.125
Small Family Day Care		A ⁸	A ⁸	A ⁸		A ⁸	A ⁸				
Adult Day Care Facility	A	A	A					CUP			
Kennels			CUP	A							9-6.111
Laundromat/Coin-Operated Laundry	A CUP	A CUP	A CUP	A CUP	A CUP	A CUP			A	A	
Medical Extended Care Services: 6 Residents or Less	A CUP	A CUP	A CUP	A CUP	A CUP	A CUP					9-6.134
Medical Extended Care Services: 7 Residents or More	A		A CUP								9-6.134

Nonresidential Zones	<p>A Allowed Use, Zoning Clearance Required</p> <p>CUP Conditional Use Permit Required</p> <p>AUP Administrative Use Permit Required</p> <p>□ Not Permitted</p>										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
Mini-Storage				CUP		CUP			A	A	
Mortuary Services			A	A							
Personal Services	A	A	A	A	A	CUP	A				
Personal Service Restricted				A	CUP	CUP					
Printing and Publishing		CUP	CUP			A ⁴			A ⁴	A ⁴	
RCFE – Assisted Living	A		A CUP	A							9-6.135
RCFE – Independent Living/Senior Apartments	CUP		CUP	CUP							9-6.135
RCFE – Retirement Hotel	CUP		CUP	CUP							9-6.135
Residential Care: 6 Residents or Less							A ¹	A ¹			9-6.135
Vehicle and Equipment Storage ⁴			CUP			CUP			A ⁴	A ⁴	9-6.183
Industrial, Wholesale, Manufacturing Uses											
Brewery – Production				CUP		CUP			A	A	
Collection Stations	A ⁴	A ⁴	A ⁴	A ⁴	A ⁴	A ⁴			A ⁴	A ⁴	9-6.130
Laundries and Dry Cleaning Plants				A		A			A	A	
Medical Research		CUP		A		A		CUP	A	A	
Manufacturing and Processing - Low Intensity		CUP	CUP	A		A			A	A	
Manufacturing and Processing – High Intensity ⁴				CUP		CUP			AUP	AUP	

Nonresidential Zones	<p>A Allowed Use, Zoning Clearance Required</p> <p>CUP Conditional Use Permit Required</p> <p>AUP Administrative Use Permit Required</p> <p>□ Not Permitted</p>										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
Recycling and Scrap									CUP	CUP	9-6.131
Recycling Centers									CUP	CUP	9-6.132
Research and Development		CUP		A		A	CUP	A	A	A	
Storage, Recycling and Dismantling of Vehicles and Material				CUP					A	A	9-6.131
Warehousing				CUP		CUP			A	A	
Wholesaling and Distribution Center ⁴		AUP	AUP	A ⁴		A ⁴			A ⁴	A ⁴	
Winery – Boutique			A ⁴	A ⁴	A ⁴	A ⁴	A ⁴		A ⁴	A ⁴	
Winery – Production				CUP		CUP			A ⁴	A ⁴	
Transportation Communication and Infrastructure											
Broadcast Studios			A	A							
Data and Computer Services Center		AUP		AUP		CUP			A	A	
Parking Lots	AUP	AUP	AUP	AUP	AUP	AUP	AUP	AUP	AUP	AUP	
Telecommunication Facility	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	
Transit Stations			CUP	CUP	A	CUP	CUP	CUP	CUP	CUP	
Utility Facilities		CUP		CUP	CUP	CUP	CUP	CUP	CUP	CUP	
Vehicle and Freight Terminals				CUP					CUP	CUP	
Utility Infrastructure	A	A	CUP	A	A	A	CUP	CUP	A	A	

Notes: (These notes apply only to Table 3-2).

- 1 Residential uses allowed only on second and third floors. If a project is required to provide a unit in compliance with the Americans with Disabilities Act, the handicapped accessible unit may be located on a first floor. A first floor unit shall be located in a non-storefront location within a tenant space.
- 2 Multi-family dwellings permitted when located on the second floor or above, or within an existing residential structure of historical significance.
- 3 Temporary events requiring more than 3 days for onsite setup and teardown require the approval of a conditional use permit (Section 9-2.110).

- 4 Outdoor commercial and industrial sales and storage developments (as defined by Section 9-9.102) of 10,000 square feet or more require the approval of a conditional use permit (Section 9-2.110), even if such a development is listed as an allowable use in a particular zoning district.
- 5 Handcrafted and artisan food production shall be ancillary to the retail component.
- 6 Mobile food vending permitted if use is located outside of right-of-way and located on private property.
- 7 When no overnight stays of animals are included.
- 8 Permitted when in association with conforming and legal nonconforming residences.
- 9 Allowed above ground floor. Conditional use permit required on ground floor on Palma, East Mall, West Mall Entrada, Traffic Way and on El Camino Real north of Atascadero Creek as designated in Figure 3-1, subject to all of the following findings:
 - a. The location and setting of the existing building is not ideal for pedestrian uses such as restaurants, retail or related uses.
 - b. The existing building and site improvements are designed exclusively for office uses and could not accommodate other uses.
 - c. The proposed new office use will be a significant contribution to economic development by providing new jobs, pedestrian traffic, and active uses in the downtown.
 - d. The proposed new office will meet parking, accessibility, and property development standards and will not result in new parking along Atascadero Creek, East Mall or West Mall.
 - e. The proposed new office building will provide a storefront and other architectural features that complement the pedestrian scale and retail environment desired within the downtown.

11-4.06 Notice of planning commission hearing on tentative map.

The Planning Commission shall hold a public hearing on the tentative map, and notice thereof shall be given as provided in Section 66451.3 of the Map Act, except those subdivisions proposed within an area zoned Residential Suburban (RS), where all owners of real property within a one thousand (1,000) foot radius of the subject property shall receive notice as provided herein. Any interested person may appear at such hearing and shall be heard.

~~Each street frontage of property to be subdivided shall be clearly posted by the applicant with a "Notice of Intent to Subdivide" provided by the Community Development Department at the time that a complete application for subdivision is filed~~

9-1.110 Public hearings.

When a public hearing before the Planning Commission or the City Council is required by this title, such hearing shall be conducted as follows:

(a) Notice of Hearing. Notice of a public hearing shall include the time and place of the hearing, a general description of the request, the location of the site, and any additional information which the Planning Director deems appropriate. Such notice shall be given at least ten (10) days before the hearing by first class mail with postage prepaid to all persons whose names and addresses appear on the last equalized assessment roll as owning property within three hundred (300) feet from the exterior boundaries of the parcel which is the subject of the hearing, ~~except for projects in the RS zoning district which shall require that notices be sent to all such properties within a one thousand feet (1000) from the exterior boundaries of the project site.~~ Such notice shall also be published at least once at least ten (10) days before the hearing in a newspaper of general circulation, published and circulated in the City, or if there is none, it shall be posted in at least three (3) public places in the City.

9-3.340 Property development standards.

New subdivisions, land uses, structures, and alterations to existing land uses and structures shall be designed, constructed and established in compliance with the Sections ~~9-3.461 through 9-3.450~~ 9-3.341 through 9-3.444, in addition to applicable standards (e.g., landscaping, parking, fencing, etc.) in Chapter 9-4, and Special Land Use Regulation in Chapter 9-6 of this title. (Ord. 602 § 2, 2016)

9-3.341 CN Zone.

The following are property development standards for the CN in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title:

(a) Lot Size. ~~There shall be no minimum lot size in the Commercial Neighborhood Zone.~~ The minimum lot size in the Commercial Neighborhood Zone shall be one half (1/2) acres. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Commercial Neighborhood Zone.

(b) Multifamily Dwellings. Multifamily dwellings are permitted with a minor conditional use permit when located on the second floor or above.

9-3.342 CP Zone.

The following are property development standards for the CP in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title:

(a) Lot Size. ~~There shall be no minimum lot size in the Commercial Professional Zone.~~ The minimum lot size in the Commercial Professional Zone shall be one half (1/2) acre. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Commercial Professional Zone.

9-3.343 CR Zone.

The following are property development standards for the CR in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title:

(a) Lot Size. ~~There shall be no minimum lot size in the Commercial Retail Zone.~~ The minimum lot size in the Commercial Retail Zone shall be one half (1/2) acre. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Commercial Retail Zone.

(b) Parking. Parking areas designated to have vehicles facing El Camino Real or the freeway shall be screened with a landscaped berm a minimum of thirty (30) inches in height.

(c) Setback. A minimum freeway setback of ten (10) feet shall be provided. Said setback area shall be landscaped.

(d) Utilities. All new and existing utilities shall be installed underground.

9-3.344 CS Zone.

The following are property development standards for the CS in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title:

(a) Lot Size. ~~There shall be no minimum lot size in the Commercial Service Zone.~~ The minimum lot size in the Commercial Service Zone shall be one (1) acre. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Commercial Service Zone.

9-3.345 CT Zone.

The following are property development standards for the CT in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title:

(a) Lot Size. ~~There shall be no minimum lot size in the Commercial Tourist Zone.~~ The minimum lot size in the Commercial Tourist Zone shall be one (1) acre. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Commercial Tourist Zone.

9-3.348 IP Zone.

The following are property development standards for the IP zoning district, in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title.

(a) Lot Size. ~~There shall be no minimum lot size in the Industrial Park Zone.~~ The minimum lot size in the Industrial Park Zone shall be two (2) acres. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Industrial Park Zone.

9-3.349 I Zone.

The following are property development standards for the I zoning district, in addition to those found in Chapters 9-4, 9-6, and other special use regulations found in this title.

(a) Lot Size. ~~There shall be no minimum lot size in the Industrial Zone.~~ The minimum lot size in the Industrial Zone shall be two (2) acres. Smaller lot sizes may be allowed for planned commercial and industrial developments, including condominiums, where the Planning Commission determines that such smaller lot sizes will not be detrimental to the purpose and intent of the Industrial Zone.

9-12.104 Required approvals.

No condominium project or condominium conversion shall be permitted unless a conditional use permit is approved pursuant to the provisions of this chapter and Section 9-2.110 of this Code. Condominium projects and condominium conversions shall also require a Tentative Map or Vesting Tentative Map ~~tentative~~ and ~~final~~ a Final Map or Parcel Map map pursuant to Title 11 of this Code, and shall be subject to all applicable provisions of the Subdivision Map Act, Title 11 of this Code, and all other applicable state and local laws and ordinances. Provisions for notice, hearing, and appeal shall be as specified in Title 9 and Title 11 of this Code for conditional use permits and tentative maps, respectively, except as modified by the provisions of this chapter. (Ord. 523 § 2, 2007)



Atascadero City Council

Staff Report - City Manager

Second Amendment to City Attorney Agreement for Legal Services

RECOMMENDATION:

Council approve Second Amendment to Agreement for Legal Services with Burke, Williams & Sorensen for City Attorney Services.

DISCUSSION:

On November 27, 2007, the City and Burke, Williams & Sorensen ("Burke") entered into an Agreement for Legal Services ("Agreement") in which Burke agreed to provide legal services to the City including serving as the City Attorney for the City.

Effective July 1, 2014, the City and Burke entered into a First Amendment to the Agreement which increased the hourly rate for retainer services for the first 50 hours a month from \$190 to \$200 and increased the hourly rate for above retainer services for associates from \$215 to \$225 and for partners from \$240 to \$250.

The fiscal year budget for City Attorney Services from 2007 to the present has been \$240,000. The actual expenses for City Attorney Services have fluctuated over the years. One option to provide certainty in the amount of actual expenses for City Attorney Services is a fixed monthly amount which is equal to the annual budget for all general City Attorney Services.

Attached is a proposed Second Amendment to Agreement for Legal Services. This Second Amendment provides for a fixed monthly amount of \$20,000 for General Legal Services which include attendance at regular and special meetings of the City Council, attendance at Staff meetings, drafting of Ordinances and Resolutions, drafting and review of contracts, providing legal advice the City Council, City Manager and City Staff, review of Agendas, handle normal and general employment matters, handle normal and general litigation matters, travel time, and responding to legal issues which arise on a day to day basis.

It is anticipated that all regular and expected legal matters will be covered as General Legal Services. In the event of an unexpected and irregular matter that the

City Manager and Burke agree are such, the hourly rates for Special Legal Services would be \$260 for partners; \$225 per associates and Paralegals \$135 per hour.

FISCAL IMPACT:

None.

ALTERNATIVES:

1. Retain the existing Agreement for Legal Services on an hourly rate basis.
2. Other action as determined appropriate by the City Council.

ATTACHMENTS:

1. Second Amendment to Agreement for Legal Services with Burke, Williams & Sorensen for City Attorney Services
2. First Amendment to Agreement for Legal Services with Burke, Williams & Sorensen for City Attorney Services

SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES
WITH BURKE, WILLIAMS & SORENSEN FOR CITY ATTORNEY SERVICES

This Second Amendment To Agreement For Legal Services with Burke, Williams & Sorensen for City Attorney Services ("Second Amendment") is entered into by and between the City of Atascadero ("City") and the law firm of Burke, Williams & Sorensen LLP ("Burke"). This Second Amendment shall be effective as of July 1, 2019.

RECITALS

A. On November 27, 2007, the City and Burke entered into an Agreement for Legal Services ("Agreement") in which Burke agreed to provide legal services to the City including serving as the City Attorney for the City.

B. Effective July 1, 2014, the City and Burke entered into a First Amendment to the Agreement which increased the hourly rate for retainer services for the first 50 hours a month from \$190 to \$200 and increased the hourly rate for above retainer services for associates from \$215 to \$225 and for partners from \$240 to \$250.

C. The City and Burke wish to amend the Agreement by this Second Amendment to provide the City with legal services for a monthly lump sum amount for General Legal Services rather than charges based on hourly rates.

WHEREFORE, the City and Burke hereby agree that:

1. Section 5 A to E of the Agreement and Section 1 of the First Amendment are hereby replaced by this Second Amendment.

2. Burke shall be compensated for providing the legal services contemplated by this Second Amendment in accordance with the following:

A. General Legal Services. "General Legal Services," for the purpose of this Second Amendment shall mean attendance at regular and special meetings of the City Council, attendance at Staff meetings, drafting of Ordinances and Resolutions, drafting and review of contracts, providing legal advice the City Council, City Manager and City Staff, review of Agendas, handle normal and general employment matters, handle normal and general litigation matters, travel time, and responding to legal issues which arise on a day to day basis. The parties anticipate all regular and expected legal matters to utilize the General Legal Services. The compensation to Burke for General Legal Services shall be in the sum of Twenty Thousand Dollars (\$20,000.00) per calendar month. There will be no charge for reproduction of documents or mileage reimbursement or other costs incurred in performing services for the City.

B. Special Legal Services. General Legal Services do not include "Special Legal Services". "Special Legal Services" for the purpose of this Agreement shall include only unexpected and irregular material legal matters that the City Manager and Burke agree are such.

The compensation to Burke for Special Legal Services shall be: Partners \$260 per hour; Associates \$225 per hour; Paralegals \$135 per hour.

3. Except as modified by this Second Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City and Burke have caused this Second Amendment to be executed by their authorized representatives as follows:

CITY OF ATASCADERO

DATE: _____

By: _____
Heather Moreno, Mayor

ATTEST:

Lara Christensen, City Clerk

DATE: _____

BURKE, WILLIAMS & SORENSEN LLP

By: _____
John J. Welsh, Managing Partner

FIRST AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

This First Amendment to Agreement for Legal Services ("First Amendment") is entered into by and between the City of Atascadero ("City") and the law firm of Burke, Williams & Sorensen LLP ("Burke"). This First Amendment shall be effective as of July 1, 2014.

RECITALS

A. On November 27, 2007, the City and Burke entered in an Agreement for Legal Services ("Agreement") in which Burke agreed to provide legal services to the City including serving as the City Attorney for the City.

B. Section 5 of the Agreement specifies hourly rates for attorneys including retainer services for the first 50 hours a month in the amount of \$9500 for an hourly rate of \$190 and for services above retainer in the amount of \$215 per hour for associates and \$240 per hour for partners. The Agreement also provides for a rate increase on July 1 of each year based upon the Consumer Price Index ("CPI"). The CPI from 2008 to present has increased approximately 10%. However, Burke has not previously requested any rate increases from the City.

C. Burke is requesting a \$10 an hour rate increase for the hourly rates specified in the Agreement for attorneys for retainer services for the first 50 hours a month and for services above retainer which would be approximately a 5% rate increase above the hourly rates in the Agreement.

WHEREFORE, the City and Burke hereby agree that:

1. The hourly rates specified in the Agreement for attorneys shall be increased by \$10 per hour effective July 1, 2014 with the hourly rate for retainer services for the first 50 hours a month increasing from \$190 per hour to \$200 per hour and the hourly rate for services above 50 hours a month will increase from \$215 per hour to \$225 per hour for associates and an increase from \$240 per hour to \$250 per hour for partners.

2. Except as modified by this First Amendment, the Agreement for Legal Services shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their representatives as follows:


DATE: June 10, 2014

CITY OF ATASCADERO

By: 

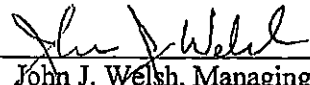
Tom O'Malley, Mayor

ATTEST:


Marcia McClure Torgerson, City Clerk

BURKE, WILLIAMS & SORENSEN

DATE: May 23, 2014

By: 
John J. Welsh, Managing Partner

AGREEMENT FOR LEGAL SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the CITY OF ATASCADERO, a general law city (hereinafter "CITY"), and the ATASCADERO COMMUNITY REDEVELOPMENT AGENCY, a redevelopment agency ("AGENCY"), collectively referred to as "ATASCADERO" and the law firm of BURKE, WILLIAMS & SORENSEN, LLP (hereinafter "BWS"):

WITNESSETH:

The parties hereto do agree as follows:

SECTION 1. RECITALS.

This Agreement is made and entered into with respect to the following facts:

A. ATASCADERO has heretofore engaged the services of BWS to act as the City Attorney for CITY, and as General Counsel for AGENCY and to perform all legal services as needed by ATASCADERO; and

B. It is the desire of the parties hereto to formalize, by means of this Agreement, their relationship pertaining to the performance of such legal services; and

C. BWS and ATASCADERO desire, pursuant to this Agreement, to provide for the continuation of such legal services, in the time and manner set forth in this Agreement; and

D. The legislative bodies of CITY and AGENCY have heretofore determined that the public interest, convenience and necessity require the execution of this Agreement.

SECTION 2. APPOINTMENT OF CITY ATTORNEY-GENERAL COUNSEL.

Brian A. Pierik, a BWS partner, is hereby appointed as the City Attorney of CITY and General Counsel of AGENCY ("City Attorney"). City Attorney shall serve at the pleasure of the Legislative bodies of CITY and AGENCY, and may be replaced at any-time, with or without cause, by any of the legislative bodies, without amending this Agreement. The City Attorney, or his approved successor, shall be responsible for providing or causing to be provided the legal services contemplated by this Agreement.

SECTION 3. DESIGNATION OF ASSISTANT CITY ATTORNEY-GENERAL COUNSEL.

The City Attorney, with the consent of the legislative bodies of the CITY and AGENCY shall designate a member of the firm to act as the Assistant City Attorney and Assistant General Counsel. Such person shall serve at the pleasure of the legislative bodies of the CITY and AGENCY and may be replaced, at any time, with or without cause, by any of the legislative bodies.

SECTION 4. LEGAL SERVICES.

BWS shall perform the legal services necessary to serve ATASCADERO which shall include, but are not limited to, the following:

- A. The City Attorney or authorized designee shall attend all regular meetings of the legislative bodies of CITY and AGENCY unless excused by the City Manager of the CITY or the General Manager of the AGENCY (hereinafter collectively "Manager"); and
- B. The Assistant City Attorney shall attend Planning Commission Meetings upon request by the Manager; and
- C. Provide legal advice to such other boards, commissions and committees of ATASCADERO as is directed by the Manager; and
- D. Provide legal advice on all matters affecting ATASCADERO as requested by any of the legislative bodies or the Manager; and
- E. Prepare or approve as to form, all resolutions, ordinances, contracts, agreements and other legal documents; and
- F. Represent ATASCADERO, and their respective elected and appointed officers, employees and agents in all administrative proceedings and civil or criminal litigation, except where otherwise ordered by ATASCADERO; and to prosecute violations of CITY ordinances when directed to do so by the Manager; and
- G. Provide legal advice and opinions on all financial mechanisms affecting ATASCADERO when requested by the Manager including and representing ATASCADERO as bond counsel in the issuance of bonds or other securities involving ATASCADERO.
- H. Provide such additional legal services as requested by the Manager.

SECTION 5. COMPENSATION.

BWS shall be compensated for providing the legal services contemplated by this Agreement, in accordance with the following:

- A. Retainer Services. "Retainer Services," for the purpose of this Agreement, shall mean attendance at regular and special meetings of the City Council and the Community Redevelopment Agency, attendance at Staff meetings, drafting of Ordinances and Resolutions, review of Agendas and responding to legal questions which arise on a day to day basis. BWS's compensation for such Retainer Services shall be in the sum of Ninety-Five Hundred Dollars (\$ 9,500.00) per calendar month for the first fifty (50) hours expended in providing such services.

B. Legal Services above Retainer and Non-Retainer Legal Services. For Retainer Services above the retainer hours and for non-retainer legal services, BWS' compensation shall be: Partners \$240 per hour; Associates \$215 per hour; Law Clerks \$175 per hour and Paralegals \$125 per hour. Bond counsel services are available by special arrangement under a fee structure reasonable for the project.

C. Travel Time. Compensation for travel time shall be at the rate of \$175 per hour. Travel time does not count against the 50 hours per month of Retainer Services.

D. Hourly Rates. Effective July 1 of each year, commencing July 1, 2008, the hourly rates specified in this Agreement, unless otherwise negotiated, will be increased by a standard annual adjustment upon consultation with the Manager and approved by the City Council as part of the Council's standard budget adoption process, equal to the average Consumer Price Index for the previous four quarters.

E. Reimbursement Expenses. BWS shall be entitled to reimbursement for all reasonable and necessary expenses incurred by it in the performance of legal services hereunder. "Reimbursable expenses" shall mean and include, but not be limited to reproduction of documents (currently \$.20 per page), facsimile (currently \$1.00 per page); mileage reimbursement (currently \$.48 per mile), and other costs reasonably and necessarily incurred in performing services for the CITY and AGENCY.

F. Invoices. Payment for Services.

(1) Invoices. BWS shall submit monthly invoices to ATASCADERO for all services provided and costs incurred pursuant to the terms of this Agreement. Said invoices shall set forth by date the type of work performed, the time spent on a task and the identity of the attorney performing the task. Fees are charged in increments of 1/10th of an hour. Invoices shall contain itemized descriptions of any out-of-pocket expenses incurred during the prior month.

(2) Payment. Payment to BWS shall be made by ATASCADERO within thirty (30) days of receipt of the statement.

SECTION 6. TERM AND TERMINATION.

The term of this Agreement shall commence on November 27, 2007, and shall continue thereafter until terminated as follows:

A. TERMINATION BY ATASCADERO. The legislative bodies of CITY and/or AGENCY may terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to BWS.

B. TERMINATION BY BWS. BWS may at any time, with or without cause, terminate this Agreement upon ninety (90) days written notice to ATASCADERO.

C. COMPENSATION IN THE EVENT OF TERMINATION. BWS shall be compensated for its services and reimbursed for costs rendered through and including the effective date of such termination.

SECTION 7. COMPLIANCE WITH LAWS.

BWS shall comply with all obligations required of it pursuant to the State Bar Act and other applicable laws, in connection with its provision of legal services hereunder.

SECTION 8. NOTICES.

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor, postage prepared and addressed as follows:

ATASCADERO: City Manager,
City of Atascadero
6907 El Camino Real
Atascadero, California 93422

BWS: Burke, Williams & Sorensen
2310 E. Ponderosa Drive, Suite 25
Camarillo, California 93010

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notices given by deposit with the United States Postal Service shall be deemed to have been given five (5) consecutive business days following the deposit of the same in the custody of said Postal Service. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that above specified.

SECTION 9. INDEMNIFICATION.

BWS does hereby agree to hold, ATASCADERO, and their respective elected and appointed officers and employees free and harmless from any claim, demand or judgment which may arise based upon personal injury to a third party or damage to property of a third party arising out of the performance of services by BWS pursuant to this Agreement.

SECTION 10. INSURANCE.

Not in derogation of the provisions of Paragraph 9 hereof, BWS does hereby agree to take out and maintain, in full force and effect, during the term or extended terms of this Agreement, the following insurance coverage:

- A. Liability insurance coverage, as is customary for law firms; and
- B. Such insurance coverage as is required pursuant to the Workers' Compensation Laws of the State of California; and
- C. Professional Liability Insurance.

SECTION 11. GENERAL PROVISIONS.

