CITY OF ATASCADERO CITY COUNCIL AGENDA

* COVID-19 NOTICE *

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

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

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

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

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

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

CITY OF ATASCADERO
CITY COUNCIL

AGENDA

Tuesday, May 12, 2020

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

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

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

PLEDGE OF ALLEGIANCE: Council Member Fonzi

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

APPROVAL OF AGENDA: Roll Call

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

PRESENTATIONS: None.

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

1. City Council Draft Action Minutes – April 28, 2020
- Recommendation: Council approve the April 28, 2020 Draft City Council Meeting Minutes. [City Clerk]

2. **March 2020 Investment Report**
   - Fiscal Impact: None
   - Recommendation: Council receive and file the City Treasurer's report for quarter ending March 31, 2020. [Administrative Services]

3. **Apple Valley Assessment Districts**
   - Fiscal Impact: Annual assessments for 2020/2021 will total $38,500 for road/drainage system maintenance and $63,000 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.
   - Recommendations: Council:
     1. Adopt Draft Resolution A 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 2020/2021.
     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 2020/2021, 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 2020/2021 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 2020/2021.
     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 2020/2021. [Administrative Services]

4. **De Anza Estates Assessment Districts**
   - Fiscal Impact: Annual assessments for 2020/2021 will total $30,562 for road/drainage system maintenance and $15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute $1,400 for the fiscal year 2020/2021 for half of the maintenance costs of the trails and open space.
   - Recommendations: Council:
     1. Adopt Draft Resolution A 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 2020/2021.
     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 2020/2021, 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 2020/2021 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 2020/2021.
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 2020/2021. [Administrative Services]

5. Las Lomas (Woodridge) Assessment Districts

- Fiscal Impact: Annual assessments for 2020/2021 will total $92,932 for road/drainage system maintenance and $66,049 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Las Lomas (Woodridge). The City General Fund will contribute $1,850 for the fiscal year 2020/2021 for 25% of the maintenance costs of the trails and open space.
- Recommendations: Council:
  1. Adopt Draft Resolution A initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) for fiscal year 2020/2021.
  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 2020/2021, 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 2020/2021 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 2020/2021.
  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 2020/2021.[Administrative Services]

6. 2019 General Plan & Housing Element Annual Progress Report

- Fiscal Impact: None.
- Recommendation: Council receive and file the 2019 Annual General Plan and Housing Element Progress Report and the 2019 HCD Annual Progress Report. [Community Development]

7. **Cooperation Agreement with the County of San Luis Obispo for Department of Housing and Urban Development Community Development Programs for Fiscal Years 2021 through 2023**
   - Fiscal Impact: The Cooperative Agreement will provide continued availability of CDBG funding for CDBG eligible programs in Atascadero over the next three years. The current annual award amount is approximately $140,000, of which 13% will be retained by the County to cover expenses for administrative project oversight, resulting in approximately $122,000 in available funding to the City for CDBG programs.
   - Recommendation: Council approve the Cooperation Agreement with the County of San Luis Obispo for joint participation in the Community Development Block Grant Program, the Home Investment Partnerships Program, and the Emergency Solutions Grant Program for Fiscal Years 2021 through 2023. [Public Works]

8. **Local Roadway Safety Plan**
   - Fiscal Impact: Approving recommendations will result in the City receiving grant funding totaling $72,000 from Caltrans and expenditures from the Local Transportation Fund up to $15,000 to cover the 10% local share of participating costs ($8,000) and any costs related to staff time and additional consultant fees (up to $7,000).
   - Recommendations: Council:
     1. Approve the California Department of Transportation grant funding allocation of $72,000 to prepare a Local Roadway Safety Plan (LRSP).
     2. Authorize the Director of Administrative Services to appropriate $15,000 in Local Transportation Funds to fund the local share of participating costs for the LRSP. [Public Works]

9. **Atascadero Tourism Business Improvement District (ATBID) Board Appointment of Four Board Members to Fill Vacancies**
   - Fiscal Impact: None.
   - Recommendations: Council:
     1. Appoint Lucian Caprau to the ATBID Advisory Board for the vacant position for a term expiring June 30, 2021.
     2. Appoint Patricia Harden, Amar Sohi, and Deana Alexander to the ATBID Advisory Board for terms expiring June 30, 2022. [City Manager]