- A. Assignment. BWS shall not assign this Agreement, or any of the rights, duties or obligations hereunder.
- B. Status of Independent Contractor. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between the CITY and BWS, nor shall any employee of BWS be deemed to be an employee of ATASCADERO. BWS is an independent contractor. Employees of BWS shall not be deemed to be employees or agents of ATASCADERO. Neither ATASCADERO nor any of their respective officers, employees, servants or agents shall have control over the conduct of BWS or any of BWS's officers, employees or agents.
- C. Discrimination. In the performance of this Agreement, BWS shall not engage in any unlawful discrimination of any kind, including without limitation, in its employment practices.
- D. Entire Agreement. This Agreement constitutes the entire Agreement of the parties concerning the subject matter hereof and all prior agreements or understandings, oral or written, are hereby merged herein. Except as expressly set forth herein, this Agreement shall not be amended in any way except by a writing expressly purporting to be such an amendment, signed and acknowledged by both of the parties hereto.
- E. Interpretation. Should interpretation of this Agreement, or any portion thereof, be necessary, it is deemed that this Agreement was prepared by the parties jointly and equally, and shall not be interpreted against either party on the ground that the party prepared the Agreement or caused it to be prepared.
- F. Waiver. No waiver of any provision of this Agreement by either party hereto shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver.

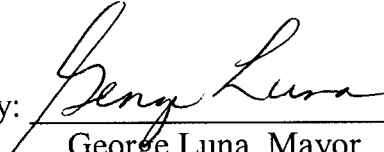
SECTION 13. EFFECTIVE DATE.

This Agreement shall be effective on November 27, 2007.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives as follows:

CITY OF ATASCADERO

DATE: November 27, 2007

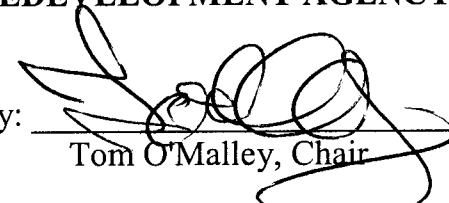
By: 
George Luna, Mayor

ATTEST:



Marcia McClure Torgerson, City Clerk

**ATASCADERO COMMUNITY
REDEVELOPMENT AGENCY**

DATE: November 27, 2007

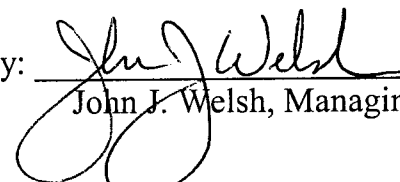
By: 
Tom O'Malley, Chair

ATTEST:


Marcia McClure Torgerson, Assistant Secretary

BURKE, WILLIAMS & SORENSEN, LLP

DATE: November 19, 2007

By: 
John J. Welsh, Managing Partner



Atascadero City Council

Staff Report – Public Works

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

RECOMMENDATION:

Council adopt Atascadero Transit's Title VI Plan for 2019-2022.

DISCUSSION:

Title VI of the Federal Civil Rights Act prohibits discrimination by recipients of Federal financial assistance on the basis of race, color, and national origin, including the denial of meaningful access for limited English proficient (LEP) persons. The Federal Transit Administration (FTA) requires that all funding recipients document their compliance by submitting a Title VI Plan to the FTA regional civil rights officer once every three years.

Atascadero Transit's Title VI Plan ensures that Atascadero Dial-A-Ride services are provided in a nondiscriminatory manner and the opportunity for full and fair participation is offered to riders and community members. Additionally, through this plan, Atascadero Transit examines the need for services and materials for persons for whom English is not their primary language and who have a limited ability to read, write, speak or understand English.

In accordance with Federal requirements, the plan was brought before the public in a special meeting held on May 13, 2019 and was made available for public review and comment prior to the final recommend adoption.

ALTERNATIVE:

Provide modifications to the proposed plan as needed. Staff recommends caution in changes to the document in that Title VI policies are specific and need significant verification prior to adoption and submittal to the Federal government.

FISCAL IMPACT:

The City of Atascadero benefits from FTA capital and operating assistance funding. Federal funds could be withheld from Atascadero Transit should the City fail to submit a Title VI Plan. FTA funds are vital to insure that Dial-A-Ride can continue to provide safe transportation to our residents.

ATTACHMENTS:

1. Draft Resolution
2. Title VI Plan / Limited English Proficiency Program

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING
THE TITLE VI PLAN AND LIMITED ENGLISH PROFICIENCY
PLAN FOR ATASCADERO TRANSIT SERVICES**

WHEREAS, the City of Atascadero receives funds from the Federal Transit Administration (FTA) for capital and operating assistance funds; and

WHEREAS, the City of Atascadero provides demand response transit services within the Atascadero city limits; and

WHEREAS, the City of Atascadero assures that no person or group will, on the basis of race, color, national origin or limited English proficiency be subjected to discrimination in the level and quality of transportation services, programs, or activities provided by the City, whether Federally funded or not; and

WHEREAS, the City of Atascadero has prepared the Title VI Plan in accordance to FTA Circular 4702.1B; and

WHEREAS, the Federal Transit Administration requires transit operators to submit a Title VI Plan update every three years as a condition of receipt of FTA funds.

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

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

SECTION 2. Approval. The City of Atascadero's Title VI Plan and Limited English Proficiency Program for the Atascadero Transit Services is approved.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Atascadero held this 14th day of May, 2019.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

CITY OF ATASCADERO



TITLE VI PLAN

Title VI of the Civil Rights Act of 1964

DRAFT May 15, 2019

May 15, 2019 – May 14, 2022

Contact Information:

Dawn Patterson, Title VI Coordinator
6500 Palma Avenue
Atascadero, CA 93422

Office: 805-470-3180

Email: DPatterson@atascadero.org

- To obtain services or copies in an alternate format or language, please contact Dawn Patterson at (805) 470-3180.
- (Spanish) Para recibir servicios o copias en otro formato o idioma, contacte a Tess Ramirez at (805) 470-3486.

TITLE VI PLAN

I. PLAN STATEMENT

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance" (42 U.S.C. Section 2000d).

The City of Atascadero's (City) transit services (Atascadero Transit) is committed to ensuring that no person is excluded from participation in, or denied the benefits of its services on the basis of race, color, or national origin, as protected by Title VI in Federal Transit Administration (FTA) Circular 4702.1.B.

This plan was developed to guide the City of Atascadero in its administration and management of Title VI-related activities.

Title VI Coordinator Contact information:

Dawn Patterson
City of Atascadero / Atascadero Transit
6500 Palma Avenue
Atascadero, California 93422
DPatterson@atascadero.org

As of July 1, 2014, the City of Atascadero contracts with MV Transportation, Inc. for the driverservices of Atascadero Transit. The contractor(s), by extension, will also assist and comply with the adopted Title VI policy.

II. TITLE VI INFORMATION DISSEMINATION

Title VI information posters shall be publicly displayed in the City owned Atascadero Transit facility and on the revenue vehicles. The plan information, along the contact information for the Title VI coordinator is available on the City of Atascadero website, at www.atascadero.org. Additional information relating to nondiscrimination obligation can be obtained from the Atascadero Transit Title VI Coordinator.

Title VI information shall be provided to Atascadero Transit employees annually via the Employee Education form (see Appendix A) at the beginning of the calendar year. This form reminds employees of the Atascadero Transit policy statement, and of their Title VI responsibilities in their daily work and duties. During new employee Orientation, new employees shall be informed of the provisions of Title VI, and the expectations to perform their duties accordingly.

All employees shall be provided with a copy of the Title VI Plan and are required to sign the Acknowledgement of Receipt (see Appendix B).

Title VI information shall also be made available in non-English languages, consistent with the City's Limited English Proficiency (LEP) plan.

III. SUBCONTRACTS AND VENDORS

All subcontractors and vendors who receive payments from Atascadero Transit where funding originates from any federal assistance are subject to the provisions of Title VI of the Civil Rights Act of 1964 as amended. Written contracts shall contain non-discrimination language, either directly or through the bid specification package which becomes an associated component of the contract.

IV. RECORD KEEPING:

The Title VI Coordinator will maintain permanent records, which include, but are not limited to, signed acknowledgements of receipt from the employees indicating the receipt of the Atascadero Transit Title VI Plan, copies of Title VI complaints or lawsuits and related documentation, and records of correspondence to and from complainants, and Title VI investigations.

V. TITLE VI COMPLAINT PROCEDURES

How to file a Title VI Complaint?

The complainant may file a signed, written complaint up to thirty (30) days from the date of the alleged discrimination. The complaint should include the following information:

- Your name, mailing address, and contact information (telephone number, email address, etc.).
- How, when, where and why you believe you were discriminated against. Include the location, names and contact information of any witnesses.
- Other information you deem significant.

The Title VI Complaint Form (see Appendix C) may be used to submit the complaint information. The complaint may be filed in writing with Atascadero Transit at the following address:

**Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422
DPatterson@atascadero.org**

NOTE: Atascadero Transit encourages all complainants to certify all mail that is sent through the U.S. Postal Service and/or ensure that all written correspondence can be tracked easily. For complaints originally submitted by facsimile, an original, signed copy of the complaint must be mailed to the Title VI Coordinator as soon as possible, but no later than 30 days from the alleged date of discrimination.

What happens to the complaint after it is submitted?

All complaints alleging discrimination based on race, color or national origin in a service provided by Atascadero Transit will be directly addressed by Atascadero Transit. The City shall also provide appropriate assistance to complainants, including those persons with disabilities, or who are limited in their ability to communicate in English. Additionally, the City shall make every effort to address all complaints in an expeditious and thorough manner.

A letter of acknowledging receipt of complaint will be mailed within thirty (30) days (Appendix D). Please note that in responding to any requests for additional information, a complainant's failure to provide the requested information may result in the administrative closure of the complaint.

How will the complainant be notified of the outcome of the complaint?

Atascadero Transit will send a final written response letter (see Appendix E or F) to the complainant. In the letter notifying complainant that the complaint is not substantiated (Appendix F), the complainant is also advised of his or her right to 1) appeal within seven calendar days of receipt of the final written decision from Atascadero Transit, and/or 2) file a complaint externally with the U.S. Department of Transportation and/or the FTA. Every effort will be made to respond to Title VI complaints within 30 working days of receipt of such complaints, if not sooner.

In addition to the complaint process described above, a complainant may file a Title VI complaint with the following offices:

**Federal Transit Administration Office of Civil Rights
Attention: Title VI Program Coordinator
East Building, 5th Floor – TCR
1200 New Jersey Ave., SE
Washington, DC 20590**

VI. LIMITED ENGLISH PROFICIENCY (LEP) PLAN

Atascadero Transit has developed a Limited English Proficiency Plan (LEP) to help identify reasonable steps to provide language assistance for LEP persons seeking meaningful access to City services as required by Executive Order 13166. A Limited English Proficiency person is one who does not speak English as their primary language and who has a limited ability to read, speak, write, or understand English. This plan has detailed procedures on how to identify a person who may need language assistance, the ways in which assistance may be provided, training staff, how to notify LEP persons that assistance is available, and information for future plan updates.

In order to prepare this plan, the City utilized the U.S. Department of Transportation four factor LEP analysis which considers the following factors:

- 1) The number or proportion of LEP persons to be served or likely to be encountered in Atascadero Transit service.
- 2) The frequency with which LEP individuals come in contact with Atascadero Transit programs.
- 3) The nature and importance of programs, activities or service provided by Atascadero Transit to the LEP population.
- 4) The resources available to the City and overall costs to provide LEP assistance.

VII. COMMUNITY OUTREACH

As an agency receiving federal financial assistance, we have made the following community outreach efforts:

The City of Atascadero holds public meetings twice per month. At these meetings the public is welcome to attend and share in discussion with a variety of Community Outreach discussions. Additionally, Atascadero Transit works with other transit agencies in the service area and other stakeholder organizations to review and discuss the planning and has involvement in the decision making process. Atascadero Transit from time to time will provide on board survey handouts to customers for their feedback about a variety of issues.

VIII. ACTIVE INVESTIGATION, LAWSUIT OR COMPLAINT

The City of Atascadero has had no active investigations, lawsuits or complaints alleging discrimination on the basis of race, color or national origin.

IX. BOARD DEMOGRAPHICS

Atascadero Transit board of directors (the City Council) consists entirely of elected members. Therefore, this does not apply.

X. EQUITY ANALYSIS FOR BUILDING SITE

No operational or maintenance facilities have been constructed. Therefore, this does not apply to Atascadero Transit.

XI. RESOLUTION APPROVING TITLE VI PLAN

A copy of this resolution can be found in Appendix H of this Plan. Adoption is anticipated on May 14, 2019.

APPENDIX A

EMPLOYEE ANNUAL EDUCATION FORM

Title VI Policy

No person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

All employees of Atascadero Transit (and MV Transportation Inc. as contracted for driver services) are expected to consider, respect, and observe this policy in their daily work and duties. If a citizen approaches you with a question or complaint, direct him or her to Dawn Patterson who is the Title VI Coordinator.

In all dealings with citizens, use courtesy titles (i.e. Mr., Mrs., Ms., or Miss) to address them without regard to race, color or national origin.

APPENDIX B ACKNOWLEDGEMENT OF RECEIPT OF TITLE VI PLAN

I hereby acknowledge the receipt of the Atascadero Transit Title VI Plan. I have read the plan and am committed to ensuring that no person is excluded from participation in, or denied the services on the basis of race, color, or national origin, as protected by Title VI in Federal Transit Administration (FTA) Circular 4702.1.B.

Your signature

Print your name

Date

APPENDIX C TITLE VI COMPLAINT FORM – ATASCADERO TRANSIT

Title VI of the 1964 Civil Rights Act requires that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.” If you feel you have been discriminated against in the City of Atascadero services, please provide the following information in order to assist us in processing your complaint and send it to:

Please print clearly:

Name: _____

Address: _____

City, State, Zip Code: _____

Telephone Number: _____ (home) _____ (cell) _____ (work)

Email Address: _____

Person discriminated against: _____

Address of person discriminated against: _____

City, State, Zip Code: _____

Please indicate why you believe the discrimination occurred:

_____ Race

_____ Color

_____ National Origin

What was the date of the alleged discrimination? _____

Where did the alleged discrimination take place? _____

Please explain as clearly as possible what happened and how you believe you were discriminated against. Indicate who was involved. : _____

Please list any and all witnesses' names and phone numbers:

Have you previously filed a Title VI complaint with this agency?

☐ Yes ☐ No

Have you filed this complaint with any other Federal, State, or local agency, or with any Federal or State court?

☐ Yes ☐ No

If yes, check all that apply:

☐ Federal Agency

☐ Federal Court

☐ State Court

☐ State Agency

☐ Local Agency

Please provide a contact person at the agency/court where the complaint was filed.

Name: _____

Title: _____

Agency: _____

Address: _____

Telephone: _____

Please attach any documents you have which support your complaint. Then date and sign this form and send to the Title VI Coordinator at:

Dawn Patterson, Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Your signature

Date

Print your name

APPENDIX C TITLE VI COMPLAINT FORM – ATASCADERO TRANSIT

Título VI de la Ley de Derechos Civiles de 1964 requiere que “a ninguna persona en los Estados Unidos por motivos de raza, color u origen nacional, será excluido de la participación en, ni se le negarán los beneficios de, o ser objeto de discriminación en cualquier programa o actividad que reciba asistencia financiera federal.” Si usted siente que ha sido discriminado en los servicios de tránsito, por favor proporcione la siguiente información para poder ayudarle en el proceso de su queja y envíe la a:

Nombre: _____

Dirección: _____

Ciudad, Estado, Código postal: _____

Número de Teléfono: _____ (casa) _____ (celular) _____ (trabajo)

Persona discriminada: _____

Dirección de la persona discriminada: _____

Ciudad, Estado, Código postal: _____

Favor de indicar por qué cree que la discriminación se ha producido:

_____ Raza
_____ Color
_____ Origen Nacional

¿Cuál fue la fecha de la supuesta discriminación? _____

¿Dónde ocurrió la supuesta discriminación? _____

Por favor describe las circunstancias tal como fueron y incluye nombre(s) de persona(s) que fueron involucrados : _____

Por favor, haga lista de todos los testigos los nombres y números de teléfono:

Anteriormente ha presentado una denuncia de Titulo VI con esta agencia?

☐ Sí ☐ No

¿Ha presentado esta queja con cualquier otro agencia local, estatal o federal, o ocon cualquier tribunal estatal Federal?

☐ Sí ☐ No

Sí la respuesta es sí, marque todo lo que aplique:

☐ Agencia Federal

☐ Agencia Estatal

☐ Tribunal de Justicia Estatal

☐ Corte Federal

☐ Agencia Local

Favor de proporcionar información acerca de una persona de contacto de la agencia/corte donde la denuncia fue presentada.

Nombre: _____

Título: _____

Organización: _____

Dirección de departamento: _____

Teléfono de departamento: _____

Por favor, juntar todos los documentos que tienen que apoyar la acusación. Firma y anote la fecha abajo y envíalo al Coordinador del Titulo VI en:

Dawn Patterson, Titulo VI Coordinador
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Su firma

Fecha

Escriba su nombre

APPENDIX D SAMPLE LETTER ACKNOWLEDGING RECEIPT OF COMPLAINT

[Today's Date]

Ms. Jo Doe
1234 Main St.
Atascadero, CA 93422

Dear Ms. Doe:

This letter is to acknowledge receipt of your complaint against Atascadero Transit alleging

An investigation will begin shortly. If you have additional information you wish to convey or questions concerning this matter, please feel free to contact this office by telephoning Dawn Patterson at 805-470-3180, or write to me at this address.

Sincerely,

Dawn Patterson
Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

**APPENDIX E SAMPLE LETTER NOTIFYING COMPLAINANT THAT THE
COMPLAINT IS SUBSTANTIATED**

[Today's Date]

Ms. Jo Doe
1234 Main St.
Atascadero, CA 93422

Dear Ms. Doe:

The matter referenced in your letter of _____ (date) against Atascadero Transit alleging Title VI violation has been investigated.

(An/Several) apparent violation(s) of Title VI of the Civil Rights Act of 1964, including those mentioned in your letter (was/were) identified. Efforts are underway to correct these deficiencies.

Thank you for calling this important matter to our attention. You were extremely helpful during our review of the program. ***(If a hearing is requested, the following sentence may be appropriate.)*** You may be hearing from this office, or from federal authorities, if your services should be needed during the administrative hearing process.

Sincerely,

Dawn Patterson
Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

**APPENDIX F SAMPLE LETTER NOTIFYING COMPLAINANT THAT THE
COMPLAINT IS NOT SUBSTANTIATED**

[Today's Date]

Ms. Jo Doe
1234 Main St.
Atascadero, CA 93422

Dear Ms. Doe:

The matter referenced in your complaint of _____ (date) against Atascadero Transit alleging
_____ has been investigated.

The results of the investigation did not indicate that the provisions of Title VI of the Civil Rights Act of 1964, had in fact been violated. As you know, Title VI prohibits discrimination based on race, color, or national origin in any program receiving federal financial assistance.

Atascadero Transit has analyzed the materials and facts pertaining to your case for evidence of the City's failure to comply with any of the civil rights laws. There was no evidence found that any of these laws have been violated.

I therefore advise you that your complaint has not been substantiated, and that I am closing this matter in our files.

You have the right to 1) appeal within seven calendar days of receipt of this final written decision from Atascadero Transit, and/or 2) file a complaint externally with the U.S. Department of Transportation and/or the Federal Transit Administration at

Federal Transit Administration
Office of Civil Rights
Attention: Title VI Program Coordinator
East Building, 5th Floor - TCR
1200 New Jersey Ave., SE
Washington, DC 20590

Thank you for taking the time to contact us. If I can be of assistance to you in the future, do not hesitate to call me.

Sincerely,

Dawn Patterson
Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

APPENDIX G SAMPLES OF NARRATIVE TO BE DISPLAYED IN FACILITIES AND
REVENUE VEHICLES



Title VI Policy

Title VI of the Civil Rights Act of 1964 states: “No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.”

The City of Atascadero respects civil rights and operates its programs and services without regard to race, color or national origin. The City is committed to complying with Title VI requirements in all of its programs and services. For more information on the Title VI transit obligations, contact the City as listed below.

Making a Title VI Complaint

Any person who believes he/she has been subjected to discrimination in the delivery of or access to public transportation services on the basis of race, color, or national origin, may file a complaint with Atascadero Transit. Such complaint must be filed in writing with Atascadero Transit no later than 30 days after the alleged discrimination. For information on how to file a complaint, use the form below or contact Atascadero Transit at:

Dawn Patterson, Title VI Coordinator
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422
(805) 470-3180
DPatterson@atascadero.org



Póliza Del Titulo VI

Derechos Civiles del Acta del estados de 1964, ninguna persona en los Estados Unidos podrá ser excluida de participar en programas que reciben asistencia financier Federal, o negar beneficios o ser sujetos a descriminación por causa de raza, color, o orgien nacional.

El sistema de tránsito de City of Atascadero respeta los derechos civiles y administra sus programas y servicios sin consideración a raza, color o grgen nacional. El Sistema de tránsito de City of Atascadero está comprometido a cumplir en todos sus programas con los requicitos del Titulo VI.

Para más información de las obligaciones de tránsito del Titulo VI comuníquese con de tránsito de City of Atascadero acuerdo a la información siguiente.

Para Presentar Una Queja del Título VI

Qualquier persona que cree que ha sido descriminada en el servicio de o acceso a los servicios de transportación pública a base de raza, color o orgen nacional, puede presentar una queja con el sistema de tránsito do City of Atascadero. Dicha queja puede ser presentada por escrito con City a no más tardar de 30 días después de la supuesta descriminación. Para información como presentar una queja, usar la forma siguiente, o comuníquese con City a:

Dawn Patterson, Coordinador del Título VI
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422
(805) 470-3180
DPatterson@atascadero.org

APPENDIX H

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE TITLE VI PROGRAM AND
LIMITED ENGLISH PROFICIENCY PLAN FOR ATASCADERO TRANSIT SERVICES

WHEREAS, the City of Atascadero receives funds from Federal Transit Administration (FTA) for capital and operating assistance funds; and

WHEREAS, the City of Atascadero provides demand response transit services within the Atascadero city limits; and

WHEREAS, the City of Atascadero assures that no person or group will, on the basis of race, color, national origin or limited English proficiency be subjected to discrimination in the level and quality of transportation services, programs, or activities provided by the City, whether Federally funded or not; and

WHEREAS, the City of Atascadero has prepared the Title VI program in accordance to FTA Circular 4702.1B.

WHEREAS, the Federal Transit Administration requires transit operators to submit a Title VI Program Update every three years as a condition of receipt of FTA funds; and

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

The City of Atascadero's Title VI Program and Limited English Proficiency Plan for the Atascadero Transit Services is approved.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Atascadero held this 14th day of May, 2019.

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

AYES:
NOES:
ABSENT:
ADOPTED:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

City of Atascadero

Source: U.S. Census Bureau 2000

Subject	ZCTA5 93422	
	Number	Percent
LANGUAGE SPOKEN AT HOME		
Population 5 years and over	28,046	100.0
English only	26,117	93.1
Language other than English	1,929	6.9
Speak English less than "very well"	586	2.1
Spanish	1,346	4.8
Speak English less than "very well"	408	1.5
Other Indo-European languages	333	1.2
Speak English less than "very well"	64	0.2
Asian and Pacific Island languages	220	0.8
Speak English less than "very well"	114	0.4

ATASCADERO TRANSIT LIMITED ENGLISH PROFICIENCY (LEP) PLAN

CITY OF ATASCADERO

Introduction

This Limited English Proficiency (LEP) Plan has been prepared to address the City of Atascadero's responsibilities as a recipient of federal financial assistance as they relate to the needs of individuals with limited English language skills. The plan has been prepared in accordance with Title VI of the Civil Rights Act of 1964, Federal Transit Administration Circular 4702.1B dated October 1, 2012, which states that no person shall be subjected to discrimination on the basis of race, color or national origin.

Executive Order 13166, titled "Improving Access to Services for Persons with Limited English Proficiency (LEP)", indicates that differing treatment based upon a person's inability to speak, read, write or understand English is a type of national origin's discrimination. It directs each federal agency to publish guidance for its respective recipients clarifying their obligation to ensure that such discrimination does not take place. This order applies to all state and local agencies which receive federal funds.

Plan Summary

The City of Atascadero has developed this LEP Plan to help identify reasonable steps for providing language assistance to persons with Limited English Proficiency who wish to access Atascadero Transit transportation services in Atascadero. As defined in Executive Order 13166, LEP persons are those who do not speak English as their primary language and have limited ability to read, speak, write or understand English.

This plan outlines how to identify a person who may need language assistance, the ways in which assistance may be provided, staff training that may be required, and how to notify LEP persons that assistance is available.

In order to prepare this plan, the City undertook the U.S. Department of Transportation (U.S. DOT) four-factor LEP analysis which considers the following:

1. The number or proportion of LEP persons in the City of Atascadero who may be served or likely to be encounter Atascadero Transit programs or service.
2. The frequency with which LEP persons come in contact with Atascadero Transit programs or services.
3. The nature and importance of programs or services provided by Atascadero Transit to the LEP population.
4. The resources available to Atascadero Transit Division and overall cost to provide LEP assistance.

A summary of the results of Atascadero Transit's four-factor analysis is in the following section.

Four-Factor Analysis

1. The number or proportion of LEP persons in the City of Atascadero who may be served or are likely to encounter an Atascadero Transit program, activity or service.

Atascadero Transit staff reviewed the 2010 U.S. Census and current population and determined that of Atascadero's total population of 28,310, 7.5% (2,132) of the City's population speak a language other than English. Of this number, 790 (2.8%) have Limited English Proficiency; that is, they speak English "not well" or "not at all."

In the City of Atascadero, of those persons with Limited English Proficiency, 571 speak Spanish, 180 speak Asian and Pacific Island languages, and 39 speak other Indo-European languages.

2. The frequency with which LEP persons come in contact with Atascadero Transit programs, activities or services.

Atascadero Transit assessed the frequency with which staff and drivers have, or could have contact with LEP persons. This includes documenting phone inquiries and surveying vehicle operators for requests for interpreters and translated documents. The most frequent contacts with LEP persons are with dispatchers, consisting of approximately 2% of the total call volume. Several City employees speak fluent Spanish and provide translation assistance for dispatchers as needed. Documents related to fares, service changes and rider rules are posted on the transit vehicles in both English and Spanish. Rider information guides are also written in both English and Spanish

3. The nature and importance of programs, activities or services provided by Atascadero Transit to the LEP population.

Atascadero Transit provides demand response transit services within the City limits to locations as requested by the riders. Trips vary in nature, but typically include transportation for shopping, school, and medical appointments. While Atascadero Transit serves the general public, the ridership is primarily made up of seniors and persons with disabilities.

The largest proportion of LEP individuals in the City of Atascadero speak Spanish. The City has 2.8% of speakers who speak English less than "very well." Of these, 571 speak Spanish, 72% of the LEP's represented. Other LEP persons constitute the remaining >1% of the total City population. Due to the very small representation of other foreign languages (less than 1% Asian and Pacific Islanders, other Indo-European languages and other languages), Atascadero Transit has not historically taken special language accommodation measures for those non-Spanish speaking groups.

4. The resources available to Atascadero Transit and overall cost to provide LEP assistance.

Atascadero Transit has committed resources to improving access to its services and programs for LEP persons. Today, bilingual information (English/Spanish) is distributed in the following means:

- Bilingual English /Spanish transit website
- Bilingual English/Spanish Rider's Guide to demand response services
- Bilingual English/Spanish rider alerts
- Bilingual English/Spanish customer service representatives

To date, the costs associated with these efforts have been primarily associated with material production and paid by the annual Atascadero Transit budget.

Based on the four factor analysis, Atascadero Transit will develop its LEP Plan as outlined in the following section.

Identification of LEP Population

Atascadero Transit has developed several possible ways to assist in identifying LEP populations within the City, including:

1. Review prior requests for language assistance to determine if language assistance might be needed at future events or meetings.
2. Have a staff person greet participants as they arrive to Atascadero Transit sponsored events. By informally engaging participants in conversation, staff will gauge each attendee's ability to speak and understand English.
3. Develop identification cards that indicate primary language spoken for use at Atascadero Transit meetings and events. This will assist the City in identifying language assistance needs for future meetings.
4. Survey bus drivers and dispatchers annually on their experience concerning any contacts with LEP persons during the previous year.

Language Assistance Measures

There are numerous language assistance measures available to LEP persons, including both oral and written services. There are also various ways in which City staff can respond to LEP persons, whether in person, by telephone or in writing.

- Placement of statements in notices and publications that interpreter services are available for Atascadero Transit meetings.
- Post Atascadero Transit's Title VI Policy and LEP plan on the City of Atascadero's website, www.atascadero.org
- Survey bus drivers and dispatchers annually on their experience concerning any contacts with LEP persons during the previous year.
- When an interpreter is needed for a language other than Spanish, in person or on the telephone, staff will attempt to access language assistance services from a professional translation service or qualified community volunteers..

Safe Harbor Provision

The Federal Transit Authority Circular 4702.1B states:

"DOT has adopted DOJ's Safe Harbor Provision, which outlines circumstances that can provide a "safe harbor" for recipients regarding translation of written materials for LEP populations. The Safe Harbor Provision stipulates that, if a recipient provides written translation of vital documents for each eligible LEP language group that constitutes five percent (5%) or 1,000 persons, whichever is less, of the total population of persons eligible to be served or likely to be affected or encountered, then such action will be considered strong evidence of compliance with the recipient's written translation obligations. Translation of non-vital documents, if needed, can be provided orally. If there are fewer

than 50 persons in a language group that reaches the five percent (5%) trigger, the recipient is not required to translate vital written materials but should provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

These safe harbor provisions apply to the translation of written documents only. They do not affect the requirement to provide meaningful access to LEP individuals through competent oral interpreters where oral language services are needed and are reasonable. A recipient may determine, based on the Four Factor Analysis, that even though a language group meets the threshold specified by the Safe Harbor Provision, written translation may not be an effective means to provide language assistance measures. For example, a recipient may determine that a large number of persons in that language group have low literacy skills in their native language and therefore require oral interpretation.

Staff Training

The following training will be provided to Atascadero Transit staff:

1. Information on Atascadero Transit's Title VI Procedures and LEP responsibilities
2. Description of language assistance services offered to the public
3. Documentation of language assistance requests
4. How to handle a potential Title VI/LEP complaint

Outreach Techniques

The City's website provides material in both English and Spanish. The City also provides easy access to bilingual (English and Spanish) administrative staff at Atascadero City Hall during operating hours to answer questions for those LEP passengers who use Atascadero Transit.

Monitoring and Updating the LEP Plan

Atascadero Transit will update the LEP as required by U.S. DOT. At minimum, the plan will be reviewed and updated every three years. The most current U.S. Census data available will be used. Updates will include the following:

- The number of documented LEP person contacts encountered annually.
- How the needs of LEP persons have been addressed.
- Determination of the current LEP population in the service area per the latest Census reports.
- Determination as to whether the need for translation services has changed.
- Determine whether local language assistance programs have been effective and sufficient to meet the needs of the LEP public.
- Determine if Atascadero Transit's financial resources are sufficient to fund needed language assistance.
- Determine if Atascadero Transit has fully complied with the goals of this LEP Plan.
- Determine whether complaints have been received concerning the failure of Atascadero Transit to meet the needs of LEP individuals.

Dissemination of Atascadero Transit's LEP Plan

A link to the Atascadero Transit LEP Plan and the Title VI Procedures is included on the City website at www.atascadero.org. This link includes access to a complaint form, both in English and Spanish. Any person or agency with internet access will be able to access and download the plan from the City website. Alternatively, any person or agency may request a copy of the plan via telephone, fax, mail, e-mail or in person and shall be provided a copy of the plan at no cost. LEP individuals may also request copies of the plan in translation to languages other than English and Spanish, which the City will provide as feasible.

Questions or comments regarding the LEP Plan may be submitted to the City of Atascadero, Title VI Coordinator:

Dawn Patterson
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Phone: 805-470-3180

Fax: 805-470-3181

Email: DPatterson@atascadero.org (Title VI Coordinator)



Atascadero City Council

Staff Report – Administrative Services Department

Apple Valley Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020.
2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley).
3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.
5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020.
6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020.

REPORT-IN-BRIEF:

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 Atascadero Landscape 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 report and the levies must be approved by Council annually. This is done in a two-step process. Tonight, there are three resolutions for each district (a total of 6 resolutions in all) that must be passed in order to continue the assessments within the districts. The resolutions passed tonight will also establish the date and time for the public hearing. The public hearing is tentatively scheduled for June 11, 2019 at 6:00 p.m., at which time the final resolutions will be presented to the Council for consideration.

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% (CPI) 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** - initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020
2. **Draft Resolution B** - accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley)
3. **Draft Resolution C** - declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters
4. **Engineer's Annual Levy Report**- for the levy and collection of fiscal year 2019/2020 assessments for Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley)
5. **Draft Resolution D** - initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code
6. **Draft Resolution E** - preliminary approval of the Annual Engineer's Levy Report for Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020
7. **Draft Resolution F** - declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) for fiscal year 2019/2020
8. **Engineer's Annual Levy Report**- for the levy and collection of fiscal year 2019/2020 assessments for Atascadero Landscaping and Lighting District No. 01 (Apple Valley)

DRAFT RESOLUTION A

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

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) formed an assessment district to be designated as Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the “District”), for the purpose of funding the ongoing operation, maintenance and servicing of public streets, sidewalks, storm drain and flood control facilities installed in conjunction with the development of properties known as Apple Valley Tract 2495; and to levy and collect annual assessments related thereto. The 1982 Act provides for the formation of such an assessment district pursuant to *Article 3 Section 54710*, and provides for the levy and collection of assessments by the County on behalf of the City pursuant to *Article 4 Section 54718*; and

WHEREAS, the City Council has retained NBS as the Engineer of Work, for the purpose of assisting with the administration of the District, the establishment of annual assessments, and to prepare and file an Engineer’s Report with the City Clerk in accordance with the 1982 Act; and in accordance with the requirements of the *California Constitution, Articles XIII C and XIII D*.

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

SECTION 1. The City Council hereby orders the Engineer to prepare and file an Engineer’s Annual Levy Report concerning the levy of assessments for properties within the District as specified by *Article 4 Section 54716* of the 1982 Act.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District, and dedicated to the City of Atascadero for such maintenance.

SECTION 3. The territory within Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) consists of lots, parcels and subdivisions of land located in the development known as Apple Valley Tract 2495.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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, ACCEPTING AND PRELIMINARILY APPROVING THE ENGINEER'S ANNUAL LEVY REPORT REGARDING THE ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY)

The City Council of the City of Atascadero (hereafter referred to as "City Council") hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolution, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") regarding the assessment district to be designated as the Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the "District"), and the levy and collection of assessments related thereto, 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 "1982 Act"); and

WHEREAS, there has now been presented to this City Council the Report as specified by *Article 4 Section 54716* of said 1982 Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is preliminarily satisfied with the District and the budget items and documents as set forth therein, and is satisfied that the proposed assessments have been spread in accordance with the special benefits received from the improvements, operation, administration, maintenance and services to be performed within the District, as set forth in said Report.

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

SECTION 1. The preceding recitals are true and correct.

SECTION 2. That the Report as presented, consists of the following:

- a. A Description of Improvements.
- b. A Boundary Diagram of the District.
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The proposed Budget (Costs and Expenses) and the duration and collection of assessments.
- e. The District Roll containing the Levy for each Assessor Parcel Number within the District for fiscal year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis, and 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 Maximum Assessment described in the Report is hereby approved on a preliminary basis.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 C

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS WITHIN ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY) IN FISCAL YEAR 2019/2020, AND TO APPOINT A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) did by previous Resolution approve the levy and collection of annual assessments to pay for the operation, maintenance and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto for the assessment district designated as Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the “District”); and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk a Report in connection with the proposed District, and the levy of assessments for Fiscal Year 2019/2020 (July 1, 2019 and ending June 30, 2020) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIC and XIID*, and the City Council did by previous Resolution preliminarily approve such Report.

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

SECTION 1. The City Council hereby declares its intention to seek the annual levy of the District pursuant to the 1982 Act, over and including the land within the District boundary, and to levy and collect special benefit assessments on parcels of land within the District to pay for the costs and expenses associated with the operation, maintenance, repair and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District, and dedicated to the City of Atascadero for such maintenance. The Engineer’s Report, as ordered by previous Resolution, provides a full and complete description of the improvements within the District.

SECTION 3. The proposed territory within Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) consists of lots, parcels and subdivisions of land located in the development known as Apple Valley Tract 2495.

SECTION 4. The proposed assessments for the District are outlined in the Engineer's Report. The Report details the proposed assessments necessary to provide for the annual operation, administration, services and maintenance of the improvements described in Section 2 of this Resolution.

SECTION 5. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019 at 6:00 p.m. or as soon thereafter as feasible in the regular meeting chambers of the City Council located at 6500 Palma Avenue, Atascadero, California. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer's Report on file in the City Clerk's Office.

SECTION 6. The City Clerk shall give notice of the filing of the report and the time and place of the Public Hearing by publishing in a local newspaper one time at least 10 days prior to the Public Hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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

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 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. 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 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 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.

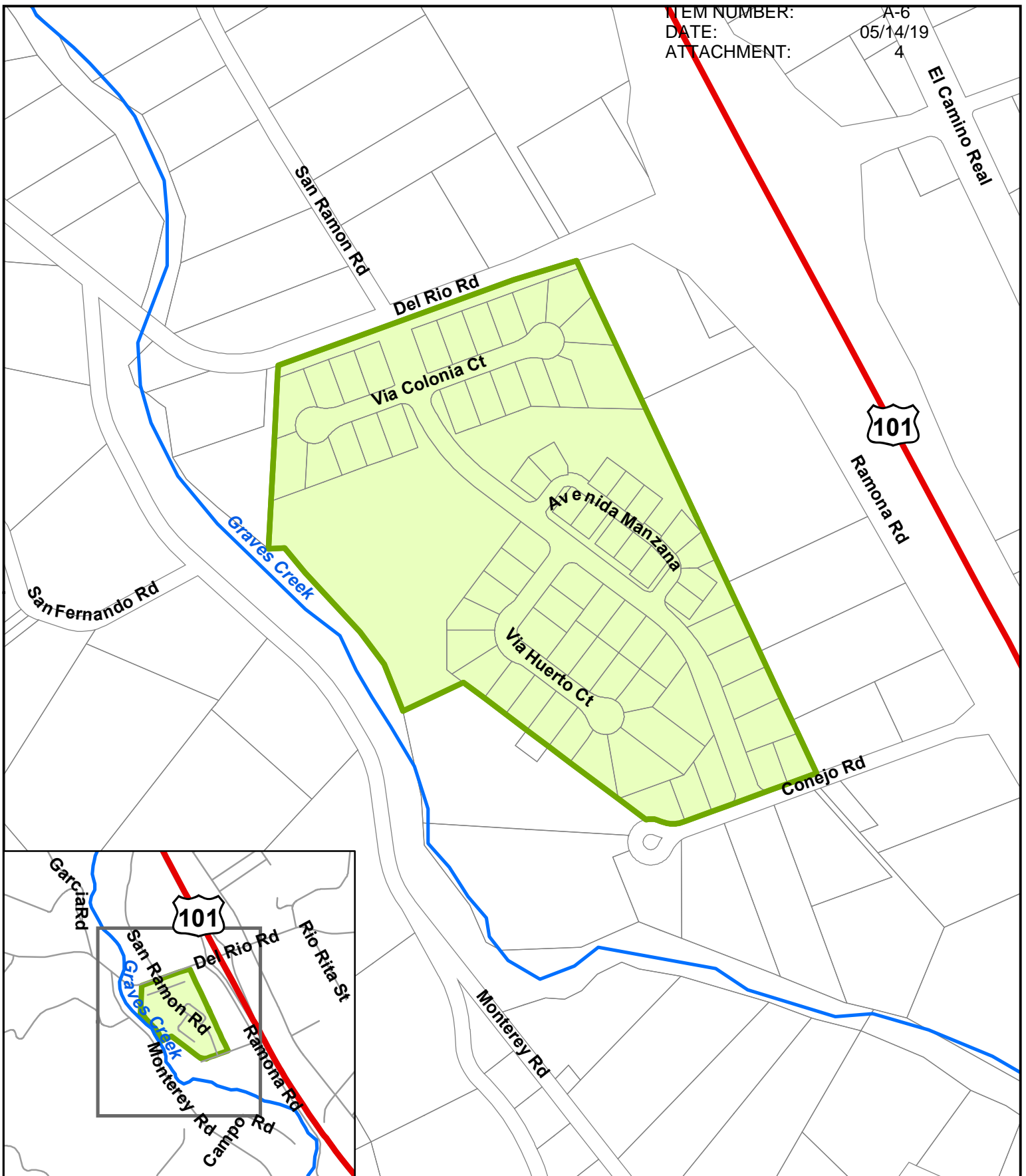
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the 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 D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, INITIATING PROCEEDINGS FOR
ANNUAL LEVY OF ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 01
(APPLE VALLEY) FOR FISCAL YEAR 2019/2020 PURSUANT TO THE
PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA
STREETS AND HIGHWAYS CODE**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolutions, formed the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) (hereafter referred to as “District”) pursuant to the provisions of 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”) that provides for levy and collection of assessments by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of lighting facilities, landscaping, and appurtenant facilities and operations related thereto; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIII D; and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the Annual Levy of the District and to prepare and file a report with the City Clerk in accordance with the Act.

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

SECTION 1. Engineer’s Annual Levy Report: The City Council hereby orders NBS to prepare the Engineer’s Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the Act.

SECTION 2. Proposed Improvements and Any Substantial Changes in Existing Improvements: The improvements within the District include the ongoing operation, administration, maintenance, servicing and incidental expenses related to the dedicated landscape areas, public street lighting and appurtenant facilities authorized pursuant to the Act that were installed as part of property development and associated with the District. Said improvements may 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

Engineer's Annual Levy Report describes any new improvements or substantial changes in existing improvements.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 E

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, FOR PRELIMINARY APPROVAL OF THE ENGINEER'S ANNUAL LEVY REPORT FOR THE ATASCADERO LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY) FOR FISCAL YEAR 2019/2020

The City Council of the City of Atascadero (hereafter referred to as "City Council") does resolve as follows:

WHEREAS, the City Council has, by previous Resolutions, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") for the district known and designated as the Atascadero Landscaping and Lighting Maintenance District No. 01 (Apple Valley) (hereafter referred to as the "District") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"); and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has now been presented with the Report as required by *Chapter 1, Article 4, Section 22566* of said Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented and is preliminarily satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied on a preliminary basis that the proposed assessments have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within each benefit zone as set forth in said Report.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. That the presented Report consists of the following:

- a. A Description of the Improvements
- b. The Annual Budget (Costs and Expenses of Services, Operation, and Maintenance)
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The District Roll containing the proposed assessment for each parcel within the District for Fiscal Year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 F

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY
AND COLLECT ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 01
(APPLE VALLEY) FOR FISCAL YEAR 2019/2020**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) does resolve as follows:

WHEREAS, The City Council has by previous Resolution initiated proceedings for fiscal year 2019/2020 regarding the levy and collection of assessments for the Atascadero Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the “District”). Pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with section 22500)* (hereafter referred to as the “Act”), assessments for the District shall be levied and collected by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of the improvements and facilities related thereto; and

WHEREAS, the proposed District assessments for fiscal year 2019/2020 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIID; and

WHEREAS, there has now been presented to this City Council an Engineer’s Annual Levy Report (hereafter referred to as the “Engineer’s Report”), and said Engineer’s Report has been filed with the City Clerk in accordance with the Act; and

WHEREAS, the City Council has examined and reviewed the Engineer’s Report as presented and is satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied that the proposed assessments contained therein, have been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed within the District, as set forth in said Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero, pursuant to Chapter 3, Section 22624 of the Act, as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby declares its intention to seek the annual levy and collection of assessments within the District pursuant to the Act, over and including the lands, lots and parcels within the District boundary. The City Council further declares its intention to levy and collect assessments on such land to pay the annual costs and expenses of the improvements and services described in Section 4 of this Resolution, for fiscal year 2019/2020.

SECTION 3. The boundaries of the District are described in the Engineer's Report and are consistent with the boundary established and described in the original formation documents, on file with the City Clerk, and incorporated herein by reference. The District is within the boundaries of the City of Atascadero, within the County of San Luis Obispo, State of California and includes the territory known as Apple Valley and referred to as the "Atascadero Landscaping and Lighting District No. 1".

SECTION 4. The improvements within the District include 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. 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.

SECTION 5. The proposed assessments for fiscal year 2019/2020, as outlined in the Engineer's Report, do not exceed the maximum assessment approved by the property owners through a property owner balloting proceeding conducted in 2005. As such, the proposed assessments do not constitute an increased assessment and do not require additional property owner approval in accordance with the requirements of the California Constitution, Article XIID.

SECTION 6. The City Council hereby declares its intention to conduct a Public Hearing concerning the District and the levy of assessments in accordance with *Chapter 3, Section 22626* of the Act.

SECTION 7. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019, at 6:00 p.m., at the City Council Chambers, 6500 Palma Avenue, Atascadero, California or as soon thereafter as feasible. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer's Report on file in the City Clerk's Office.

SECTION 8. The City Clerk shall give notice of the time and place of the Public Hearing to all property owners within the District pursuant to Sections 22626, 22552 and 22553 of the Act and 6061 of the Government Code by publishing this Resolution of Intention in a local newspaper one time at least 10 days prior to the Public hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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:

ITEM NUMBER:
DATE:
ATTACHMENT:

A-6
05/14/19
7

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:



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

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

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Associate Director

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1. ENGINEER'S LETTER

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

WHEREAS, on May 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.

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

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

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

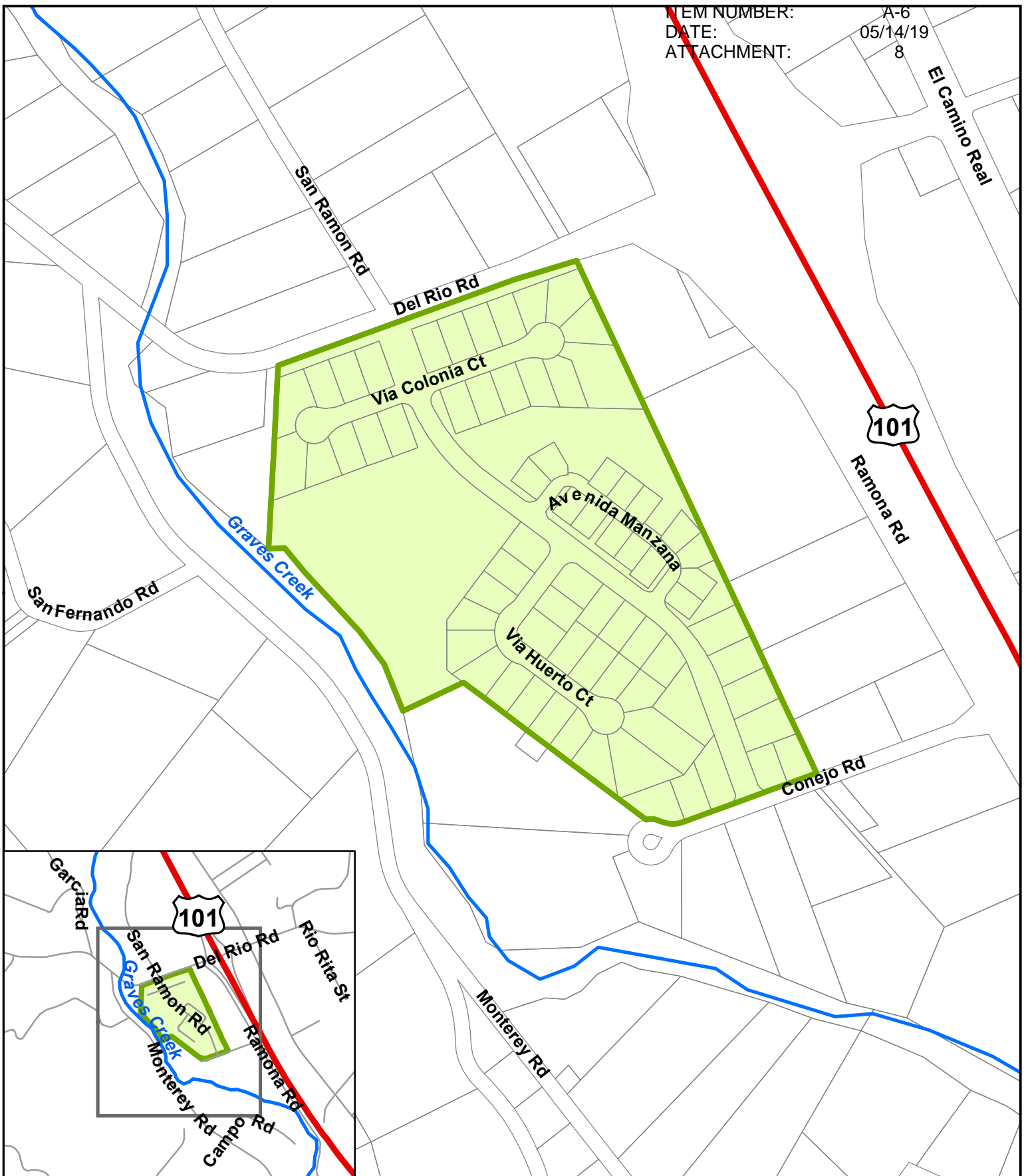
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

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

6. ASSESSMENT DIAGRAM

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

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



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

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

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

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

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

CITY OF ATASCADERO
Landscaping and Lighting District No. 01
(Apple Valley)
Fiscal Year 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 initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020.
2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.
5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020.
6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020.

REPORT-IN-BRIEF:

The City Council formed and began assessing Atascadero 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 Atascadero Landscape 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 landscape and lighting improvements within the De Anza Estates subdivision.

NBS, an independent financial consultant, was hired to prepare the engineer's report for the two districts. The engineer's report and the levies must be approved by Council annually. This is done in a two-step process. Tonight, there are three resolutions for each district (a total of 6 resolutions in all) that must be passed in order to continue the assessments within the districts. The resolutions passed tonight will also establish the date and time for the public hearing. The public hearing is tentatively scheduled for June 11, 2019, at 6:00 p.m., at which time the final resolutions will be presented to the Council for consideration.