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

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

B. PUBLIC HEARINGS:

1. 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. Cannabis Regulations Update (CPP 2020-011)

- Fiscal Impact: None.
- Recommendation: Council provide staff direction on cannabis activities and regulations. Community Development]

2. Council Norms and Procedures Consideration of Amendments

- Fiscal Impact: None.
- Recommendation: Council review and approve an amendment to the Council Norms and Procedures. [City Manager]

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

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

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

Mayor Moreno

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

Mayor Pro Tem Bourbeau

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

Council Member Fonzi

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

Council Member Funk

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

Council Member Newsom

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

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

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

G. ADJOURN

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

CITY OF ATASCADERO
CITY COUNCIL

DRAFT MINUTES

Tuesday, April 28, 2020

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

City Council Closed Session:	**5:00 P.M.**
City Council Regular Session:	**6:00 P.M.**

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

Mayor Moreno announced at 5:00 p.m. that the Council was going into Closed Session.

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

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

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

Mayor Moreno called the Regular Meeting to order at 6:08 p.m. and Council Member Funk led the Pledge of Allegiance.

ROLL CALL:

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

Absent: None

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

APPROVAL OF AGENDA:

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

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

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

PRESENTATIONS: None.

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

1. **City Council Draft Action Minutes – April 14, 2020**
   - Recommendation: Council approve the April 14, 2020 Draft City Council Regular and Special Meeting Minutes. [City Clerk]

2. **March 2020 Accounts Payable and Payroll**
   - Fiscal Impact: $2,302,162.40
   - Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for March 2020. [Administrative Services]

3. **Authorizing Temporary Road Closures for Hot El Camino Cruise Nite and Colony Days Parade Route**
   - Fiscal Impact:
     Hot El Camino Cruise Nite: No net fiscal impact.
     Colony Days Parade Route: The Colony Days closure of the parade route is expected to take over 100 hours of budgeted staff time for road closure applications, set-up and manning the road closure.
   - Recommendations: Council:
     1. Adopt Draft Resolution A authorizing temporary road closures and restrictions on August 14, 2020 for the Hot El Camino Cruise Nite.
     2. Adopt Draft Resolution B authorizing temporary road closures and restrictions on October 3, 2020 for the Colony Days Parade Route.
     [Public Works]

4. **Adopting a List of Projects for Fiscal Year 2020-2021 Funded by SB1: The Road Repair and Accountability Act of 2017**
   - Fiscal Impact: The Approval of the Draft Resolution adopting the list of projects for SB1 Funding, will allow the City to receive an estimated $568,200 in 2020-2021 SB1 funding.
   - Recommendation: Council adopt Draft Resolution adopting a list of projects to be funded with Road Maintenance and Rehabilitation Account revenues from SB 1 (The Road Repair and Accountability Act of 2017) for Fiscal Year 2020-2021. [Public Works]

5. **Resolution of the City Council to Authorize Application for Local Government Planning Support Grant Program (LEAP) Funds**
   - Fiscal Impact: Adoption of the Draft Resolution will allow the City to receive up to $150,000 in LEAP grant funds for implementation of housing element activities and other housing related planning activities.
   - Recommendation: Council approve Draft Resolution authorizing an application for the 2020 Local Government Planning Support Grant Program / Local Early Action Planning Grants Program (LEAP) to the California Department of Housing and Community Development. [Community Development]

MOTION: By Council Member Fonzi and seconded by Council Member Funk to approve the Consent Calendar. (#A-3: Resolution Nos. 2020-008 & 009) (#A-4: Resolution No. 2020-010) (#A-5: Resolution No. 2020-011)
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: Geoff Auslen and Tricia Stanley

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. **Request for Authorization to Process General Plan Amendment for The Barrel Creek Project - 6010, 6020, 6030 Del Rio Rd and 1505, 1825, 1855 San Ramon Rd (APNs: 049-131-043, 049-131-044, 049-131-052, 049-131-058, 049-131-061, and 049-131-066) PRE19-0117 (Wadadli, LLC)**
   - Fiscal Impact: None. Authorized General Plan amendments are paid for by the Applicant.
   - Recommendation: Council authorize the applicant to proceed with further analysis towards a development plan to allow a commercial and residential development on existing vacant rural residential properties at the corner of Del Rio Road and San Ramon Road and provide direction to staff and the applicant on moving forward with application processing subject to continued refinement. [Community Development]

Council Member Fonzi recused herself due to a conflict of interest. She stated that she is an employee of Century 21 Hometown, and Century 21 Hometown has listed the property being reviewed this evening. She silenced her microphone and darkened her camera.