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 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** - initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020
2. **Draft Resolution B** - accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates)
3. **Draft Resolution C** - declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters
4. **Engineer's Annual Levy Report**- for the levy and collection of fiscal year 2019/2020 assessments for Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates)
5. **Draft Resolution D** - initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code
6. **Draft Resolution E** - preliminary approval of the Annual Engineer's Levy Report for Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020
7. **Draft Resolution F** - declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 03 (De Anza Estates) for fiscal year 2019/2020
8. **Engineer's Report**- for the levy and collection of fiscal year 2019/2020 assessments for Landscaping and Lighting District No. 03 (De Anza Estates)

DRAFT RESOLUTION A

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

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) formed an assessment district to be designated as Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the “District”), for the purpose of funding the ongoing operation, maintenance and servicing of public streets, sidewalks, storm drain and flood control facilities installed in conjunction with the development of properties known as De Anza Estates Tract 2498; and to levy and collect annual assessments related thereto. The 1982 Act provides for the formation of such an assessment district pursuant to *Article 3 Section 54710*, and provides for the levy and collection of assessments by the County on behalf of the City pursuant to *Article 4 Section 54718*; and

WHEREAS, the City Council has retained NBS as the Engineer of Work, for the purpose of assisting with the administration of the District, the establishment of annual assessments, and to prepare and file an Engineer’s Report with the City Clerk in accordance with the 1982 Act; and in accordance with the requirements of the *California Constitution, Articles XIIC and XIID*.

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

SECTION 1. The City Council hereby orders the Engineer to prepare and file an Engineer’s Annual Levy Report concerning the levy of assessments for properties within the District as specified by *Article 4 Section 54716* of the 1982 Act.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District, and dedicated to the City of Atascadero for such maintenance.

SECTION 3. The territory within Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) consists of lots, parcels and subdivisions of land located in the development known as De Anza Estates Tract 2498.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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, ACCEPTING AND PRELIMINARILY APPROVING THE ENGINEER'S ANNUAL LEVY REPORT REGARDING THE ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03 (DE ANZA ESTATES)

The City Council of the City of Atascadero (hereafter referred to as "City Council") hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolution, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") regarding the assessment district to be designated as the Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the "District"), and the levy and collection of assessments related thereto, 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 "1982 Act"); and

WHEREAS, there has now been presented to this City Council the Report as specified by *Article 4 Section 54716* of said 1982 Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is preliminarily satisfied with the District and the budget items and documents as set forth therein, and is satisfied that the proposed assessments have been spread in accordance with the special benefits received from the improvements, operation, administration, maintenance and services to be performed within the District, as set forth in said Report.

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

SECTION 1. The preceding recitals are true and correct.

SECTION 2. That the Report as presented, consists of the following:

- a. A Description of Improvements.
- b. A Boundary Diagram of the District.
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The proposed Budget (Costs and Expenses) and the duration and collection of assessments.
- e. The District Roll containing the Levy for each Assessor Parcel Number within the District for fiscal year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis, and 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 Maximum Assessment described in the Report is hereby approved on a preliminary basis.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 C

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS WITHIN ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03 (DE ANZA ESTATES) IN FISCAL YEAR 2019/2020, AND TO APPOINT A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) did by previous Resolution approve the levy and collection of annual assessments to pay for the operation, maintenance and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto for the assessment district designated as Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the “District”); and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk a Report in connection with the proposed District, and the levy of assessments for Fiscal Year 2019/2020 (July 1, 2019 and ending June 30, 2020) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIC and XIID*, and the City Council did by previous Resolution preliminarily approve such Report.

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

SECTION 1. The City Council hereby declares its intention to seek the annual levy of the District pursuant to the 1982 Act, over and including the land within the District boundary, and to levy and collect special benefit assessments on parcels of land within the District to pay for the costs and expenses associated with the operation, maintenance, repair and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District, and dedicated to the City of Atascadero for such maintenance. The Engineer’s Report, as ordered by previous Resolution, provides a full and complete description of the improvements within the District.

SECTION 3. The proposed territory within Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) consists of lots, parcels and subdivisions of land located in the development known as De Anza Estates Tract 2498.

SECTION 4. The proposed assessments for the District are outlined in the Engineer's Report. The Report details the proposed assessments necessary to provide for the annual operation, administration, services and maintenance of the improvements described in Section 2 of this Resolution.

SECTION 5. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019 at 6:00 p.m. or as soon thereafter as feasible in the regular meeting chambers of the City Council located at 6500 Palma Avenue, Atascadero, California. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer's Report on file in the City Clerk's Office.

SECTION 6. The City Clerk shall give notice of the filing of the report and the time and place of the Public Hearing by publishing in a local newspaper one time at least 10 days prior to the Public Hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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:

**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)

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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 XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

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

5.3.1 ZONES OF BENEFIT:

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

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

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

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

5.3.2 EQUIVALENT BENEFIT UNITS:

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

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

5.3.3 EBU APPLICATION BY LAND USE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.4 Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles 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.

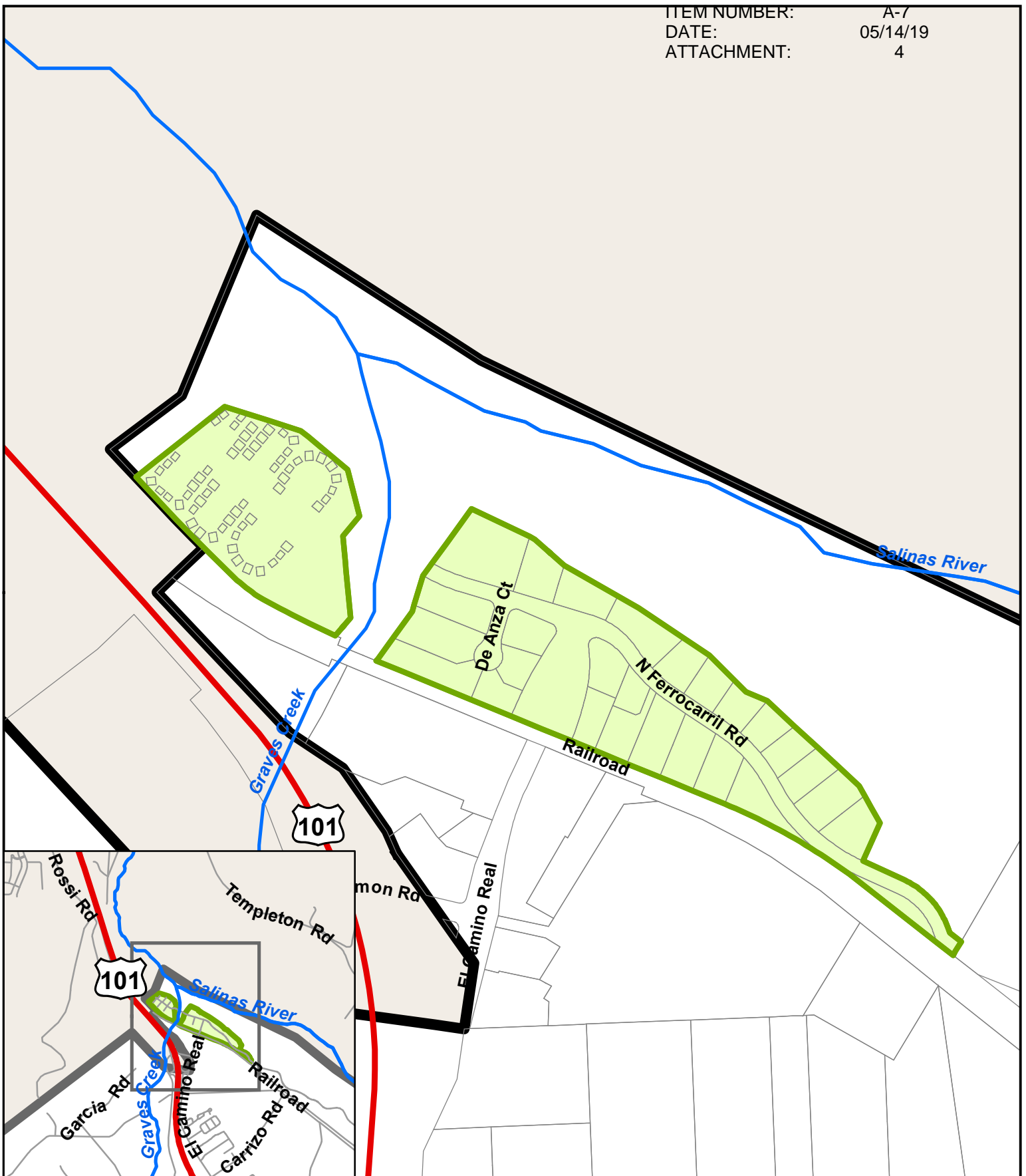
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the 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



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 D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, INITIATING PROCEEDINGS FOR
ANNUAL LEVY OF ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 3 (DE
ANZA ESTATES) FOR FISCAL YEAR 2019/2020 PURSUANT TO THE
PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA
STREETS AND HIGHWAYS CODE**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolutions, formed the Atascadero Landscaping and Lighting Maintenance District No. 3 (hereafter referred to as “District”) pursuant to the provisions of 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”) that provides for levy and collection of assessments by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of lighting facilities, landscaping, and appurtenant facilities and operations related thereto; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the Annual Levy of the District and to prepare and file a report with the City Clerk in accordance with the Act.

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

SECTION 1. Engineer’s Annual Levy Report: The City Council hereby orders NBS to prepare the Engineer’s Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the Act.

SECTION 2. Proposed Improvements and Any Substantial Changes in Existing Improvements: The improvements within the District include the ongoing operation, administration, maintenance, servicing and incidental expenses related to the dedicated landscape areas, public street lighting and appurtenant facilities authorized pursuant to the Act that were installed as part of property development and associated with the District. Said improvements may 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

Engineer's Annual Levy Report describes any new improvements or substantial changes in existing improvements.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 E

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, FOR PRELIMINARY APPROVAL OF
THE ENGINEER'S ANNUAL LEVY REPORT FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 3 (DE
ANZA ESTATES) FOR FISCAL YEAR 2019/2020**

The City Council of the City of Atascadero (hereafter referred to as "City Council") does resolve as follows:

WHEREAS, the City Council has, by previous Resolutions, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") for the district known and designated as the Atascadero Landscaping and Lighting Maintenance District No. 3 (hereafter referred to as the "District") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"); and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has now been presented with the Report as required by *Chapter 1, Article 4, Section 22566* of said Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented and is preliminarily satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied on a preliminary basis that the proposed assessments have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within each benefit zone as set forth in said Report.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. That the presented Report consists of the following:

- a. A Description of the Improvements
- b. The Annual Budget (Costs and Expenses of Services, Operation, and Maintenance)
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The District Roll containing the proposed assessment for each parcel within the District for Fiscal Year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 F

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY
AND COLLECT ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 03
(DE ANZA ESTATES) FOR FISCAL YEAR 2019/2020**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) does resolve as follows:

WHEREAS, The City Council has by previous Resolution initiated proceedings for fiscal year 2019/2020 regarding the levy and collection of assessments for the Atascadero Landscaping and Lighting District No. 3 (hereafter referred to as the “District”). Pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with section 22500)* (hereafter referred to as the “Act”), assessments for the District shall be levied and collected by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of the improvements and facilities related thereto; and

WHEREAS, the proposed District assessments for fiscal year 2019/2020 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIID; and

WHEREAS, there has now been presented to this City Council an Engineer’s Annual Levy Report (hereafter referred to as the “Engineer’s Report”), and said Engineer’s Report has been filed with the City Clerk in accordance with the Act; and

WHEREAS, the City Council has examined and reviewed the Engineer’s Report as presented and is satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied that the proposed assessments contained therein, have been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed within the District, as set forth in said Report.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby declares its intention to seek the annual levy and collection of assessments within the District pursuant to the Act, over and including the lands, lots and parcels within the District boundary. The City Council further declares its intention to levy and collect assessments on such land to pay the annual costs and expenses of the improvements and services described in Section 4 of this Resolution, for fiscal year 2019/2020.

SECTION 3. The boundaries of the District are described in the Engineer's Report and are consistent with the boundary established and described in the original formation documents, on file with the City Clerk, and incorporated herein by reference. The District is within the boundaries of the City of Atascadero, within the County of San Luis Obispo, State of California and includes the territory known as De Anza Estates and referred to as the "Atascadero Landscaping and Lighting District No. 03".

SECTION 4. The improvements within the District include 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. 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.

SECTION 5. The proposed assessments for fiscal year 2019/2020, as outlined in the Engineer's Report, do not exceed the maximum assessment approved by the property owners through a property owner balloting proceeding conducted in 2005. As such, the proposed assessments do not constitute an increased assessment and do not require additional property owner approval in accordance with the requirements of the California Constitution, Article XIID.

SECTION 6. The City Council hereby declares its intention to conduct a Public Hearing concerning the District and the levy of assessments in accordance with Chapter 3, Section 22626 of the Act.

SECTION 7. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019, at 6:00 p.m., at the City Council Chambers, 6500 Palma Avenue, Atascadero, California or as soon thereafter as feasible. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer's Report on file in the City Clerk's Office.

SECTION 8. The City Clerk shall give notice of the time and place of the Public Hearing to all property owners within the District pursuant to Sections 22626, 22552 and 22553 of the Act and 6061 of the Government Code by publishing this Resolution of Intention in a local newspaper one time at least 10 days prior to the Public hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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:

CITY OF ATASCADERO

By: _____
Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. 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)

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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 XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 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 2498; and by reference these plans and specifications are made part of this Report.

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by The 1972 Act

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

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

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

3.3 Description of Improvements and Services

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

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

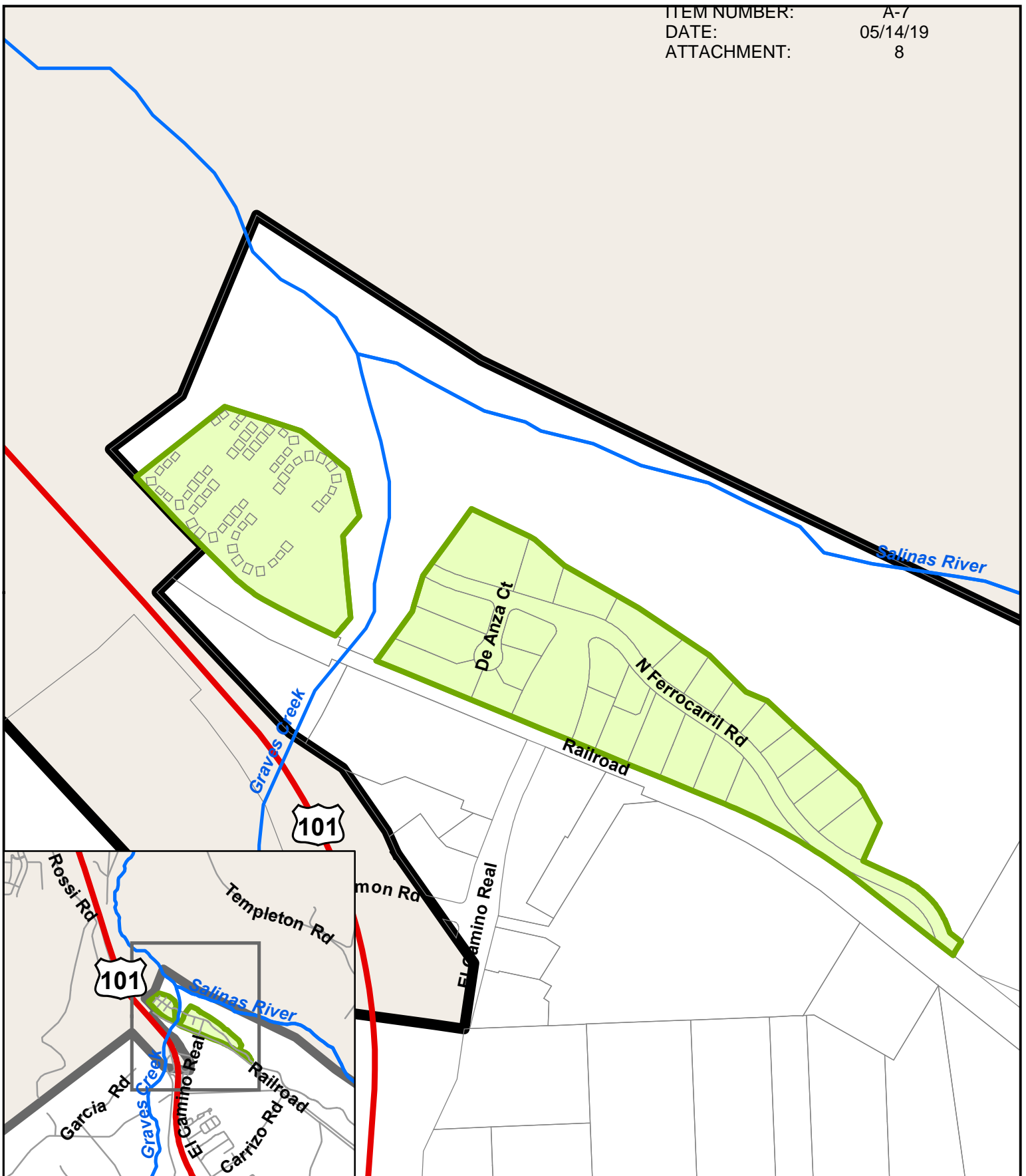
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the 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



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

Las Lomas (Woodridge) Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020.
2. Adopt Draft Resolution B accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge).
3. Adopt Draft Resolution C declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters.
4. Adopt Draft Resolution D initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code.
5. Adopt Draft Resolution E for preliminary approval of the Annual Engineer's Levy Report for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020.
6. Adopt Draft Resolution F declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020.

REPORT-IN-BRIEF:

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 subdivision.

The City Council also formed and began assessing Atascadero Landscape 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 report for the two districts. The engineer's report and the levies must be approved by Council annually. This is done in a two-step process. Tonight, there are three resolutions for each district (a total of 6 resolutions in all) that must be passed in order to continue the assessments within the districts. The resolutions passed tonight will also establish the date and time for the public hearing. The public hearing is tentatively scheduled for June 11, 2019, at 6:00 p.m. or soon thereafter, at which time the final resolutions will be presented to the Council for passage.

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** - initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020
2. **Draft Resolution B** - accepting and preliminarily approving the Engineer's Annual Levy Report regarding the Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge)
3. **Draft Resolution C** - declaring the City's intention to levy and collect annual assessments within Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) in fiscal year 2019/2020, and to appoint a time and place for the public hearing on these matters
4. **Engineer's Annual Levy Report**- for the levy and collection of fiscal year 2019/2020 assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge)
5. **Draft Resolution D** - initiating proceedings for annual levy of assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code
6. **Draft Resolution E** - preliminary approval of the Annual Engineer's Levy Report for Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020
7. **Draft Resolution F** - declaring the City's intention to levy and collect assessments for the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) for fiscal year 2019/2020
8. **Engineer's Annual Levy Report**- for the levy and collection of fiscal year 2019/2020 assessments for Atascadero Landscaping and Lighting District No. 02 (Woodridge)

DRAFT RESOLUTION A

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

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) formed an assessment district to be designated as Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the “District”), for the purpose of funding the ongoing operation, maintenance and servicing of public streets, sidewalks, storm drain and flood control facilities installed in conjunction with the development of properties known as Tract 2525-1; and to levy and collect annual assessments related thereto. The 1982 Act provides for the formation of such an assessment district pursuant to *Article 3 Section 54710*, and provides for the levy and collection of assessments by the County on behalf of the City pursuant to *Article 4 Section 54718*; and

WHEREAS, the City Council has retained NBS as the Engineer of Work, for the purpose of assisting with the administration of the District, the establishment of annual assessments, and to prepare and file an Engineer’s Report with the City Clerk in accordance with the 1982 Act; and in accordance with the requirements of the *California Constitution, Articles XIII C and XIII D*.

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

SECTION 1. The City Council hereby orders the Engineer to prepare and file an Engineer’s Annual Levy Report concerning the levy of assessments for properties within the District as specified by *Article 4 Section 54716* of the 1982 Act.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District.

SECTION 3. The territory within Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) consists of lots, parcels and subdivisions of land located in the development known as Tract 2525-1.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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, ACCEPTING AND PRELIMINARILY APPROVING THE ENGINEER'S ANNUAL LEVY REPORT REGARDING THE ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02 (WOODRIDGE)

The City Council of the City of Atascadero (hereafter referred to as "City Council") hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolution, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") regarding the assessment district to be designated as the Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the "District"), and the levy and collection of assessments related thereto, 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 "1982 Act"); and

WHEREAS, there has now been presented to this City Council the Report as specified by *Article 4 Section 54716* of said 1982 Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is preliminarily satisfied with the District and the budget items and documents as set forth therein, and is satisfied that the proposed assessments have been spread in accordance with the special benefits received from the improvements, operation, administration, maintenance and services to be performed within the District, as set forth in said Report.

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

SECTION 1. The preceding recitals are true and correct.

SECTION 2. That the Report as presented, consists of the following:

- a. A Description of Improvements.
- b. A Boundary Diagram of the District.
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The proposed Budget (Costs and Expenses) and the duration and collection of assessments.
- e. The District Roll containing the Levy for each Assessor Parcel Number within the District for fiscal year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis, and 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 Maximum Assessment described in the Report is hereby approved on a preliminary basis.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 C

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS WITHIN ATASCADERO STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02 (WOODRIDGE) IN FISCAL YEAR 2019/2020, AND TO APPOINT A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council 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 “1982 Act”) did by previous Resolution approve the levy and collection of annual assessments to pay for the operation, maintenance and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto for the assessment district designated as Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the “District”); and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk a Report in connection with the proposed District, and the levy of assessments for Fiscal Year 2019/2020 (July 1, 2019 and ending June 30, 2020) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIC and XIID*, and the City Council did by previous Resolution preliminarily approve such Report.

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

SECTION 1. The City Council hereby declares its intention to seek the annual levy of the District pursuant to the 1982 Act, over and including the land within the District boundary, and to levy and collect special benefit assessments on parcels of land within the District to pay for the costs and expenses associated with the operation, maintenance, repair and servicing of public streets, drainage and flood control systems and appurtenant facilities related thereto.

SECTION 2. The District improvements include the ongoing operation, administration, maintenance and servicing of the public streets, drainage and flood control systems and appurtenant facilities authorized pursuant to the 1982 Act that were installed as part of property development and associated with the District. Said improvements may include, but are not limited to pavement, curbs, sidewalks, hardscape, bridges, fencing, signage, drains, pipes, inlets, outlets, catch basins, drainage basins, manholes, and associated appurtenant facilities located within the public street right-of-ways and other public easements within the District. The Engineer’s Report, as ordered by previous Resolution, provides a full and complete description of the improvements within the District.

SECTION 3. The proposed territory within Street and Storm Drain Maintenance District No. 02 (Woodridge) consists of lots, parcels and subdivisions of land located in the development known as Tract 2525-1.

SECTION 4. The proposed assessments for the District are outlined in the Engineer's Report. The Report details the proposed assessments necessary to provide for the annual operation, administration, services and maintenance of the improvements described in Section 2 of this Resolution.

SECTION 5. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019 at 6:00 p.m. or as soon thereafter as feasible in the regular meeting chambers of the City Council located at 6500 Palma Avenue, Atascadero, California. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer's Report on file in the City Clerk's Office.

SECTION 6. The City Clerk shall give notice of the filing of the report and the time and place of the Public Hearing by publishing in a local newspaper one time at least 10 days prior to the Public Hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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:

**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 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. 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 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 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-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 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.

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

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

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.

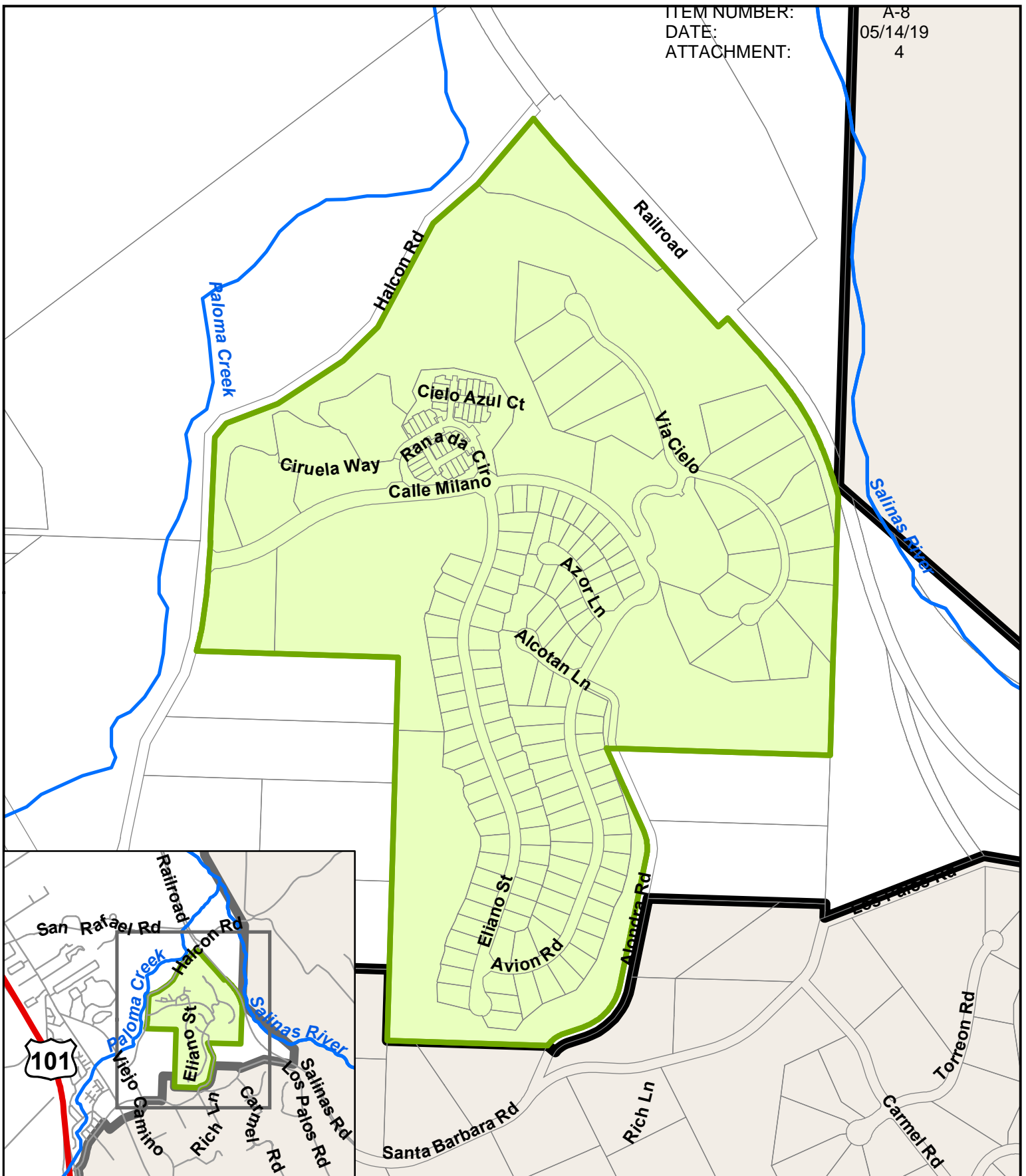
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the 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. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

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



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2



7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 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 D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, INITIATING PROCEEDINGS FOR
ANNUAL LEVY OF ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 02
(WOODRIDGE) FOR FISCAL YEAR 2019/2020 PURSUANT TO THE
PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA
STREETS AND HIGHWAYS CODE**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has, by previous Resolutions, formed the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) (hereafter referred to as “District”) pursuant to the provisions of 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”) that provides for levy and collection of assessments by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of lighting facilities, landscaping, and appurtenant facilities and operations related thereto; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the Annual Levy of the District and to prepare and file a report with the City Clerk in accordance with the Act.

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

SECTION 1. Engineer’s Annual Levy Report: The City Council hereby orders NBS to prepare the Engineer’s Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the Act.

SECTION 2. Proposed Improvements and Any Substantial Changes in Existing Improvements: The improvements within the District include the ongoing operation, administration, maintenance, servicing and incidental expenses related to the dedicated landscape areas, public street lighting and appurtenant facilities authorized pursuant to the Act that were installed as part of property development and associated with the District. Said improvements may 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 Engineer's Annual Levy Report describes any new improvements or substantial changes in existing improvements.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 E

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, FOR PRELIMINARY APPROVAL OF
THE ENGINEER'S ANNUAL LEVY REPORT FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 02
(WOODRIDGE) FOR FISCAL YEAR 2019/2020**

The City Council of the City of Atascadero (hereafter referred to as "City Council") does resolve as follows:

WHEREAS, the City Council has, by previous Resolutions, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") for the district known and designated as the Atascadero Landscaping and Lighting Maintenance District No. 02 (Woodridge) (hereafter referred to as the "District") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"); and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has now been presented with the Report as required by *Chapter 1, Article 4, Section 22566* of said Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented and is preliminarily satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied on a preliminary basis that the proposed assessments have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within each benefit zone as set forth in said Report.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. That the presented Report consists of the following:

- a. A Description of the Improvements
- b. The Annual Budget (Costs and Expenses of Services, Operation, and Maintenance)
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The District Roll containing the proposed assessment for each parcel within the District for Fiscal Year 2019/2020.

SECTION 3. The Report is hereby approved on a preliminary basis and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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 F

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO LEVY
AND COLLECT ASSESSMENTS FOR THE ATASCADERO
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 02
(WOODRIDGE) FOR FISCAL YEAR 2019/2020**

The City Council of the City of Atascadero (hereafter referred to as “City Council”) does resolve as follows:

WHEREAS, The City Council has by previous Resolution initiated proceedings for fiscal year 2019/2020 regarding the levy and collection of assessments for the Atascadero Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the “District”). Pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with section 22500)* (hereafter referred to as the “Act”), assessments for the District shall be levied and collected by the County of San Luis Obispo for the City of Atascadero to pay the maintenance and services of the improvements and facilities related thereto; and

WHEREAS, the proposed District assessments for fiscal year 2019/2020 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIID; and

WHEREAS, there has now been presented to this City Council an Engineer’s Annual Levy Report (hereafter referred to as the “Engineer’s Report”), and said Engineer’s Report has been filed with the City Clerk in accordance with the Act; and

WHEREAS, the City Council has examined and reviewed the Engineer’s Report as presented and is satisfied with the Report, each of the budget items and documents as set forth therein and is satisfied that the proposed assessments contained therein, have been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed within the District, as set forth in said Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero pursuant to Chapter 3, Section 22624 of the Act, as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby declares its intention to seek the annual levy and collection of assessments within the District pursuant to the Act, over and including the lands, lots and parcels within the District boundary. The City Council further declares its intention to levy and collect assessments on such land to pay the annual costs and expenses of the improvements and services described in Section 4 of this Resolution, for fiscal year 2019/2020.

SECTION 3. The boundaries of the District are described in the Engineer’s Report and are consistent with the boundary established and described in the original formation documents, on file with the City Clerk, and incorporated herein by reference. The District is within the boundaries of the

City of Atascadero, within the County of San Luis Obispo, State of California and includes the territory known as Woodridge and referred to as the “Atascadero Landscaping and Lighting District No. 02”.

SECTION 4. The improvements within the District include 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. 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.

SECTION 5. The proposed assessments for fiscal year 2019/2020, as outlined in the Engineer’s Report, do not exceed the maximum assessment approved by the property owners through a property owner balloting proceeding conducted in 2005. As such, the proposed assessments do not constitute an increased assessment and do not require additional property owner approval in accordance with the requirements of the California Constitution, Article XIID.

SECTION 6. The City Council hereby declares its intention to conduct a Public Hearing concerning the District and the levy of assessments in accordance with *Chapter 3, Section 22626* of the Act.

SECTION 7. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on Tuesday, June 11, 2019, at 6:00 p.m., at the City Council Chambers, 6500 Palma Avenue, Atascadero, California or as soon thereafter as feasible. At the Public Hearing, all interested persons shall be given an opportunity to hear and be heard on the proposed assessment to be levied for fiscal year 2019/2020 as contained in the Engineer’s Report on file in the City Clerk’s Office.

SECTION 8. The City Clerk shall give notice of the time and place of the Public Hearing to all property owners within the District pursuant to Sections 22626, 22552 and 22553 of the Act and 6061 of the Government Code by publishing this Resolution of Intention in a local newspaper one time at least 10 days prior to the Public hearing.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th 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-8
05/14/19
7

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.

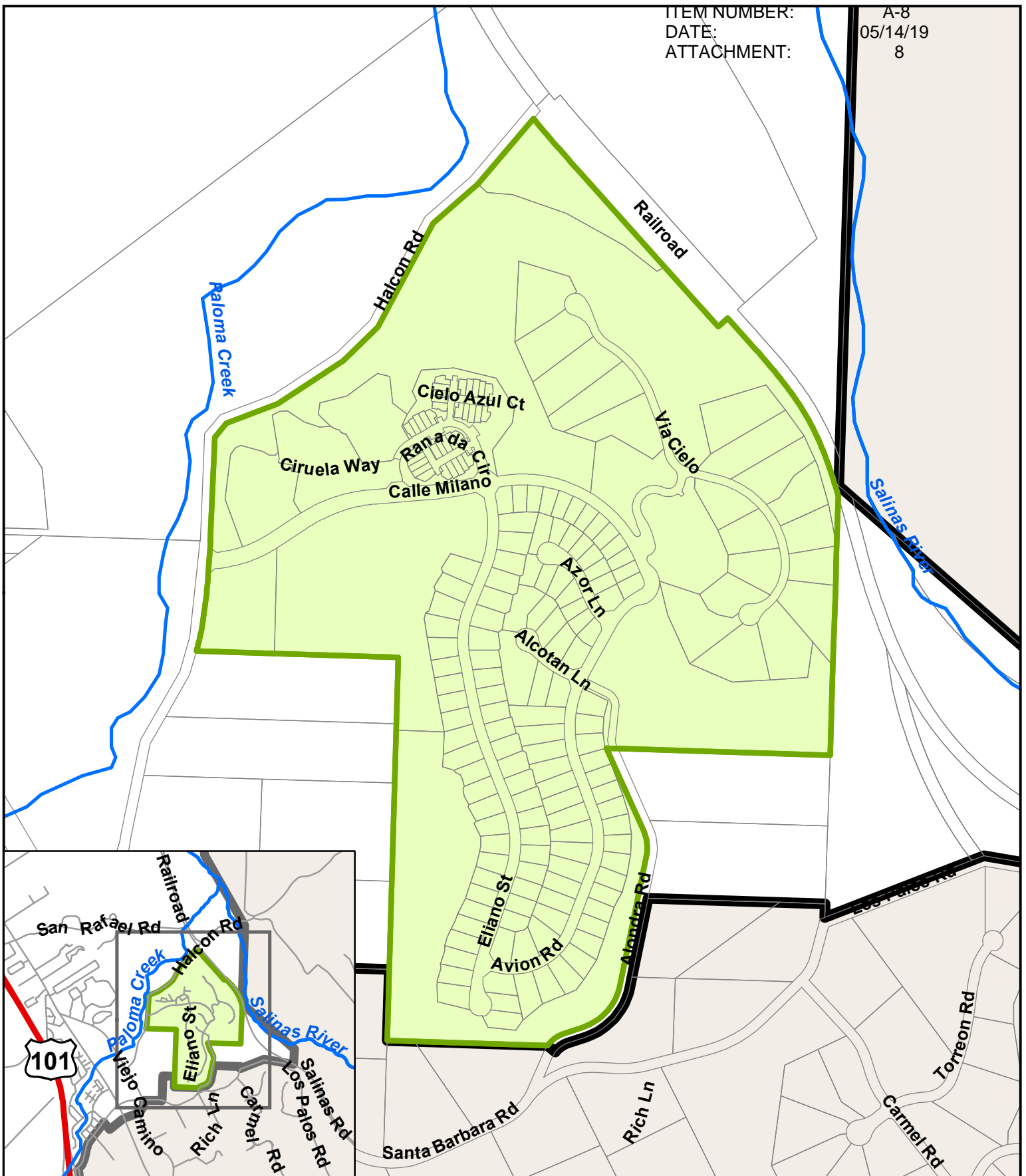
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the 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



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 – Fire & Emergency Services

Weed Abatement – Hearing of Objections

RECOMMENDATIONS:

Council:

1. Hear all objections to the proposed removal of vegetative growth and/or refuse and allow or overrule any objections.
2. Authorize the Fire Chief to proceed and perform the work of abatement.

DISCUSSION:

The Municipal Code, Section 6-13.03, addresses the abatement of vegetative growth and/or refuse, which constitute a hazard. The Fire Department conducted its initial inspection during the month of April. There are approximately 11,115 parcels within the City.

Compliance with the Weed Abatement Section of the City's Municipal Code is a critical component of the Fuel Management Plan. The City of Atascadero does not want to be in the mowing business. The intent of this program is to encourage citizens to independently manage the weeds on their properties. An efficient Fuel Management Program helps the City keep wildland fires at a minimum and staffing down.

The City charges each parcel the direct costs of the contractor plus an additional 166% as well as \$260 flat fee as a charge to those properties that are not in compliance with the Municipal Code. This fee structure is intended to cover 100% of the cost of the weed abatement program for those parcels that do not mow their weeds by the June 1st deadline. This helps insure that compliant property owners/tax payers do not subsidize the cost of the program.

As part of the abatement process, the City Council is required to hear objections to the proposed removal of vegetative growth and/or refuse. This hearing allows any affected property owner to object to the proposed abatement of hazards on their property.

FISCAL IMPACT:

None. Costs of the weed abatement program are recovered through the assessments charged to non-compliant parcels that must be abated by the City Contractor. Those property owners who comply with the Municipal Code are not assessed or charged.

ALTERNATIVES:

No alternative is recommended.

ATTACHMENTS:

None.



Atascadero City Council

Staff Report – Administrative Services Department

Amendment to the Contract Between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System (CalPERS)

RECOMMENDATION:

Council adopt on second reading by title only, the Draft Ordinance authorizing the Mayor to execute an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees' Retirement System.

DISCUSSION:

The City Council adopted a Memorandum of Understanding (MOU) with the Atascadero Professional Firefighters Local 3600 (AFFA) labor group. The MOU provides that effective June 22, 2019, all covered employees will receive a 4.05% salary increase and will begin paying an additional 3% towards retirement costs (Tier 1 and Tier 2 employees only). In order to allow this a change to occur, the City must modify its contract with California Public Employees' Retirement System (CalPERS).

Amending the contract with CalPERS is a multi-step process. At the April 23, 2019 Meeting, the City Council took the first steps in the process to change the amendment by adopting Resolution No. 2019-xxx declaring the intention to amend the contract and introducing, by first reading, Draft ordinance authorizing the Mayor to execute the amendment.

Following the Council meeting, a secret ballot election was held for all affected members covered by the AFFA MOU. Nineteen AFFA members were eligible to vote, of which 16 ballots were cast. All ballots were cast in favor and the amendment was unanimously approved by the AFFA.

The final step is the second reading of the Ordinance. If adopted by Council, staff will complete the process with CalPERS.

FISCAL IMPACT:

There's no change to the current or future fiscal impact to the City with the adoption of the Contract Amendment with CalPERS.

ATTACHMENTS:

Draft Ordinance

DRAFT ORDINANCE

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF ATASCADERO, CALIFORNIA, AUTHORIZING AN
AMENDMENT TO THE CONTRACT BETWEEN THE CITY
COUNCIL OF THE CITY OF ATASCADERO AND THE
BOARD OF ADMINISTRATION OF THE CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS
FOLLOWS:**

SECTION 1. That an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2. The Mayor of the City of Atascadero is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of Atascadero's book of original ordinances, make a note of the passage and adoption in the records of this meeting and within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 4. This Ordinance will take effect 30 days after the date of its final passage and adoption and thenceforth and thereafter the same shall be in full force and effect.

INTRODUCED at a regular meeting of the City Council held on _____, 2019 and **PASSED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on ____, 2019.

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Atascadero

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective April 19, 1980, and witnessed March 19, 1980, and as amended effective July 1, 1980, April 30, 1983, January 7, 1984, July 14, 1990, November 9, 1991, April 12, 1992, August 29, 1992, December 26, 1997, July 3, 1999, June 23, 2001, July 13, 2002, July 10, 2004, June 23, 2007 and July 14, 2012 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective July 14, 2012, and hereby replaced by the following paragraphs numbered 1 through 19 inclusive:
 1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members; age 62 for new local miscellaneous members, age 50 for classic local safety members entering membership in the safety classification on or prior to July 14, 2012; age 55 for classic local safety members entering membership for the first time in the safety classification after July 14, 2012 and age 57 for new safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after April 19, 1980 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

NO ADDITIONAL EXCLUSIONS

6. This contract shall be a continuation of the benefits of the contract of the Atascadero Fire Protection District, hereinafter referred to as "Former Agency", pursuant to Section 20567.2 of the Government Code, Former Agency having ceased to exist and having been required by law to be succeeded by Public Agency on July 1, 1980. Public Agency, by this contract, assumes the accumulated contributions and assets derived therefrom and liability for prior and current service under Former Agency's contract with respect to the Former Agency's employees. Legislation repealed said Section effective January 1, 1988.
7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after June 23, 2007 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after June 23, 2007 and not entering membership for the first time in the miscellaneous classification after July 14, 2012 shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after July 14, 2012, shall be determined in accordance with Section 21354 (2% at age 55 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to July 14, 2012, shall be determined in accordance with Section 21363.2 of said Retirement Law (3% at age 50 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a classic local safety member entering membership for the first time in the safety classification after July 14, 2012, shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local safety members only.
 - b. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance) for local miscellaneous members only.
 - c. Section 21024 (Military Service Credit as Public Service).
 - d. Section 20903 (Two Years Additional Service Credit).
 - e. Section 20042 (One-Year Final Compensation) for classic local miscellaneous members and classic local safety members entering membership on or prior to July 14, 2012.
 - f. Section 20965 (Credit for Unused Sick Leave) for local safety members only.
 - g. Section 20475 (Different Level of Benefits). Section 21354 (2% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after July 14, 2012.

Section 20475 (Different Level of Benefits). Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local safety members entering membership for the first time with this agency in the safety classification after July 14, 2012.
 - h. Section 20516 (Employees Sharing Additional Cost):

From and after the effective date of this amendment to contract, 3% for classic local fire members in the Atascadero Professional Firefighters Local 3600.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency, in accordance with Government Code Section 20834, shall not be considered an "employer" for purposes of the Public Employees' Retirement Law. Contributions of the Public Agency shall be fixed and determined as provided in Government Code Section 20834, and such contributions hereafter made shall be held by the Board as provided in Government Code Section 20834.
16. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
17. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local safety members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
18. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

19. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF ATASCADERO

BY _____
ARNITA PAIGE, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk



Atascadero City Council

Staff Report - Public Works Department

Wastewater Rate Study and Proposed Sewer Service Rate Increases

RECOMMENDATIONS:

Council:

1. Receive and file report on Wastewater Rate Study.
2. Adopt Draft Resolution establishing procedures for the submission and tabulation of protests in connection with rate hearings conducted pursuant to the requirements of Proposition 218.
3. Direct staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners connected to the municipal sanitary sewer system.
4. Set a Public Hearing on July 9, 2019 for the City Council's consideration of the proposed wastewater rate increases.
5. Approve a budget amendment and authorize the Director of Administrative Services to appropriate \$5,000 from the Wastewater Fund for costs related to the Proposition 218 majority protest process.
6. Approve a budget amendment and authorize the Director of Administrative Services to appropriate an additional \$15,000 from the Wastewater Fund to professional services related to wastewater rate study and support activities.

REPORT IN BRIEF:

The City is proposing to increase wastewater rates in order to accommodate the costs of providing wastewater services due to a number of key factors including but not limited to rising treatment and energy costs; impacts of regulation and legislation; and past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure. The last time wastewater rates increased for Atascadero wastewater customers was 1994. Since that time, voters approved Proposition 218, which requires certain procedures to be followed with regard to "property-related" fee increases imposed by governmental agencies. This report provides the analysis for the rate increases and identifies the procedures to implement the new rates.

DISCUSSION:

Background:

The City of Atascadero provides wastewater collection and treatment service for a portion of the City's population serving an area consisting of approximately 2,000 acres of the roughly 15,000 acres within the City boundary. Customers of the wastewater collection and treatment system are comprised of approximately 5,000 parcels that include residential, commercial, and light industrial customers. The remainder of the City's population is served by on-site wastewater treatment systems (septic systems).

The City of Atascadero assumed ownership and operation of the wastewater collection and treatment system from the Atascadero County Sanitation District in 1982 shortly after incorporation (1979). While there have been upgrades, modifications, and additions to wastewater treatment facilities, the overall process has not changed significantly since 1982 and is considered a stabilization pond treatment system.

The wastewater collection system (also referred to as the sanitary sewer system) is currently comprised of approximately 63 miles of four to 21-inch diameter gravity sewer pipe, 1,460 manholes, 12 lift stations, 7 miles of four to 16-inch diameter forcemain, and 5,000 sewer service connections. This system has expanded since 1982 but still has original pipes in service from the 1930's.

Utilities that have customer water consumption data customarily use consumption during winter months as a basis for the year-round sewer service charges at a volumetric rate. Customers connected to the City's sanitary sewer system are billed a monthly fixed charge for the City's service to collect and treat the wastewater, which is called a sewer service charge or wastewater service charge. This fixed rate methodology is used since the City is not the water supplier and does not have access to individual customer water consumption data without the customer's consent. The monthly fixed charge used by the City is based upon Equivalent Dwelling Units (EDUs), where one EDU is the basis for a single family residence (SFR) service charge, based upon an estimated average daily flow of 240 gallons of wastewater and wastewater strength provided by the residence. Other connection users are assigned a multiple or fraction of an EDU based upon expected average daily flow and strength of wastewater compared to that of SFR. For example, an apartment or condo is 0.75 EDUs and charged 0.75 times that of a SFR service charge, and a restaurant with less than 40 seats is 4 EDUs and charged 4 times that of a SFR service charge. The City currently has about 8,400 EDUs in the system.

The sewer service charges have been adjusted only twice since 1982. Council adopted the current monthly rate of \$20.18 per EDU in 1993, with adjustments to certain connection user classifications occurring the following year. The 1994 adjustments were done after analyzing Atascadero Mutual Water Company (AMWC) records of winter water use patterns for various groups of connection users in order to provide equitable costs to all users. The current rates have remained unchanged since 1994. A resolution was adopted by Council in 1988 which served to reinforce the current sewer service charges that were in place at that time.

Sewer service charges are collected by placing a levy each year on the property taxes of individual customers through San Luis Obispo County. The City provides data to the County including the Assessor's Parcel Number (APN) and the associated sewer service charge being levied on the property. The charge is included as a line item on the customer's property tax statements. Revenue from sewer service charges are paid to the City twice each year.

Wastewater Rate Analysis:

The City is dedicated to keeping rates low by maintaining lean staffing levels, absorbing increasing operational and maintenance costs, and using reserves when necessary. However, much like other utilities and services delivered to homes and businesses, the costs involved to collect and treat wastewater have risen and continue to rise.

As part of the Wastewater Master Plan process, an independent engineering consultant, MKN, assessed and analyzed the capital needs of the wastewater collection and treatment systems. A Capital Improvement Program (CIP) was developed that identified numerous capital facility replacements and upgrades to provide a safe and reliable wastewater system. In addition to other projects, the most significant capital projects identified consist of the Water Reclamation Facility treatment process improvements totaling in excess of \$23 million, and Lift Station #13 and Force Main project totaling about \$5.5 million. Both projects are expected to be completed within the next five years. The CIP cost estimates exceed \$52 million over the next ten years.

The report presents findings and recommendations for the sewer service charges to meet the on-going operational needs of the enterprise and needed funding for capital infrastructure requirements.

Tuckfield & Associates, an independent financial consultant, recently completed a comprehensive wastewater rate study for the City's wastewater enterprise; a copy of the full report is included as Attachment 2. This study analyzed the City's wastewater services, wastewater enterprise revenue and revenue requirements, and current rate structure. The study also analyzed and determined the cost of providing wastewater services and their corresponding impacts to customer's bills. This analysis identified a number of key factors that result in the proposed rates. These key factors include, but are not limited to:

- Rising treatment and energy costs
- Impacts of regulation and legislation
- Past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure

The wastewater rate study recommends increasing the current monthly sewer service charge per SFR (or EDU) by \$3.83 for a total monthly rate of \$24.01 for FY19/20, which equates to a 19% increase. The report further recommends similar percentile increases for each of the following four years. The table below shows the current and proposed FY19/20 sewer service charges for the various connection user categories.