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

Applicant representatives Scott Martin and Eric Tienken made a presentation to and answered questions from the Council.

Ex Parte Communications
Mayor Moreno reported that she had a meeting last Fall with the applicant, the City Manager, the Community Development Director and Council Member Newsom. She also advised, she had received an email communication from a resident from Apple Valley who isn't thrilled about the project and really needs to know a lot more about it.

Council Member Newsom reported that she had not had any additional communication since the meeting noted by the Mayor.

Council Member Bourbeau reported that he had not had any Ex Parte on the item but stated he had received several emails about the project, in the last few hours from neighboring residents.

Council Member Funk reported speaking with Josh Cross and Lee Perkins. She also noted having received emails about the item.

PUBLIC COMMENT:

The following citizens spoke on this item: Jeff and Barbara Warren, Alana Reynolds, Jan Bewley, Garrett Kruse, Kristin Feavel, Bill Schaeffer and Geoff Auslen

Emails from the following citizens were read into the record by City Manager Rickard: Darryl Whisnand, Madeline Rothman and Lee Perkins

Mayor Moreno closed the Public Comment period.

Council gave staff and the applicant direction on moving forward with application processing.

MOTION: By Council Member Newsom and seconded by Council Member Funk to authorize the applicant to proceed with further analysis towards a development plan to allow a commercial and residential development on existing vacant rural residential properties at the corner of Del Rio Road and San Ramon Road .
Motion passed 4:0 by a roll-call vote. (Fonzi Abstained)

Council Member Fonzi returned to the teleconference, turning her microphone and camera back on.

C. MANAGEMENT REPORTS: None.

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

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

Mayor Moreno and City Manager Rickard provided updates on Coronavirus (COVID-19) and answered questions from the Council. The Mayor discussed a letter that she along with the six other County mayors, two supervisors and Jordan Cunningham signed urging the Governor to release control back to the counties for phased re-opening from the COVID Shelter at Home Order.

Council reviewed the City of Morro Bay Policies and Procedures Section 3.5.1 (Exhibit A) and discussed amending the Council Norms to better clarify and formalize the practice of the Mayor signing letters. Council directed staff to bring the item back as a staff report at the next Council Meeting.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Emails from the following citizens were read into the record by City Manager Rickard: Eric Greening

Mayor Moreno closed the Public Comment period.

E. 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
Mayor Moreno advised she would be speaking at the County COVID press conference tomorrow.

Council Member Funk
1. Homeless Services Oversight Council

Council Member Newsom
1. City of Atascadero Design Review Committee

F. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

G. ADJOURN

Mayor Moreno adjourned the meeting at 10:44 p.m.

MINUTES PREPARED BY:

_____
Amanda Muther
Deputy City Clerk

The following exhibit is available for review in the City Clerk's office:
- Exhibit A – Section 3.1.5 of the City of Morro Bay Council Policies and Procedures

APPROVED:

Atascadero City Council — March 2020

Staff Report - City Treasurer

March 2020 Investment Report

RECOMMENDATION:

Council receive and file the City Treasurer's report for quarter ending March 31, 2020.

REPORT IN BRIEF:

Cash and Investments

Checking	$ 1,024,615	
Zoo Credit Card Deposit Account	9,129	
Money Market Accounts	60,513	
Certificates of Deposit	13,290,000	
Government Securities	17,427,825	
Supranational Securities	3,493,139	
LAIF	12,350,611	
Cash with Fiscal Agents	2,635,810	
Cash in Banks at March 31, 2020		$ 50,291,642
Outstanding Checks		(200,497)
Cash and Investments at March 31, 2020		$ 50,091,145

Investment Activity

Securities Purchased:

Purchase Date	Description	Type	Cost	Maturity Date
01/16/20	Int'l Bank for Recon & Develop CUSIP #459058HT3	Supranational Security	$ 499,075	01/15/25
01/24/20	Baycoast Bank Swansea, MA	Certificate of Deposit	245,000	01/24/25
01/24/20	Live Oak Banking Company Wilmington, NC	Certificate of Deposit	245,000	01/20/25
03/04/20	FFCB CUSIP #3133ELQY3	Government Security	507,945	03/03/25
03/13/20	FNMA CUSIP #3135G0W66	Government Security	518,345	10/15/24
03/13/20	FHLB CUSIP #3130A3GE8	Government Security	544,390	12/13/24
03/13/20	FHLMC CUSIP #3137EAEP0	Government Security	517,070	02/12/25
03/23/20	Peoples Bank Rock Valley, IA	Certificate of Deposit	245,000	09/10/24
03/24/20	Bell Bank Fargo, ND	Certificate of Deposit	245,000	03/24/23

Investment Activity (continued)

Securities Purchased (continued):

03/25/20	Grand River Bank Grandville, MI	Certificate of Deposit	$ 245,000	09/25/24
03/26/20	Evergreen Bank Group Oak Brook, IL	Certificate of Deposit	245,000	03/26/25
03/27/20	PeopleFirst Bank Joliet, IL	Certificate of Deposit	245,000	06/27/23
03/27/20	Nicolet National Bank Green Bay, WI	Certificate of Deposit	245,000	09/27/23
03/27/20	Bank of Romney Romney, WV	Certificate of Deposit	245,000	03/27/25
03/27/20	First Jackson Bank Stevenson, AL	Certificate of Deposit	245,000	03/27/25
03/31/20	Alma Bank Astoria, NY	Certificate of Deposit	245,000	09/29/23

Securities Matured:

Maturity Date	Description	Type	Original Cost	Amount Matured
01/21/20	Washington Trust Westerly, RI	Certificate of Deposit	$ 245,000	$ 245,000
03/13/20	FHLMC CUSIP #3134G35V8	Government Security	1,000,150	1,000,000

Securities Sold Prior to Maturity:

None

Other Reportable Activities:

None

CITY OF ATASCADERO
TREASURER'S REPORT
CASH & INVESTMENTS ACTIVITY SUMMARY
for the quarter ending March 31, 2020

	CHECKING ACCOUNTS	*INVESTMENTS*	*FISCAL AGENT*	*TOTALS*
Balance per Banks at January 1, 2020	$ 1,021,299	$ 44,238,608	$ 2,299,672	$ 47,559,579
Receipts	9,076,441	219,000	552,542	9,847,983
Recognition of Premiums & Discounts		(1,044)	-	(1,044)
Disbursements	(6,898,472)	-	(216,404)	(7,114,876)
Transfers In	6,796,301	8,961,825	-	15,758,126
Transfers Out	(8,961,825)	(6,796,301)	-	(15,758,126)
Balance per Banks at March 31, 2020	$ 1,033,744	$ 46,622,088	$ 2,635,810	50,291,642
Timing Differences				(200,497)
Adjusted Treasurer's Balance				$ 50,091,145

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2020

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)*
Funds Managed by City											
n/a	**Local Agency Invest. Fund (LAIF)**	n/a	State Investment Fund	n/a	n/a	1.79%	$ 12,350,611	n/a	$ 12,350,611	$ 12,443,006	$ 92,395
n/a	**Broker Money Market**	n/a	Money Fund	n/a	n/a	Vary	60,513	n/a	60,513	60,513	-
04/30/20	**Federal National Mortgage Assn** CUSIP #3136G0W23	11/20/15	Government Security	Aaa	1.50%	1.66%	695,000	(91)	694,909	695,717	808
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	245,152	152
05/22/20	**Federal Home Loan Mtge Corp** CUSIP #3134G44G0	02/26/16	Government Security	Aaa	1.50%	1.12%	350,000	150	350,150	350,546	396
06/22/20	**Federal National Mortgage Assn** CUSIP #3135G0D75	11/05/15	Government Security	Aaa	1.50%	1.61%	1,000,000	51	1,000,051	1,002,811	2,760
06/26/20	**Federal National Mortgage Assn** CUSIP #3136G16D6	02/26/16	Government Security	Aaa	1.35%	1.24%	500,000	133	500,133	501,275	1,142
07/30/20	**Federal Home Loan Mtge Corp** CUSIP #3134G33Z1	11/20/15	Government Security	Aaa	1.55%	1.74%	555,000	(340)	554,660	557,042	2,382
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	246,443	1,443
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	246,485	1,485
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	246,090	1,090
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	246,120	1,120
11/30/20	**Federal National Mortgage Assn** CUSIP #3135G0F73	11/05/15	Government Security	Aaa	1.50%	1.70%	1,000,000	(1,337)	998,663	1,011,775	13,112
11/30/20	**Federal National Mortgage Assn** CUSIP #3135G0F73	11/20/15	Government Security	Aaa	1.50%	1.81%	500,000	(994)	499,006	498,336	(670)
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	246,899	1,899