Current and Proposed Sewer Service Charges (FY19/20)

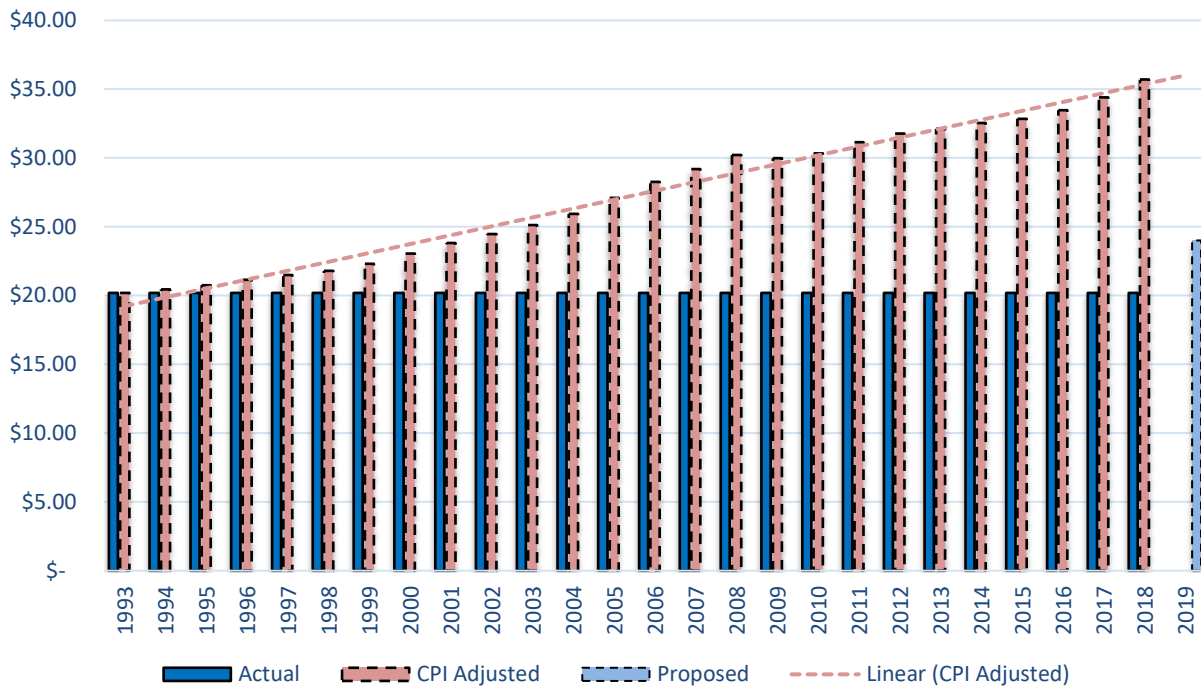
Description	EDU Multiple	Unit of Measure	Current	FY 2019-20
Residential Fixed Charges				
Single Family	1.00	Dwelling Unit	\$20.18	\$24.01
Apartment, Condo	0.75	Dwelling Unit	\$15.13	\$18.00
Mobile Home	0.75	Spaces	\$15.13	\$18.00
Senior Apt Unit	0.35	Dwelling Unit	\$7.06	\$8.40
Non-Residential Fixed Charges				
Financial Institutions	2.00	Unit	\$40.36	\$48.03
Bars	1.50	Unit	\$30.27	\$36.02
Carwash	7.50	Unit	\$151.35	\$180.11
Churches/Meeting Halls				
< 150 seats	1.33	Seats	\$26.83	\$31.93
150 to 250 seats	2.66	Seats	\$53.67	\$63.87
> 250 seats	3.00	Seats	\$60.63	\$72.15
Commercial Unit	1.00	Unit	\$20.18	\$24.01
Funeral Home	9.00	Unit	\$181.62	\$216.13
Gas Station	2.00	Unit	\$40.35	\$48.02
Grocery Store > 10,000 sf	8.00	1,000 sf	\$161.41	\$192.08
Gymnasium	10.00	Unit	\$201.77	\$240.11
Laundry	9.00	Unit	\$181.62	\$216.13
Motel (per room)	0.33	Room	\$6.66	\$7.93
Office Unit	1.00	Unit	\$20.18	\$24.01
Rest Home (per bed)	0.35	Bed	\$7.06	\$8.40
Restaurants				
< 40 seats	4.00	Seats	\$80.71	\$96.04
41 to 60 seats	6.00	Seats	\$121.06	\$144.06
61 to 100 seats	8.00	Seats	\$161.41	\$192.08
> 100 seats	10.00	Seats	\$201.77	\$240.11
School (per student on 3/1)	0.05	Student	\$1.01	\$1.20
Theater	4.00	Unit	\$80.71	\$96.04
Veterinarians	3.00	Unit	\$60.54	\$72.04
Unlisted Uses [1] [2]	1.00	Unit	\$20.18	\$24.01

[1] All rates are effective July 1.

[2] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Staff analyzed what the current SFR monthly sewer service charge would be if Consumer Price Index (CPI) values were applied each year since the last rate adjustment in 1993. Using the Los Angeles-Long Beach-Anaheim area CPI values, the CPI-adjusted monthly SFR sewer service rate would be \$35.71 in 2018, an increase of \$15.53 or 77%, over the current \$20.18 rate. The following graph compares the actual and CPI-adjusted rates.

Monthly SFR Sewer Service Charge Comparison (1993 to 2018)



Tuckfield & Associates conducted a wastewater rate survey for neighboring communities to the City of Atascadero. The rate survey includes rate schedules in effect in April 2019. The following chart compares the City's monthly sewer service charge for a SFR to those neighboring communities at the same use. As the chart depicts, the current and proposed FY19/20 monthly sewer service bill is among the lowest in San Luis Obispo County.

Comparison of Single-family Residential Monthly Wastewater Bills For Rates in Effect April 2019



The study also analyzed capacity charges, or connection fees, that are one-time charges paid by new customers as a capital contribution for capacity in the wastewater system. These charges are similar to development impact fees and can be assessed to existing wastewater customers requiring increased capacity to serve changes in their development or use occupancy. The proceeds from capacity charges are a financing source for future facilities. The study recommends a capacity charge of \$5,584 per SFR (or EDU) with an annual adjustment based upon the Engineering News Record Construction Cost Index.

No changes are recommended at this time to the connection user classifications (description) or corresponding EDU assignments. Any significant changes to EDU allocations typically require a volumetric analysis of winter water use patterns and other determinations to ensure that there is a nexus for the allocation. This comprehensive approach ensures all customers pay their equitable costs and one user class does not subsidize another.

The City is currently updating the customer database and performing a full audit and inventory of all wastewater connection user classifications. Once complete, the City and its consultant will coordinate with AMWC to obtain water records and perform a volumetric analysis of the water use patterns of the various groups of connection user classifications. After this process, wastewater rates are recommended to be re-evaluated and established for a five-year period, ideally FY20/21 through FY24/25, with built-in CPI adjustments.

Proposition 218 Process:

Since the last sewer service rate adjustment in 1994, California voters approved Proposition 218 in November 1995 that requires certain procedures be followed with regard to "property-related" fee increases imposed by governmental agencies. Those rate increases are subject to a "majority protest" process that provides if a majority of the parcels subject to the City fee protest the proposed rate increase, the City cannot impose the increase.

Proposition 218 requires that the City provide all properties receiving the sewer service for which the fee is charged with a minimum of 45 days written notice prior to the City Council holding a Public Hearing on a proposed rate increase. The property owners (and record owners) have the ability to "protest" the proposed rate increase until the close of the Public Hearing. If a majority of the parcels file written protests with the City prior to the close of the Public Hearing, the Proposition states that the City cannot implement the proposed increase. If a majority of the parcels do not protest the proposed increase, the City Council has the authority to implement the proposed rate increase.

The majority protest process is part of the California Constitution (Article XIID) and it is mandatory that the City adhere to this voter-enacted process. As a reference, the specific relevant text from Proposition 218 is included below:

ARTICLE 13D (ASSESSMENT AND PROPERTY-RELATED FEE REFORM)

SEC. 6. Property Related Fees and Charges. (a) Procedures for New Or Increased Fees and Charges. An agency shall follow the procedures pursuant to this section

in imposing or increasing any fee or charge as defined pursuant to this article, including, but not limited to, the following:

(1) The parcels upon which a fee or charge is proposed for imposition shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

(2) The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

Proposition 218 was not without legal issues in its interpretation. Initially, case law indicated that these procedures would not be applicable to water and wastewater rate increases. However, a 2006 California Supreme Court decision held that Proposition 218 fee increase procedures must be followed for any proposed increases to municipal water rates. In short, wastewater rate increases are also subject to the majority protest process.

The City levies the sewer service charges to property taxes and the parcel owner is billed twice annually. Every party listed on the parcel ownership will be mailed a notice. However, the City is only required to count one protest per parcel. Accordingly, even if all parties listed on an individual parcel file a protest, only one protest shall be counted for purposes of determining whether there is a majority protest.

In order to comply with the majority protest process, a Draft Resolution (Attachment 1) establishing procedures for the submission and tabulation of protests in connection with rate hearings conducted pursuant to the requirements of Proposition 218 has been prepared. Staff believes this Resolution provides clarity and transparency in the City's compliance with this process, and could avoid invalidating proposed rate increases from minor technicalities or other challenges.

Listed in the table below is the proposed schedule to implement the proposed rates:

May 14, 2019	Direct staff to administer the Proposition 218 process
May 15 - May 24, 2019	Obtain current parcel owner data from County, prepare and print Notices, and ready Notices for mailing
May 24, 2019 or before	Mail Notices to wastewater parcel (and record) owners
May 25 - July 8, 2019	45 day requirement prior to election
July 9, 2019	Public Hearing Date, Council adopts Resolution
July 22, 2019	County deadline to levy sewer service charges to property tax rolls
August 8, 2019	New rates become effective (30 days after adoption)

In accordance with Title 7, Chapter 10 of the Municipal Code, the wastewater rates are adopted by resolution. The City Attorney's office recommends, to avoid confusion, that the new rates are not effective for 30 days following adoption. Therefore, the sewer service charges levied on property tax rolls will be calculated with the current rate from July 1 through August 7, 2019, and the new rate from August 8 through June 30, 2020.

Conclusion:

The City has operated the wastewater collection and treatment systems in a very economical manner over the past 37 years with only two increases to sewer service rates. While this has kept the sewer service rates low for the City's wastewater customers, the flat rate has not allowed the wastewater enterprise fund to "ease" into proposed wastewater rate increases without a relatively larger percentile increase over the current sewer service charge rates. Even with this increase, the proposed FY19/20 wastewater rates are much less than that of CPI-adjusted values, and will still be among the lowest in San Luis Obispo County.

FISCAL IMPACT:

Approving staff recommendations has the potential to generate an estimated \$350,000 in additional revenue from sewer service charges collected in FY19/20. The recommendations will also approve additional total expenditures of up to \$20,000 related to the Proposition 218 majority protest process (\$5,000) and wastewater rate study professional services and support activities (\$15,000) from the Wastewater Fund in the current fiscal year.

ALTERNATIVES:

1. Council may reduce the proposed rate increase for FY19/20 if approved but may not increase the rate over that proposed.
2. Council may direct staff to include proposed rate increases for the next five years as described in the study. However, staff recommends waiting until the City has completed updating the customer database and performing a full audit and inventory of all wastewater connection user classifications, including the volumetric analysis of the water use patterns of the various groups of connection user classifications.
3. Council could take no action.

ATTACHMENTS:

1. Draft Resolution
2. Report on Wastewater Rate Study

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ESTABLISHING PROCEDURES FOR
THE SUBMISSION AND TABULATION OF PROTESTS IN
CONNECTION WITH RATE HEARINGS CONDUCTED PURSUANT TO
THE REQUIREMENTS OF PROPOSITION 218**

WHEREAS, Article XIID, Section 6 of the California Constitution requires the City Council to consider written protests to certain proposed increases to rates (fees or charges) for utility services; and

WHEREAS, Article XIID, Section 6 of the California Constitution does not offer specific guidance as to who may submit protests, how written protests are to be submitted, or how the City is to tabulate protests; and

WHEREAS, the City Council anticipates that there will be potential future impositions of fees or increases in utility rates. Adopting the policies and procedures set forth in this Resolution will help implement the requirements set forth in Article XIID of the California Constitution and help ensure that the rights of those persons that are authorized to protest service charges are preserved; and

WHEREAS, the City Council wishes to provide the City Clerk the flexibility to begin counting of the protest earlier than the close of the Public Hearing, if warranted; and

WHEREAS, a fee protest proceeding is not an election, but the City Clerk will maintain the confidentiality of protests as provided below and will maintain the security and integrity of protests at all times; and

WHEREAS, adopting this Resolution is in the public interest for the reasons set forth above and as further stated within Article XIID, Proposition 218 and state legislation relating to the implementation of Proposition 218.

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

SECTION 1: Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2: Adoption.

A. The City Council adopts the procedures set forth in this Resolution for conducting all proceedings required by California Constitution Article XIID for utility fee (as defined below) increases. Where no specific procedures are imposed by Article XIID or the Proposition 218 Omnibus Implementation Act (Government Code §§ 53750, et seq.), the procedures set forth in this Resolution apply. This Resolution may be referred to as the Proposition 218 Protest Proceedings Resolution."

B. Upon adoption of this Resolution, any and all resolutions, or rules or regulations of the City of Atascadero in conflict with it, shall have no further force or effect to the extent of the conflict. This Resolution supersedes all prior resolutions of the City to the extent that such resolutions established guidelines for the submission and tabulation of protests in connection with rate hearings conducted by the City pursuant to Article XIID, Section 6 of the California Constitution.

SECTION 3: Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Resolution. Words and phrases not defined by this chapter will have the meaning set forth in California Constitution Article XIID or the Proposition 218 Omnibus Implementation Act.

A. "Act" means the Proposition 218 Omnibus Implementation Act found at Government Code §§ 53750, et seq.;

B. "Article 13D" means California Constitution Article XIID, Section 6.

C. "Manager" means the City Manager or designee.

D. "Parcel" means a San Luis Obispo County (County) Assessor's parcel the record owner or occupant of which is subject to the proposed rate that is the subject of the hearing.

E. "Property owner" or "parcel owner" has the same meaning set forth in Article 13D and means the person or persons whose name or names, appear on the County Assessor's latest equalized assessment roll as the owner of a parcel.

F. "Protest" means a written protest filed with the City Clerk in accordance with Article XIID, the Act, and this Resolution as described in Article XIID, Section 6(a)(2).

G. "Rate" means a fee or charge imposed for utility services provided to customers in accordance with the Atascadero Municipal Code ("AMC"), and other applicable law, by the City of Atascadero.

H. "Record customer" and "customer of record" mean the person or persons whose name or names appear on the City records as the person who is obligated to pay for utility services.

I. "Utility Services" means water, wastewater or solid waste services.

SECTION 4. Administration of Proceedings. The City Manager, or designee, is authorized to implement this Resolution in a manner consistent with the California Constitution and other applicable law.

SECTION 5. Notice. Notice of a proposed rate increase is provided as follows:

A. In general, the City will identify the record property owner(s) of each parcel to which the rate would be applied from the latest equalized tax roll produced by San Luis Obispo County.

The equalized tax roll is presumptive evidence of ownership of the land for rate protest purposes.

B. If more than one property owner has an interest in a parcel, all property owners (each property owner) must receive notice at the address for the property owner. All property owners and parties directly liable for paying the fee will be provided notice.

C. The notice must be sent by U.S. mail at least forty-five (45) days before the date set for the public hearing on the proposed rate.

The form of the notice of hearing will be on file with the City Clerk.

D. The notice provided by these procedures, in accordance with Article 13D, supersedes and is in lieu of notice required by any other statutes to levy or increase a rate.

E. The City Clerk, or designee, may certify the proper mailing of notices by an affidavit which constitutes conclusive proof of mailing in the absence of fraud.

F. The City will post the notice of proposed rates and public hearing at its official posting sites no less than 45 days before the public hearing upon the proposed rate.

G. Failure of any person to receive notice does not invalidate the proceedings.

SECTION 6. Protests against Rate Increases.

A. Each property owner or record customer of a parcel served by the City may submit a protest. This includes instances where a parcel is owned by more than one property owner or more than one name appears on the City's records as the record customer for a parcel.

B. If the owner(s) of the property desire to designate a particular owner as the person authorized to cast the protest for such parcel, they must file with the City Clerk, at any time before the commencement of the public hearing or the date of the election, as the case may be, a written authorization of such designation, signed by all the owners of record, and acknowledged in the manner that deeds of real property are required to be acknowledged to entitle such deeds to be recorded in the San Luis Obispo County Recorder's Office.

C. Executors, administrators, and guardians may cast a protest on behalf of the estate represented by them. If such representatives are shown on the latest assessment roll as paying taxes and assessments on behalf of the property owner(s), that fact establishes the right of such representative(s) to cast a protest. If such representatives are not shown on the latest assessment roll, the representatives may file with the City Clerk, at any time before the commencement of the public hearing, or the date of the election, as the case may be, certified copies of the written documentation establishing the legal representation.

D. The protest of any public or quasi- public corporation, private corporation, or unincorporated association may be signed by any person so authorized in writing by the board of directors or trustees or other managing body thereof. Such authorization must be filed with the City Clerk, at any time before the commencement of the public hearing or the date of the election,

E. The Manager is designated as the voting representative with respect to City-owned property.

F. In any case where the documentation provided to the City Clerk is ambiguous or unclear, the City Attorney will determine whether the documentation is adequate for the purpose provided.

SECTION 7. Protest Submittal.

A. Any eligible property owner or record customer who is subject to the proposed rate that is the subject of the hearing who wants to protest the rate must submit a written protest to the City Clerk by:

1. Delivery to the City Clerk's Office at 6500 Palma Avenue, Atascadero, CA 93422 during published business hours,
2. Mail to the City Clerk at 6500 Palma Avenue, Atascadero, CA 93422, or
3. Personally submitting to the City Clerk at the public hearing for the rate increase.

B. The protest must be in writing and must be submitted before the close of the public testimony portion of the public hearing for the rate increase.

C. Only protests that are properly submitted and signed by an eligible property owner or record customer will be counted as a valid protest. Only one protest shall be counted for each parcel of property regardless of the number of protests filed by property owners and/or record customers for the parcel.

D. If more than one protest is delivered, mailed or submitted in one envelope or at one time, then at least one of the protests contained in that envelope or concurrently delivered, mailed or submitted shall be signed by the person delivering, mailing or submitting those protests.

E. The City Clerk must stamp each written protest the date and time it is filed with the City Clerk for purposes of establishing whether the protest was filed before the close of the public testimony portion of the public hearing. Each protest must be received by the end of the public hearing, including those mailed to the City. No postmarks will be accepted for proof of meeting the submission deadline. No protest received after the close of the public testimony portion of the public hearing will be counted in determining the amount of protest, but the Council may, in its discretion, consider such protests in making its decision. Written protests may be withdrawn in writing at any time before the conclusion of the public testimony portion of the public hearing.

F. Because an original, wet signature is required, emailed, faxed and photocopied protests shall not be counted.

G. Although oral comments at the public hearing will not qualify as a formal protest, unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on the proposed rate.

SECTION 8: Protest Requirements.

A. A protest must be submitted in writing and must include:

1. A statement it is a protest against the proposed rate that is the subject of the hearing.
2. Name of the property owner or record customer who is submitting the protest.
3. Identification of assessor's parcel number and/or street address of the parcel with respect to which the protest is made.
4. Original, wet signature and legibly printed name of the property owner or record customer who is submitting the protest.
5. Date the protest was signed.
6. A certification, by the named property owner affirming the contents of the protest are true and correct.

B. To be sure all pertinent information is provided and considered prior to a protest being filed, no protest shall be signed before the City has issued the formal notice that commences the 45-day protest period.

C. A protest shall not be counted if any of the required elements of this Section are omitted.

D. Only one protest will be counted per parcel as provided by Government Code Section 53755(b).

SECTION 9: Protest Withdrawal or Change.

A. Withdrawal of Protest. Any person who submits a protest may withdraw it by submitting to the City Clerk a written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the property owner or record customer who submitted both the protest and the request it be withdrawn.

B. Change to Protest. Any person who submits a protest may change it by submitting to the City Clerk a written request the protest be changed, and then submit a new written protest that includes all the information required by this Resolution with the changes desired. The changed protest shall contain sufficient information to identify the affected parcel and the name of the property owner or record customer who submitted both the protest and the request it be changed.

SECTION 10. Public Hearing.

A. At the time and place fixed for the hearing, or at any time to which the hearing is adjourned, the Council must:

1. Hear all persons interested in the matter of the proposed fee increase;
2. Hear all objections, protests or other written communications from any owner of property subject to the proposed utility fee; and
3. Take and receive oral and documentary evidence pertaining to the proposed fee increase.

B. The hearing may be continued from time to time, as the Council determines necessary to complete its consideration of the proposed fee increase.

C. If the Council determines, after the close of the public testimony portion of the public hearing, that votes were received from property owners representing a majority of the parcels subject to the proposed rate increase, the Council shall adopt a resolution setting forth the results of the protest process and the proceedings shall then be closed and the rate cannot be approved by the City Council.

D. If the Council determines at the close of the public testimony portion of the public hearing that written protests were not received from property owners representing a majority of the parcels subject to the proposed rate, the Council shall adopt a resolution setting forth the results of the protest process and then may by resolution (in accordance with legal requirements) change the rate so long as it is in an amount that does not exceed the amount and methodology set forth in the public notices sent to the property owners.

SECTION 11: City Clerk.

A. The City Clerk may begin counting protests before the close of the public hearing without further Council Action, if warranted. The Council may direct that the protests not be opened in the event that (i) there have not been enough unopened protests received to constitute a majority protest, (ii) there have been substantially more protests received than the number that would constitute a majority protest; or (iii) the Council determines that it does not wish to proceed to implement with the proposed fee increase.

B. The City Clerk shall not accept as valid any protest if she/he determines any of the following is true:

1. The protest does not conform to any of the requirements of this Resolution such as:
 - a. The protest does not state its opposition to the proposed change(s).
 - b. The protest does not name the property owner or record customer of the parcel identified in the protest as of the date of the public hearing.
 - c. The protest does not identify a parcel served by the City that is subject to the proposed change.
2. The protest does not bear an original, wet signature of the named property owner or record customer with respect to the parcel identified on the protest. Whether a signature is valid shall be entrusted to the reasonable judgment of the City Clerk, who may consult signatures on file with County Officials or other appropriate public agencies.
3. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the rates.
4. The protest was not received by the City Clerk before the close of the public hearing on the proposed rates.
5. A request to withdraw or change the protest, pursuant to Section 9 above, was received prior to the close of the public hearing on the proposed rates.

C. The City Clerk's decision a protest is not valid shall constitute a final action of the City and shall not be subject to any internal appeal.

SECTION 12: Majority Protest.

A. A majority protest exists if written protests that comply with the requirements herein are timely submitted, and not withdrawn or changed, by the property owners of a majority (50% plus one) of the parcels subject to the proposed charge.

B. While the City may inform the public of the number of parcels served by the City when a notice of proposed rates is mailed, the number of parcels served by the City on the date of the hearing shall control in determining whether a majority protest exists.

SECTION 13: Tabulation of Protests. At the conclusion of the public hearing, the City Clerk shall tabulate all valid protests received, including those received prior to the conclusion of the public hearing, and shall report the result to the City Council. If the number of protests received is insufficient to constitute a majority protest, then the City Clerk may determine the absence of a majority protest without validating the protests received, but may instead deem them all valid without further examination. Further, if the number of protests received is obviously substantially fewer than the number required to constitute a majority protest, then the City Clerk may determine the absence of a majority protest without opening the envelopes which contain the protests.

SECTION 14: Report of Tabulation. If, at the conclusion of the public hearing, the City Clerk determines she/he will require additional time to validate and tabulate the protests because she/he has not made the determination described in Section 13, above, then she/he shall so advise the City Council, which may continue the related portion of the meeting to allow the validation and tabulation to be completed on another day or days. If so, then the City Council shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the City Council shall declare the time at which the meeting shall be continued to receive and act on the tabulation report of the City Clerk.

SECTION 15. 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 16. Effect of Invalidation. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

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

CITY OF ATASCADERO

ITEM NUMBER:
DATE:
ATTACHMENT:

C-2
05/14/19
1

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney



Report on Wastewater Rate Study

Draft Report – May 2019



Prepared For:
City of Atascadero

6500 Palma Avenue
Atascadero, CA 93422
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Submitted By:
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DRAFT

FINANCIAL CONSULTING
**TUCKFIELD &
ASSOCIATES**
MANAGEMENT CONSULTING

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May 10, 2019

Mr. Nick DeBar
Public Works Director/City Engineer
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Dear Mr. DeBar:

I am pleased to submit this report on the Wastewater Rate Study (Study) for the City of Atascadero (City). The wastewater service charges presented in this report have been developed based on industry methods that result in fair and equitable rates for the users of the wastewater utility in accordance with Proposition 218.

The Study included a review and analysis of the wastewater enterprise revenue and revenue requirements, number of equivalent dwelling units, and current rate structure. This report presents the findings and recommendations for the City's wastewater service charges to meet the on-going operational needs of the wastewater enterprise and the funding of the capital infrastructure requirements. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure working with the City on this project. If there are any questions regarding this report, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

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Executive Summary

The City of Atascadero (City) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System). This Study includes development of a pro forma statement of revenues and revenue requirements for the wastewater enterprise and design of wastewater service charges for implementation.

The last time that wastewater service charges were increased was in 1994, or about 25 years ago. It is recommended that the City conduct an update to this Study at least every three to five years for prudent rate planning

Wastewater Financial Plan

Current wastewater charges consist of monthly fixed charges which are collected through the county of San Luis Obispo tax rolls. Fixed charges for all customers are established as a multiple of the single-family residential (SFR) dwelling unit fixed charge. The City currently serves about 8,400 Equivalent Dwelling Units (EDUs) and the number of EDUs is expected to increase by 115 annually.

The City has prepared a five-year capital improvement program (CIP) spending plan for the wastewater utility. The capital expenditures consist of various repair, replacement, and rehabilitation projects in addition to two large projects consisting of Water Reclamation Facility (WRF) Process Improvements and the Lift Station #13 and Force Main Project estimated to cost about \$23.15 million and \$5.8 million respectively. The WRF Process Improvements are planned to be financed with proposed debt issues in FY 2021-22 and in FY 2023-24. The Lift Station #13 and Force Main Project is partially financed with the FY 2021-22 debt issue. Debt service related to the projects is estimated to be \$919,000 beginning in FY 2021-22 and an additional \$707,100 in FY 2023-24.

A forward looking financial plan was created that identifies the revenue and revenue requirements of the wastewater enterprise. Annual revenue includes wastewater service charge revenue and miscellaneous revenue. Annual revenue requirements include operation and maintenance (O&M) expense, annual capital replacement, and new debt service. Future O&M expenses were projected recognizing escalation in expenses as well as changes in operations staffing.

From the analysis of the financial plan, revenue increases are recommended to adequately meet future obligations and cash reserve targets. These proposed revenue adjustments include 19 percent annual increases beginning August 8, 2019 and then on each July 1 for the next four years July 2020 and continuing through July 2023. The wastewater financial plan is presented in Table 7.

Current Wastewater Service Charges

The City's current wastewater service charges consist of monthly fixed charges to residential and non-residential customers. All customers are charged a fixed charge as a multiple of the single-family residential (SFR) charge. The fixed charge EDU methodology is used since the City is not the public water supplier for Atascadero and does not have access to individual customer's water consumption data.

The wastewater service charge for an SFR dwelling unit is defined as one EDU. One EDU is the sewer flow and strength of a single-family residence stated in terms of maximum discharge flow in gallons per day (gpd) and

strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). Service charges for other customers are based on their proportion of flow and strength relative to the single-family residence. The current wastewater charges are presented in Table 3.

Proposed Wastewater Service Charges

Table ES-1 presents the wastewater service charges to be implemented by the City to meet future operations and capital spending needs of the System. The current charges are also shown for comparison purposes. The wastewater service charges reflect the forecast of the cost of providing wastewater service presented in this Study.

Where a new wastewater customer does not fit the wastewater classifications identified in Table ES-1, it is recommended that the City reserve the right to calculate the monthly service charge through the use of fixture units using the California Uniform Plumbing Code, or by means deemed appropriate by the City Engineer.

Table ES-1
Current and Proposed Wastewater Service Charges

Description	Unit of Measure	Current	Date of Increase				
			Aug 8, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Residential Fixed Charges							
Single Family	Dwelling Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Apartment, Condo	Dwelling Unit	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Mobile Home	Spaces	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Senior Apt Unit	Dwelling Unit	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Non-Residential Fixed Charges							
Financial Institutions	Unit	\$40.36	\$48.03	\$57.15	\$68.01	\$80.94	\$96.31
Bars	Unit	\$30.27	\$36.02	\$42.87	\$51.01	\$60.70	\$72.23
Carwash	Unit	\$151.35	\$180.11	\$214.33	\$255.05	\$303.51	\$361.17
Churches/Meeting Halls							
< 150 seats	Seats	\$26.83	\$31.93	\$37.99	\$45.21	\$53.80	\$64.03
150 to 250 seats	Seats	\$53.67	\$63.87	\$76.00	\$90.44	\$107.63	\$128.08
> 250 seats	Seats	\$60.63	\$72.15	\$85.86	\$102.17	\$121.58	\$144.68
Commercial Unit	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Funeral Home	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Gas Station	Unit	\$40.35	\$48.02	\$57.14	\$68.00	\$80.92	\$96.29
Grocery Store > 10,000 sf	1,000 sf	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
Gymnasium	Unit	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
Laundry	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Motel (per room)	Room	\$6.66	\$7.93	\$9.43	\$11.22	\$13.36	\$15.89
Office Unit	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Rest Home (per bed)	Bed	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Restaurants							
< 40 seats	Seats	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
41 to 60 seats	Seats	\$121.06	\$144.06	\$171.43	\$204.01	\$242.77	\$288.89
61 to 100 seats	Seats	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
> 100 seats	Seats	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
School (per student on 3/1)	Student	\$1.01	\$1.20	\$1.43	\$1.70	\$2.03	\$2.41
Theater	Unit	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
Veterinarians	Unit	\$60.54	\$72.04	\$85.73	\$102.02	\$121.40	\$144.47
Unlisted Uses [1]	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Wastewater Residential Bill Impacts

Table ES-2 presents the impacts to SFR bills from the implementation of the proposed August 8, 2019 wastewater service charges. The table shows that the wastewater bill of an SFR customer will increase from \$20.18 to \$24.01, an increase of \$3.83, or 19 percent.

Table ES-2
Comparison of Current Residential Monthly Bill with
Proposed Monthly Bill Using August 2019 Proposed Wastewater Charges

Residential Classification	Current Bill	Aug 2019 Proposed Bill	Dollar Change	Percent Change
Single Family	\$20.18	\$24.01	\$3.83	19.0%
Apartment, Condo	\$15.13	\$18.00	\$2.87	19.0%
Mobile Home	\$15.13	\$18.00	\$2.87	19.0%
Senior Apt Unit	\$7.06	\$8.40	\$1.34	19.0%

Wastewater Rate Survey

Chart ES-1 has been prepared to compare the City's SFR wastewater bill with those of other communities at the same consumption where appropriate. The chart indicates that with the implementation of the August 2019 wastewater service charges, an SFR customer will experience a bill that is among the lowest in San Luis Obispo County.

Chart ES-1
Comparison of Single-family Residential Monthly Wastewater Bills
For Rates in Effect April 2019



Note: Above table uses wastewater rates in effect April 2019. City's August 2019 bill is based on the wastewater service charges in Table 8. San Luis Obispo, Cambria, Paso Robles, Arroyo Grande, and Los Osos have a variable wastewater rate component and an average water consumption of 15 HCF and an average winter water use of 7 HCF have been assumed.

Capacity Charges

Capacity charges, sometimes referred to as connection fees, are one-time charges paid by a new customer connecting to the wastewater system for capacity in the System. Capacity charges are also charged to existing customers that require increased capacity from changes in their development.

The capacity charges determined in this report follow industry standard methods and are based the current value of the City's existing facilities and include the cost of future replacement facilities and future facilities that that serve new development. Capacity charges for implementation by the City are provided in Table 12 of this report and include capacity charges for other residential and non-residential development types.

Introduction

The City of Atascadero (City) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System). This Study includes development of a pro forma statement of revenues and revenue requirements of the wastewater enterprise and design of new wastewater service charges for implementation.

Background

The City of Atascadero was incorporated in 1979 and is located approximately 15 miles north of the City of San Luis Obispo. The City provides wastewater collection and treatment service to a portion of the City's population serving an area consisting of about 1,900 acres out of the total 5,000 acres within the City limits. Customers of the System include residential, commercial, and light industrial customers.

The wastewater collection system consists of about 63 miles of sewer pipe, 7 miles of sewer force main, and twelve lift stations that conveys wastewater to the City owned wastewater treatment plant. The treatment plant facilities consist of flow metering, headworks, lagoons, ponds, aeration facilities, percolation basins, and sludge drying beds. Facilities also include public works buildings, RV waste receiving station, and an irrigation well to serve a mixture of treated effluent and groundwater to Chalk Mountain Golf Course.

Current wastewater charges consist of monthly fixed charges collected through the county of San Luis Obispo tax rolls. Fixed charges for all customers are established as a multiple of the single-family residential (SFR) dwelling unit fixed charge. For example, a multifamily dwelling unit is charge 0.75 times that of the SFR charge whereas a restaurant with less than 40 seats is charged 4 times the SFR charge.

Objectives

The objectives of this Study are to (1) review the current and future financial status of the wastewater enterprise, (2) make any adjustments to the revenue being received to ensure that financial obligations are being met now and in the future, including adequate reserves and debt service coverage, and (3) design rates and charges that generate the required revenue while being fair and equitable for its customers. Additionally, the Study also sought to provide the following.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating and capital reserves
- Rates and charges that are consistent with industry practice
- Stable revenue stream similar to the existing rate structure
- Ease of understanding and administration

Scope of the Study

This Study includes the findings and recommendations of analyzing the wastewater enterprise financial status and related capital improvement program (CIP) financing of the System. Historical trends were analyzed from data supplied by the City including current year's budget showing revenue and revenue requirements, financial audits, System master plans, and capital improvement plans.

Revenue requirements include operation and maintenance expense, annual replacement, and additions to reserves. Changing conditions such as additional facilities, utility growth, employee additions/reductions, and non-recurring maintenance expenditures are recognized. Inflation for ongoing expenditures is included to reflect cost escalation.

The financial plans and rates developed herein are based on funding of the capital improvement plan as stated as well as estimates of operation and maintenance expenses developed from information provided by the City. Deviation from the planning assumptions, financial plans, construction cost estimates and funding requirements, major operational changes, or other financial policy changes that were not foreseen, may result in the need for lower or higher revenue than anticipated. It is recommended that the City conduct an update to the rate study at least every three to five years for prudent rate planning.

Assumptions

Planning Factors

Several assumptions and planning factors were used to conduct the Study for the period FY 2019-20 to FY 2023-24. The assumptions include customer growth rates, expense inflation factors, debt terms, and other assumptions. Assumptions and financial planning factors are provided in Table 1.

Table 1
Assumption and Planning Factors

Description	Value
Account Growth	
Annual Account & Demand growth (EDUs) [1]	115
Interest Earnings Rate	
Interest earnings on fund reserves (annual)	1.5%
Escalation Factors	
Salaries and Wages [2]	5.0%
Benefits, Insurance, Taxes	10.0%
Electrical Power	3.0%
Chemicals	3.0%
All Other Operations and Maintenance	3.0%
Capital	3.0%
New Revenue Bond Debt	
Interest Rate	5.0%
Repayment Period (Term) - years	30
Bond Proceeds as a % of Issue Amount	92.0%
Bond Reserve (1 year's payment)	7.1%
Cost of Issuance	1.5%

[1] Growth in number of Equivalent Dwelling Units (EDUs) is based on October 2014 Wastewater Treatment Plant Master Plan Update.

[2] Escalation in a City personnel position is 5% percent annually.

City Reserve Policy

A reserve policy provides a basis to deal with unanticipated reductions in revenues, changes in the costs of providing services, fixed asset repair and replacement, natural disaster, and other issues. It also provides guidelines to maintain the financial health and stability of the enterprise fund. The City's goal is to maintain appropriate reserves related to wastewater operations and capital spending developed in this Study. These reserve types and their targets are described below.

Operating Reserve – The purpose of the Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance and administration of the utility. This reserve ensures that operations can continue should there be significant events that impact cash flows. The target balance to be maintained is 180 days of annual O&M expense. Since O&M expense increases each year, the reserve to be maintained will increase annually also.

Capital Replacement Reserve – The Capital Replacement Reserve is used to fund future replacement of assets and capital projects. The City currently provides reserves related to capital spending by earmarking 26 percent of the revenue received from wastewater service charges as capital related, which is available for annual capital spending or accumulation as a capital reserve. This policy is utilized in this Study and the minimum reserve level used is average annual replacement expenditures, excluding the WRF Process Improvements and Lift Station #5 and #13 projects, is estimated at \$1,600,000.

Capital Emergency Reserve – The purpose of the emergency capital reserve is to provide protection against catastrophic loss and to provide a cushion for inaccuracy in long range replacement program. The Target reserve is established at 5 percent of the value of current capital fixed asset value. The amount is currently estimated at \$800,000 and will increase as CIP is booked into fixed assets.

City Beginning Balances

From the City's 2017 – 2019 Budget, the estimated beginning cash balances as of June 30, 2019 is \$10,112,000 shown in Table 2. This amount has been separated into beginning balances by reserve type as stated below. The City has accumulated capital replacement reserves for the specific purpose of their use towards the capital improvements identified in this Study. The operating and capital cash balances are used in the development of the financial plans for the System with the intent to meet the Target Reserves. Target Reserves are also shown below for the first year of the financial plan.

Table 2
Wastewater Enterprise Reserves

Reserve Type	Est. Reserve Balance June 30, 2019	Target Reserve
Operating	\$826,000	\$826,000
Capital Replacement	\$8,486,000	\$1,600,000
Capital Emergency	\$800,000	\$800,000
Total [1]	\$10,112,000	\$3,226,000

[1] Estimated Reserve Balance from FY 17-19 Budget, page C-10.

Wastewater Financial Planning

This section discusses the current wastewater service charges, user classifications, revenues and revenue requirements, planned capital improvement expenditures and associated financing sources, used in developing the wastewater utility financial plan. Revenue adjustments are discussed and proposed to sustain the wastewater enterprise.

Existing Wastewater Service Charges

The City's current wastewater service charges consist of monthly fixed charges to residential and non-residential customers. All customers are charged a fixed charge as a multiple of the SFR charge. The fixed charges can be adjusted annually and are billed through the San Luis Obispo County tax rolls.

The charge for an SFR dwelling unit is defined as one Equivalent Dwelling Unit (EDU). One EDU is the sewer flow and strength of a single-family residence stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). Service charges for other customers are based on their proportion of flow and strength relative to the single-family residence. The current wastewater charges are presented in Table 3.

Wastewater User Classifications

Number of Customers

Wastewater customers are currently classified as Residential and Non-Residential. The Residential classification is further separated into single-family residential, multifamily residential (apartment and condo), mobile home, and senior apartment. Non-Residential classifications consist of 18 separate classifications shown in Table 3.

Number of Equivalent Dwelling Units

The total number of EDUs are deduced from City information. Since each customer classification is charged a multiple of the SFR dwelling unit charge as listed in Table 3, the total number of EDUs can be determined from the revenue received from wastewater service charges and the current SFR dwelling unit charge.

From the City's FY 2017-19 Budget, the City expects to generate wastewater service charge revenue of \$2,038,500 in FY 2019-20. Dividing this revenue by the SFR monthly charge of \$20.18, or \$242.16 annually, the total number of EDUs is about 8,418 EDUs. The number of EDUs are planned to increase by 115 annually following the planning factors shown in Table 1.

Table 3
Current Monthly Wastewater Service Charges

Description	Current Charge	EDU Multiple	Unit of Measure
Residential Fixed Charges			
Single Family	\$20.18	1.00	Dwelling Unit
Apartment, Condo	\$15.13	0.75	Dwelling Unit
Mobile Home	\$15.13	0.75	Spaces
Senior Apt Unit	\$7.06	0.35	Dwelling Unit
Non-Residential Fixed Charges			
Financial Institutions	\$40.36	2.00	Unit
Bars	\$30.27	1.50	Unit
Carwash	\$151.35	7.50	Unit
Churches/Meeting Halls			
< 150 seats	\$26.83	1.33	Seats
150 to 250 seats	\$53.67	2.66	Seats
> 250 seats	\$60.63	3.00	Seats
Commercial Unit	\$20.18	1.00	Unit
Funeral Home	\$181.62	9.00	Unit
Gas Station	\$40.35	2.00	Unit
Grocery Store > 10,000 sf	\$161.41	8.00	1,000 sf
Gymnasium	\$201.77	10.00	Unit
Laundry	\$181.62	9.00	Unit
Motel (per room)	\$6.66	0.33	Room
Office Unit	\$20.18	1.00	Unit
Rest Home (per bed)	\$7.06	0.35	Bed
Restaurants			
< 40 seats	\$80.71	4.00	Seats
41 to 60 seats	\$121.06	6.00	Seats
61 to 100 seats	\$161.41	8.00	Seats
> 100 seats	\$201.77	10.00	Seats
School (per student on 3/1)	\$1.01	0.05	Student
Theater	\$80.71	4.00	Unit
Veterinarians	\$60.54	3.00	Unit
Unlisted Uses [1]	\$20.18	1.00	Unit

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Revenues

The City receives revenue from wastewater service charges and miscellaneous revenues. Table 4 presents the projected revenue from current wastewater service charges of the wastewater utility. The revenue is projected by applying the current wastewater charges from Table 3 to the projected number of EDUs.

Table 4
Projected Wastewater Service Charge Revenues Using Existing Charges

Description	Estimated	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Service Charge Revenues					
Number of EDUs	8,418	8,533	8,648	8,763	8,878
Charge per EDU	\$20.18	\$20.18	\$20.18	\$20.18	\$20.18
Total Service Charge Revenues	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900

In addition to revenue from wastewater service charges, the City receives miscellaneous revenue from several sources including sewer connection fees, sewer extension fees, tap-in fees, permit and inspection fees, and other miscellaneous revenue. Table 5 provides the estimated and projected revenue from miscellaneous sources.

Table 5
Projected Miscellaneous Revenues

Description	Budget	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Miscellaneous Revenues [1]					
Permits and Inspections	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000
Sewer Extension Fees [2]	138,000	144,900	152,100	159,700	167,700
Sewer Connection Fees [2]	642,000	642,000	642,000	642,000	642,000
Well Water	40,000	40,000	40,000	40,000	40,000
Tap-in Fees	5,500	5,500	5,500	5,500	5,500
Total Miscellaneous Revenues	\$830,700	\$837,800	\$845,200	\$853,000	\$861,200

[1] Interest income is included in Table 8.

[2] FY 2019-20 includes revised Sewer Connection Fees from Table 11.

Revenue Requirements

Revenue requirements of the wastewater utility include operation and maintenance expense and annual replacement capital spending. Additionally, new debt is proposed to meet the capital improvement spending that is planned by the City. Each of these items are discussed below.

Operation and Maintenance Expense

Operation and maintenance (O&M) expenses are an on-going obligation of the wastewater utility and such costs are normally met from wastewater service revenue. O&M expenses include the cost to operate and maintain the wastewater collection system, lift stations, and wastewater treatment facilities. Costs also include technical services and other general and administrative expenses.

O&M expense for FY 2019-20 is provided from the City's Budget. Future O&M expense has been projected recognizing the major expense categories of personnel services, electricity, chemicals, and all other expenses. Personnel costs consist of salaries and benefits expense of those personnel directly involved with providing wastewater service. Cost inflation for personnel services costs are projected to increase by 5 percent annually beginning in FY 2020-21.

Annual escalation in electricity, chemicals, and all other expense is projected to increase by 3 percent based on expectations of future expense inflation. Table 6 below summarizes projected O&M expense for the wastewater utility. Table A-1 in Appendix A provides the detailed projections of historical and projected wastewater O&M expense.

Annual Replacement

The City provides for annual capital replacement by allocating 26 percent of wastewater service charge revenue for this purpose. This amount is spent annually towards replacement, identified in the capital improvement plan discussed below, or is accumulated in the capital reserve for future replacement spending.

Table 6
Summary of Projected Operation and Maintenance Expense

Description	Budget	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operation and Maintenance Expense					
Collection	\$270,400	\$281,300	\$292,600	\$304,400	\$316,600
Treatment	288,100	301,500	315,600	330,200	345,400
General Operations [1]	1,182,600	1,270,500	1,476,700	1,571,100	1,910,300
Total Projected O&M Expense	\$1,741,100	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300

[1] Salaries & wages are included in General Operations costs. Includes new Wastewater Operator positions in FY 2021-22 and new Operator and Maintenance worker (1 and 1/2 positions) in FY 2023-24.

Debt Service

The City does not currently have any outstanding debt. However, new debt is proposed to partially finance certain capital improvements as discussed below. The debt service payments associated with the proposed debt is paid from revenues and is a revenue requirement of the utility. Future debt service payments are expected to include \$919,000 beginning in FY 2021-22 and an additional \$707,100 in FY 2023-24. The debt issue in FY 2021-22 is planned to provide \$13 million in proceeds while the debt issue in FY 2023-24 is expected to provide \$10 million in proceeds. The debt payments assume an interest rate of 5 percent, term of 30 years, 2 percent issuance costs, and a debt service reserve. While the City may be able to secure less expensive financing from other sources, traditional loan financing is assumed for this debt issue to ensure sufficient funds are provided at the appropriate time.

Wastewater Capital Improvement Program

The City has developed a CIP plan that lists capital expenditures for FY 2019-20 through FY 2028-29. The first five years of the CIP plan is summarized in Table 7 however the complete listing of projects is provided in Appendix A-2. Both tables include 3 percent annual inflation in the project costs to the year of expenditure. The CIP plan consists of various repair, replacement and rehabilitation projects with the largest project consisting of the Water Reclamation Facility (WRF) Process Improvements totaling \$23.15 million in inflated dollars.

Table 7
Summary of Capital Improvement Program Expenditures and Sources of Funding

Description	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Capital Improvement Spending [1]	\$3,079,000	\$4,044,100	\$8,321,600	\$10,065,600	\$10,622,000
Sources and Uses of Capital Funds					
Beginning Year Balance [2]	\$9,286,000	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200
Transfer In Annual Capital Replacement	630,700	760,800	917,600	1,106,400	1,334,000
Transfer In Sewer Connection Fees	642,000	642,000	642,000	642,000	642,000
New Bond Proceeds (net of issuance costs)	-	-	13,000,000	-	10,000,000
CIP Project Expenditures	(3,079,000)	(4,044,100)	(8,321,600)	(10,065,600)	(10,622,000)
Sources Less Uses	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200
Target Capital and Emergency Reserve [3]	2,400,000	2,500,000	2,900,000	3,400,000	3,800,000

[1] Entire list of CIP projects is provided in Appendix A-2.

[2] FY 2019-20 beginning balance includes all sources of available cash except operating reserve of 6 months of annual O&M expense.

[3] Includes Capital Reserve Target equal to average annual replacement and Emergency Capital Reserve equal to 5% of fixed asset value.

Funding provided for the CIP includes capital reserves, annual replacement revenue from wastewater service charges, sewer connection fee revenue, and new debt proceeds. Construction of the WRF Process Improvements is planned to be partially financed with a proposed debt issue providing proceeds as stated above. The capital financing plan in Appendix A-2 shows the funding of future CIP that includes the debt proceeds as well as ending cash balances for a 10-year period.

Wastewater Financial Plan

The financial plan provides the means of analyzing the impacts of projected revenue and revenue requirements on funding on-going O&M expense and annual capital infrastructure requirements, as well as the impact on reserves. The financial plan includes the revenues, O&M expense, annual replacement, and debt service that were identified above. The plan also incorporates specific financial planning goals to provide guidance to maintain the health of the wastewater utility on an on-going basis. The goals included the following.

- Generate positive levels of income in each year of the Study period
- Maintain operating and capital reserves at or greater than target levels
- Maintain debt service coverage ratios at or greater than the minimum required, estimated at 125%
- Meet annual capital replacement spending from the annual provision from wastewater service revenue

Proposed Revenue Adjustments

Table 8 shows the pro forma statement of revenue and revenue requirements for the wastewater utility. The table also includes proposed annual revenue increases recommended to meet the financial planning goals for the Study period. The proposed revenue adjustments include annual increases of 19 percent beginning August 8, 2019 and then on each July 1 for the next four years July 2020 and continuing through July 2023. The proposed adjustments are planned to increase revenue over the next five years to fund O&M expense, annual replacement, debt service, and reserves for the Study period.

The combined operating and capital reserve balance initially increases, then decreases with the beginning of the debt service payments from the proposed debt. The combined operating and operating reserve balance remains above the Target Reserve level in all years of the study period. Additionally, Table 8 also shows that the calculated debt service coverage ratio is met in all years.

This Study also proposes increases in sewer connection fees discussed in a later section of this report. Table 8 shows that revenue received from new connection fees is increased from the update to the charges. The revenue received from connection fees can only be spent on capital projects for which the fees were collected. Therefore, the connection fee revenue received is shown as a transfer out in Table 8 to be spent on capital projects where it is shown as a source of funds in Table 7.

Table 8
Wastewater Financial Plan

Description	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Proposed Rate Increase (Aug 8)	19.0%				
Proposed Rate Increase (July 1)		19.0%	19.0%	19.0%	19.0%
Operating Revenues					
Service Charge Revenues, Existing Rates [1]	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900
Additional Revenue from Rate Adjustments [2]	355,000	859,800	1,434,900	2,133,400	2,980,700
Miscellaneous Revenues [3]	830,700	837,800	845,200	853,000	861,200
Interest Earnings [4]	140,700	114,800	145,300	132,800	82,000
Total Operating Revenues	\$3,364,900	\$3,878,800	\$4,519,600	\$5,241,200	\$6,073,800
Operating Expenses					
Operation and Maintenance Expense	\$1,740,500	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300
New Bond Debt Service [5]	0	0	919,300	919,300	1,626,400
Annual Replacement [6]	622,300	760,800	917,600	1,106,400	1,334,000
Transfer Sewer Connection Fees to Capital	642,000	642,000	642,000	642,000	642,000
Total Operating Expenses	\$3,004,800	\$3,256,100	\$4,563,800	\$4,873,400	\$6,174,700
Net Balance From Operations	\$360,100	\$622,700	(\$44,200)	\$367,800	(\$100,900)
Annual Debt Service Coverage					
Net Revenues [7]	\$1,624,400	\$2,025,500	\$2,434,700	\$3,035,500	\$3,501,500
Total Annual Debt Service	\$0	\$0	\$919,300	\$919,300	\$1,626,400
Coverage	n/a	n/a	265%	330%	215%
Combined Operating and Capital Reserves					
Beginning Available Reserves	\$10,112,000	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200
Increase (Decrease) Reserve	(1,454,600)	(2,018,600)	6,193,800	(7,949,400)	1,253,100
Ending Available Reserves	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300
Target Operating and Capital Reserves	\$3,270,000	\$3,427,000	\$3,942,000	\$4,503,000	\$5,086,000
Above (below) Target	\$5,387,400	\$3,211,800	\$8,890,600	\$380,200	\$1,050,300

- [1] Projected using the existing wastewater rates. Changes in rate based revenues are due to customer and demand growth.
[2] FY 2019-20 increase effective Aug 8. All other increases are effective July 1.
[3] Miscellaneous revenue includes Permits and Inspections, Sewer Extension Fees, Sewer Connection Fees, Well Water, and Tap-in Fees.
[4] Interest earnings on the average fund balance calculated at 1.50%.
[5] Debt service related to new bond proceeds listed in Table 7. Assumes interest rate of 5.0%, 30 year term, and issuance expenses.
[6] Equal to 26% of sewer service charge revenue and additional revenue from rate adjustments.
[7] Includes revenue from rates, interest earnings, and miscellaneous revenues less operation and maintenance expense.

Wastewater Rate Design

This section describes how wastewater service charges are designed and also provides the proposed schedule of wastewater rates for implementation.

EDU Wastewater Flow

The City's Wastewater Treatment Plant (WWTP) Master Plan provides a residential wastewater flow of 70 gallons per capita per day (gpcd) with a peaking factor of 1.3. Using this information and a persons-per-household (PPH) value of 2.65 from the City's General Plan, a flow estimate for an SFR customer can be calculated. Multiplying 70 gpcd by 2.65 PPH and by the peaking factor of 1.3, results in a flow estimate of 240 gallon per day (gpd) representing maximum month flow. This is the same flow used by the existing wastewater service charge schedule. Therefore, the EDU multiples for each customer classification shown in Table 2 are assumed to be reasonable and will be used to establish the future wastewater service charges for existing customers.

Strength Factor and EDU Multiple

As discussed in the Existing Wastewater Service Charges section, one EDU is the sewer flow and strength of a single-family residence, stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). A Strength Factor can be developed whereby a customer's proportion of BOD and SS strength relative to the SFR dwelling unit can be calculated and stated separately. The Equivalent Dwelling Unit is the product of the customer's flow in relation to the SFR flow, multiplied by the Strength Factor. Service charges for wastewater customers are calculated as follows.

$$\text{Wastewater Service Charge} = (\text{Customer Flow/SFR Flow}) \times \text{Strength Factor} \times \text{SFR Service Charge}$$

$$= \text{EDU Multiple} \times \text{SFR Service Charge}$$

Therefore, wastewater service charges for various user groups can be calculated from their estimated flow and Strength Factor which are proportional to the SFR wastewater service charge.

Proposed Wastewater Service Charges

The revenue increases outlined in Table 8 are applied to the SFR dwelling unit fixed charge to determine the proposed charges in future years. Applying the EDU multiples from the current wastewater service charge schedule shown in Table 3, to the SFR charge provides the wastewater service charges for other residential and non-residential customers. The proposed wastewater service charges are shown in Table 9.

Table 9
Current and Proposed Wastewater Service Charges

Description	EDU Multiple	Unit of Measure	Current	Date of Increase				
				Aug 8, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Residential Fixed Charges								
Single Family	1.00	Dwelling Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Apartment, Condo	0.75	Dwelling Unit	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Mobile Home	0.75	Spaces	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Senior Apt Unit	0.35	Dwelling Unit	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Non-Residential Fixed Charges								
Financial Institutions	2.00	Unit	\$40.36	\$48.03	\$57.15	\$68.01	\$80.94	\$96.31
Bars	1.50	Unit	\$30.27	\$36.02	\$42.87	\$51.01	\$60.70	\$72.23
Carwash	7.50	Unit	\$151.35	\$180.11	\$214.33	\$255.05	\$303.51	\$361.17
Churches/Meeting Halls								
< 150 seats	1.33	Seats	\$26.83	\$31.93	\$37.99	\$45.21	\$53.80	\$64.03
150 to 250 seats	2.66	Seats	\$53.67	\$63.87	\$76.00	\$90.44	\$107.63	\$128.08
> 250 seats	3.00	Seats	\$60.63	\$72.15	\$85.86	\$102.17	\$121.58	\$144.68
Commercial Unit	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Funeral Home	9.00	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Gas Station	2.00	Unit	\$40.35	\$48.02	\$57.14	\$68.00	\$80.92	\$96.29
Grocery Store > 10,000 sf	8.00	1,000 sf	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
Gymnasium	10.00	Unit	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
Laundry	9.00	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Motel (per room)	0.33	Room	\$6.66	\$7.93	\$9.43	\$11.22	\$13.36	\$15.89
Office Unit	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Rest Home (per bed)	0.35	Bed	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Restaurants								
< 40 seats	4.00	Seats	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
41 to 60 seats	6.00	Seats	\$121.06	\$144.06	\$171.43	\$204.01	\$242.77	\$288.89
61 to 100 seats	8.00	Seats	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
> 100 seats	10.00	Seats	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
School (per student on 3/1)	0.05	Student	\$1.01	\$1.20	\$1.43	\$1.70	\$2.03	\$2.41
Theater	4.00	Unit	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
Veterinarians	3.00	Unit	\$60.54	\$72.04	\$85.73	\$102.02	\$121.40	\$144.47
Unlisted Uses [1]	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Service Charge Variances

It is suggested that the City reserve the right to determine a new wastewater customer's monthly charge by estimating the wastewater flow through the use of fixture units according to the California Plumbing Code or other methods deemed appropriate by the City Engineer. The resulting wastewater flow would be applied to the formula provided in a previous section. A new wastewater customer classification may be created that is not listed in Table 9.

Wastewater Bill Impact Analysis

The impact to the single-family customer bill that would occur from the implementation of the proposed wastewater service charges for the August 2019 increase is provided in Table 10 below. The table shows that the wastewater bill of an SFR customer will increase from \$20.18 to \$24.01, an increase of \$3.83, or 19 percent.

Table 10
Comparison of Current Residential Monthly Wastewater Bill with
Proposed Monthly Bill Using August 2019 Wastewater Service Charges

Residential Classification	Current Bill	Aug 2019 Proposed Bill	Dollar Change	Percent Change
Single Family	\$20.18	\$24.01	\$3.83	19.0%
Apartment, Condo	\$15.13	\$18.00	\$2.87	19.0%
Mobile Home	\$15.13	\$18.00	\$2.87	19.0%
Senior Apt Unit	\$7.06	\$8.40	\$1.34	19.0%

Wastewater Rate Survey

A wastewater rate survey was conducted for neighboring communities to the City of Atascadero. Chart 1 compares the City's SFR monthly wastewater bill with those of neighboring communities at the same use. Wastewater bills were calculated assuming a 5/8" meter or 3/4" meter where that is the smallest size available, and a monthly use of 15 hundred cubic feet (HCF) and an average winter water use of 7 HCF where applicable. The rate survey includes rate schedules in effect April 2019 and provides wastewater bills for the City using the current service charges and for the proposed service charges from Table 9 for implementation August 8, 2019.

From reviewing Chart 1, the City's proposed August 8, 2019 SFR monthly wastewater bill is among the lowest in San Luis Obispo County.

Chart 1
Comparison of Single-family Residential Monthly Wastewater Bills
For Rates in Effect April 2019



Note: Above table uses wastewater rates in effect April 2019. City's August 2019 bill is based on the wastewater service charges in Table 9. San Luis Obispo, Cambria, Paso Robles, Arroyo Grande, and Los Osos have a variable wastewater rate component and an average water consumption of 15 HCF and an average winter water use of 7 HCF have been assumed.

Capacity Charges

Capacity charges, sometimes referred to as connection fees, are one-time charges paid by new customers as a capital contribution for capacity in the wastewater system. These charges can also be assessed to customers requiring increased capacity requirements to serve changes in their development. Proceeds from capacity charges are to be placed into an account separate from all other accounts and are to be used to finance the development of growth related infrastructure. The proceeds are a financing source for future facilities.

Capacity charges are calculated recognizing EDU multiples of the different customer classifications stated in the wastewater service charge schedule in Tables 9. The calculation of the capacity charge is proposed as follows.

$$\begin{aligned} \text{Capacity Charge} &= (\text{Customer Flow} / \text{SFR Flow}) \times \text{Strength Factor} \times \text{SFR Capacity Charge} \\ &= \text{EDU Multiple} \times \text{SFR Capacity Charge} \end{aligned}$$

The SFR capacity charge is calculated following standard methods by identifying the existing fixed asset value, in terms of replacement cost less depreciation, and the CIP value that is related to replacement and to serving future growth. Table 11 provides a summary of the calculations used to determine the capacity charge for an SFR dwelling unit. The capacity charges have been developed using the combination methodology, a combination of the buy-in and incremental cost methodology whereby the charges are based on the value of existing capacity and value of CIP replacement and growth-related projects.

Table 11
Development of Single-family Residential Capacity Charge

Line No.	Description	RCLD Value	Contributions/ Debt Principal	Asset Value	Capacity gpd	Capacity Charge \$/gpd
Existing Plant Investment						
1	Collection	\$15,743,199	(\$12,226,755)	\$3,516,444		
2	Pumping and Lift Stations	2,429,453	-	2,429,453		
3	Treatment	7,123,338	-	7,123,338		
4	General Plant	3,068,790	-	3,068,790		
5	Total Existing Plant Investment	\$28,364,780	(\$12,226,755)	\$16,138,025	2,280,000	\$7.08
Capital Improvements (CIP)						
6	Replacement Related	\$39,300,150	(\$22,900,000)	\$16,400,150	2,280,000	\$7.19
7	Growth Related Improvements	\$7,611,850	(5,100,000)	2,511,850	510,000	\$4.93
8	Total CIP	\$46,912,000	(\$28,000,000)	\$18,912,000		
Adjustments						
9	Capital Cash Balance	\$9,286,000		\$9,286,000	2,280,000	\$4.07
10	Total Value	\$84,562,780		\$44,336,025		
11	Unit Valuation of Existing Wastewater System (\$/gpd)					\$23.269
12	Single-family Residential Demand (gpd)					240
13	Connection Fee (Replacement) ((line 5 + line 7 + line 10) * line 13)					\$4,403
14	Connection Fee (Growth-Related) (line 8 * line 13)					\$1,182
15	Single-family Residential Capacity Charge					\$5,584

Using the capacity charge for the SFR dwelling unit and the formula described above, a capacity charge schedule is developed as shown in Table 12 for existing development types. The capacity charges provided in Table 12 should be adjusted annually by the percentage increase in the Engineering News Record Construction Cost Index (ENR-CCI).

Table 12
Schedule of Capacity Charges

Development Type	EDU Multiple	Unit of Measure	Capacity Charge
Residential			
Single Family	1.00	Dwelling Unit	\$5,584
Apartment, Condo	0.75	Dwelling Unit	\$4,186
Mobile Home	0.75	Spaces	\$4,186
Senior Apt Unit	0.35	Dwelling Unit	\$1,953
Non-Residential			
Financial Institutions	2.00	Unit	\$11,168
Bars	1.50	Unit	\$8,376
Carwash	7.50	Unit	\$41,880
Churches/Meeting Halls			
< 150 seats	1.33	Seats	\$7,426
150 to 250 seats	2.66	Seats	\$14,853
> 250 seats	3.00	Seats	\$16,752
Commercial Unit	1.00	Unit	\$5,584
Funeral Home	9.00	Unit	\$50,256
Gas Station	2.00	Unit	\$11,168
Grocery Store > 10,000 sf	8.00	1,000 sf	\$44,672
Gymnasium	10.00	Unit	\$55,840
Laundry	9.00	Unit	\$50,256
Motel (per room)	0.33	Room	\$1,842
Office Unit	1.00	Unit	\$5,584
Rest Home (per bed)	0.35	Bed	\$1,954
Restaurants			
< 40 seats	4.00	Seats	\$22,336
41 to 60 seats	6.00	Seats	\$33,504
61 to 100 seats	8.00	Seats	\$44,672
> 100 seats	10.00	Seats	\$55,840
School (per student on 3/1)	0.05	Student	\$279
Theater	4.00	Unit	\$22,336
Veterinarians	3.00	Unit	\$16,752
Unlisted Uses	1.00	Unit	\$5,584

Capacity Charge Variances

For any new wastewater customer, the City may reserve the right to charge the customer using estimated flow based on fixture units according to the California Plumbing Code, or other method deemed appropriate by the City's engineer. The capacity charge may be calculated using the formula provided above.

Appendix A

Wastewater Technical Appendices

Wastewater Historical and Projected Operation and Maintenance Expense, Capital Improvement Program with Sources and Uses Funding, and the Wastewater Financial Plan are detailed in Appendix A.

Appendix A-1
Historical and Projected Operation and Maintenance Expense

	Inflationary	Historical				Budget	Projected [1]									
Description	Escalation	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
COLLECTION																
Electricity	3% [1]	\$64,418	\$67,310	\$76,842	\$78,762	\$68,000	\$71,921	\$76,016	\$80,292	\$84,757	\$89,417	\$94,280	\$99,355	\$104,649	\$110,172	\$115,932
Chemicals	3% [1]	19,777	21,035	33,644	28,427	30,000	31,730	33,537	35,424	37,394	39,450	41,596	43,835	46,171	48,608	51,149
Operating Supplies	3%	16,400	9,291	4,130	7,008	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Vehicle & Equip Supp & Repair	3%	9,092	49,270	38,232	27,197	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Contract Services	3%	104,065	101,009	45,777	39,100	70,350	72,461	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,791	94,545
Other	3%	5,209	5,255	5,989	6,315	6,500	6,709	6,924	7,147	7,376	7,612	7,856	8,108	8,369	8,638	8,915
Total Collection Expense		\$218,962	\$253,170	\$204,614	\$186,809	\$259,850	\$270,371	\$281,288	\$292,618	\$304,375	\$316,573	\$329,229	\$342,360	\$355,982	\$370,115	\$384,774
TREATMENT																
Electricity	3% [1]	\$162,906	\$162,468	\$172,653	\$174,898	\$170,000	\$179,803	\$190,042	\$200,733	\$211,895	\$223,546	\$235,705	\$248,392	\$261,628	\$275,435	\$289,835
Operating Supplies	3%	26,899	26,777	22,426	32,206	37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277	49,725
Vehicle & Equip Supp & Repair	3%	7,303	7,542	16,693	8,321	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962	17,471
Contract Services	3%	42,444	44,845	46,309	52,325	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
Other	3%	4,518	5,078	5,271	4,962	5,100	5,253	5,411	5,574	5,740	5,912	6,089	6,273	6,461	6,654	6,854
Total Treatment Expense		\$244,070	\$246,709	\$263,352	\$272,712	\$275,100	\$288,056	\$301,543	\$315,579	\$330,186	\$345,386	\$361,200	\$377,652	\$394,766	\$412,567	\$431,081
GENERAL OPERATIONS																
Salaries and Wages	5% [2]	\$335,262	\$344,379	\$358,567	\$378,829	\$374,145	\$396,905	\$433,473	\$527,672	\$554,059	\$717,394	\$753,262	\$790,924	\$830,472	\$872,002	\$915,602
Benefits	10%	175,224	195,165	209,180	231,496	242,231	274,703	302,172	387,786	426,566	569,772	626,748	689,427	758,370	834,207	917,626
Insurance	3%	(5,503)	15,806	16,451	21,956	16,050	16,532	17,027	17,538	18,064	18,606	19,165	19,739	20,332	20,942	21,570
Operating Supplies	3%	23,482	22,661	42,224	27,381	26,000	26,780	27,583	28,411	29,263	30,141	31,045	31,977	32,936	33,924	34,942
Vehicle & Equipment Repairs	3%	23,688	24,943	22,605	38,333	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	48,381
Contract Services	3%	10,702	1,495	4,515	680	11,500	11,845	12,200	12,566	12,943	13,332	13,732	14,144	14,568	15,005	15,455
Franchise Fees		35,865	37,121	38,251	38,636	51,850	48,516	58,524	70,582	85,108	102,612	109,132	116,058	123,396	131,182	139,436
Departmental Service Allocation	3%	79,510	67,240	74,160	72,410	72,320	74,490	76,724	79,026	81,397	83,839	86,354	88,944	91,613	94,361	97,192
Administrative Services	3%	118,340	199,130	202,650	217,520	221,960	228,619	235,477	242,542	249,818	257,312	265,032	272,983	281,172	289,607	298,296
Contingency Reserve	3%	0	0	0	0	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Other	3%	45,038	44,305	59,583	33,535	55,180	56,834	58,543	60,297	62,107	63,968	65,886	67,864	69,899	71,997	74,156
Total G&A Expenses		\$841,608	\$952,245	\$1,028,186	\$1,060,776	\$1,117,236	\$1,182,604	\$1,270,524	\$1,476,685	\$1,571,098	\$1,910,303	\$2,025,283	\$2,148,634	\$2,281,030	\$2,423,247	\$2,576,095
Total O&M Expenses		\$1,304,640	\$1,452,124	\$1,496,152	\$1,520,297	\$1,652,186	\$1,741,031	\$1,853,355	\$2,084,882	\$2,205,659	\$2,572,262	\$2,715,712	\$2,868,646	\$3,031,778	\$3,205,929	\$3,391,950

[1] Expense increases from additional wastewater flow due to growth as well as cost escalation.

[2] Includes a new Wastewater Operator position occurring in year FY 2021-22 and FY 2023-24, and an allocation of a 0.5 FTE in FY 2023-24.

Table A-2
Capital Improvement Program With Sources and Uses of Funds

Description	Estimated		Projected							
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Current Capital Improvement Projects (CIP) [1]										
Wastewater Treatment Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WRF Process Improvements and Upgrades	-	309,000	3,026,700	9,759,700	10,052,500	-	-	-	-	-
Percolation Basin Capacity Evaluation	-	36,100	-	-	-	-	-	-	-	-
Dredge Pipe Replacement	-	-	-	38,200	-	-	-	-	-	-
Aerator Replacement Program	19,000	19,600	20,200	-	-	-	-	-	-	-
Lift Stations	-	-	-	-	-	-	-	-	-	-
Lift Station No. 2 Replacement	1,332,000	-	-	-	-	-	-	-	-	-
Lift Station No. 5 and Force Main Replacement	-	-	-	-	-	1,233,500	7,193,000	-	-	-
Lift Station No. 6 and Force Main Upgrades	-	-	-	-	164,300	955,200	-	-	-	-
Lift Station 4, 7, 9 11, 14, 15 Rehabilitation Projects	473,000	-	-	-	-	-	-	-	-	-
Lift Station No. 13 and Force Main Replacement	-	848,700	4,951,200	-	-	-	-	-	-	-
Collection	-	-	-	-	-	-	-	-	-	-
Highway 41 and El Camino Real Sewer Improvements	-	-	-	-	-	-	-	-	281,200	1,641,400
Traffic Way Sewer Improvements	389,000	2,269,100	-	-	-	-	-	-	-	-
Various Locations Sewer Condition Improvements	456,000	-	-	-	-	1,496,600	-	1,587,800	-	-
4x4 Loader	-	-	159,100	-	-	-	-	-	-	-
Asset Management Program and Work Order System	-	103,000	-	-	-	-	-	-	-	-
CCTV Truck	200,000	-	-	-	-	-	-	-	-	-
Combo Truck Storage Structure	15,000	-	-	-	-	-	-	-	-	-
Inflow and Infiltration Study	-	30,900	-	-	33,800	-	-	36,900	-	-
Portable Bypass Pump	-	77,300	-	-	-	-	119,400	-	-	-
Portable Generator (Total of 2)	-	97,900	-	-	-	-	-	123,000	-	-
Service Vehicle Replacement (Total of 6)	35,000	36,100	-	38,200	-	40,600	-	43,000	-	45,700
Skip and Drag	-	97,900	-	-	-	-	-	-	-	-
Annual GIS Maintenance & Modeling Support	15,000	15,500	15,900	16,400	16,900	17,400	17,900	18,400	19,000	19,600
Manhole Rehabilitation & Sewer Line Repairs	100,000	103,000	132,600	136,600	168,800	173,900	209,000	215,200	253,400	261,000
Sewer System Management Plan Audit	15,000	-	15,900	-	16,900	-	17,900	-	19,000	-
Wastewater Fee Study	-	-	-	54,600	-	-	-	61,500	-	-
Wastewater Customer Database Review	-	-	-	21,900	-	-	-	24,600	-	-
Sewer System Management Plan Update	30,000	-	-	-	-	34,800	-	-	-	-
Wastewater Master Plan Update	-	-	-	-	168,800	-	-	-	-	-
Total	\$3,079,000	\$4,044,100	\$8,321,600	\$10,065,600	\$10,622,000	\$3,952,000	\$7,557,200	\$2,110,400	\$572,600	\$1,967,700
Sources and Uses of Capital Funds										
Beginning Year Balance [2]	\$9,286,000	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200	\$2,221,900	\$1,815,500	\$1,951,200	\$3,726,000
Transfer In Annual Capital Replacement	630,700	760,800	917,600	1,106,400	1,334,000	1,418,700	1,508,800	1,604,100	1,705,400	1,812,700
Transfer In Sewer Connection Fees	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000
Additional Funding from Net Operating Revenues	-	-	-	-	-	-	-	-	-	-
New Bond Proceeds (net of issuance costs)	-	-	13,000,000	-	10,000,000	-	5,000,000	-	-	-
CIP Project Expenditures	(\$3,079,000)	(\$4,044,100)	(\$8,321,600)	(\$10,065,600)	(\$10,622,000)	(\$3,952,000)	(\$7,557,200)	(\$2,110,400)	(\$572,600)	(\$1,967,700)
Sources Less Uses	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200	\$2,221,900	\$1,815,500	\$1,951,200	\$3,726,000	\$4,213,000
Target Capital and Emergency Reserve	\$2,400,000	\$2,500,000	\$2,900,000	\$3,400,000	\$3,800,000	\$4,000,000	\$4,300,000	\$4,300,000	\$4,200,000	\$4,200,000

[1] CIP Source: CIP Project list provided by the City.

[2] The available cash balance reflects the City's FY 2019-20 Budget less Operating Reserve.

Appendix A-3 Wastewater Financial Plan

Description	Projected									
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Proposed Rate Increase (Aug 8)	19.0%									
Proposed Rate Increase (July 1)		19.0%	19.0%	19.0%	19.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating Revenues										
Service Charge Revenues, Existing Rates [1]	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900	\$2,177,700	\$2,205,600	\$2,233,400	\$2,261,300	\$2,289,100
Additional Revenue from Rate Adjustments [2]	355,000	859,800	1,434,900	2,133,400	2,980,700	3,278,900	3,597,300	3,936,400	4,297,800	4,682,700
Miscellaneous Revenues [3]	830,700	837,800	845,200	853,000	861,200	869,800	878,800	888,200	898,100	908,500
Interest Earnings [4]	140,700	114,800	145,300	132,800	82,000	77,800	58,400	53,600	66,800	84,800
Total Operating Revenues	\$3,364,900	\$3,878,800	\$4,519,600	\$5,241,200	\$6,073,800	\$6,404,200	\$6,740,100	\$7,111,600	\$7,524,000	\$7,965,100
Operating Expenses										
Operation and Maintenance Expense	\$1,740,500	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300	\$2,715,700	\$2,868,700	\$3,031,800	\$3,205,900	\$3,392,000
New Bond Debt Service [5]	0	0	919,300	919,300	1,626,400	1,626,400	1,980,000	1,980,000	1,980,000	1,980,000
Annual Replacement [6]	622,300	760,800	917,600	1,106,400	1,334,000	1,418,700	1,508,800	1,604,100	1,705,400	1,812,700
Transfer Sewer Connection Fees to Capital	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000
Total Operating Expenses	\$3,004,800	\$3,256,100	\$4,563,800	\$4,873,400	\$6,174,700	\$6,402,800	\$6,999,500	\$7,257,900	\$7,533,300	\$7,826,700
Net Balance From Operations	\$360,100	\$622,700	(\$44,200)	\$367,800	(\$100,900)	\$1,400	(\$259,400)	(\$146,300)	(\$9,300)	\$138,400
Annual Debt Service Coverage										
Net Revenues [7]	\$1,624,400	\$2,025,500	\$2,434,700	\$3,035,500	\$3,501,500	\$3,688,500	\$3,871,400	\$4,079,800	\$4,318,100	\$4,573,100
Total Annual Debt Service Coverage	\$0	\$0	\$919,300	\$919,300	\$1,626,400	\$1,626,400	\$1,980,000	\$1,980,000	\$1,980,000	\$1,980,000
Coverage	n/a	n/a	265%	330%	215%	227%	196%	206%	218%	231%
Combined Operating and Capital Reserves										
Beginning Available Reserves	\$10,112,000	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300	\$4,246,400	\$3,580,600	\$3,570,000	\$5,335,500
Increase (Decrease) Reserve	(1,454,600)	(2,018,600)	6,193,800	(7,949,400)	1,253,100	(1,889,900)	(665,800)	(10,600)	1,765,500	625,400
Ending Available Reserves	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300	\$4,246,400	\$3,580,600	\$3,570,000	\$5,335,500	\$5,960,900
Target Operating and Capital Reserves	\$3,270,000	\$3,427,000	\$3,942,000	\$4,503,000	\$5,086,000	\$5,358,000	\$5,734,000	\$5,816,000	\$5,803,000	\$5,896,000
Above (below) Target	\$5,387,400	\$3,211,800	\$8,890,600	\$380,200	\$1,050,300	(\$1,111,600)	(\$2,153,400)	(\$2,246,000)	(\$467,500)	\$64,900

[1] Projected using the existing wastewater rates. Changes in rate based revenues are due to customer and demand growth.

[2] FY 2019-20 increase effective Aug 8. All other increases are effective July 1.

[3] Miscellaneous revenue includes Permits and Inspections, Sewer Extension Fees, Sewer Connection Fees, Well Water, and Tap-in Fees.

[4] Interest earnings on the average fund balance calculated at 1.50%.

[5] Debt service related to new bond proceeds listed in Table 7. Assumes interest rate of 5.0%, 30 year term, and issuance expenses.

[6] Equal to 26% of sewer service charge revenue and additional revenue from rate adjustments.

[7] Includes revenue from rates, interest earnings, and miscellaneous revenues less operation and maintenance expense.