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2020

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	$ 246,345	$ 1,345
12/28/20	**Federal National Mortgage Assn** CUSIP #3135G0H55	11/20/15	Government Security	Aaa	1.50%	1.81%	800,000	(145)	799,855	808,649	8,794
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	246,997	1,997
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	246,360	1,360
01/25/21	**Federal Agriculture Mtge Corp** CUSIP #3132X0EQ0	02/26/16	Government Security	Aaa	1.55%	1.34%	455,000	781	455,781	459,919	4,138
02/08/21	**Federal Home Loan Bank** CUSIP #3133827D9	02/26/16	Government Security	Aaa	1.75%	1.37%	480,000	1,559	481,559	486,053	4,494
04/13/21	**Federal National Mortgage Assn** CUSIP #3135G0U27	01/10/19	Government Security	Aaa	2.50%	2.56%	500,000	(281)	499,719	511,140	11,421
05/06/21	**Federal National Mortgage Assn** CUSIP #3135G0K69	06/09/16	Government Security	Aaa	1.25%	1.34%	500,000	(481)	499,519	503,995	4,476
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	200,782	782
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	245,968	968
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	245,544	544
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	245,581	581
09/07/21	**Ally Bank** Midvale, UT	09/09/19	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	246,769	1,769
09/13/21	**Community First Bank** Kokomo, IN	09/12/19	Certificate of Deposit	n/a	1.80%	1.80%	150,000	n/a	150,000	150,765	765
10/07/21	**Federal National Mortgage Assn** CUSIP #3135G0Q89	06/02/17	Government Security	Aaa	1.38%	1.72%	500,000	(2,547)	497,453	507,275	9,822

CITY OF ATASCADERO
INVESTMENT REPORT
March 31, 2020

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)
11/17/21	**First Source Bank** South Bend, IN	12/17/18	Certificate of Deposit	n/a	3.15%	3.15%	$ 245,000	n/a	$ 245,000	$ 252,284	$ 7,284
11/29/21	**Federal Home Loan Bank** CUSIP #3130AABG2	12/21/16	Government Security	Aaa	1.88%	2.12%	500,000	(2,033)	497,967	511,940	13,973
01/13/22	**Federal Home Loan Bank** CUSIP #3137EADB2	01/26/17	Government Security	Aaa	2.38%	2.06%	500,000	2,721	502,721	517,535	14,814
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	247,984	2,984
02/21/22	**Everbank** Jacksonville, FL	02/14/17	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	248,244	3,244
03/11/22	**Federal Home Loan Bank** CUSIP #313378CR0	02/23/17	Government Security	Aaa	2.25%	2.00%	500,000	2,383	502,383	518,185	15,802
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	248,124	3,124
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	514,900	14,900
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	248,276	3,276
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	248,310	3,310
06/10/22	**Federal Home Loan Bank** CUSIP #313379Q69	05/31/17	Government Security	Aaa	2.13%	1.86%	500,000	2,825	502,825	519,215	16,390
07/05/22	**Sallie Mae Bank** Salt Lake City, UT	07/08/19	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	249,486	4,486
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	249,513	4,513
07/27/22	**Federal Farm Credit Bank** CUSIP #3133EDE65	07/12/17	Government Security	n/a	3.05%	1.98%	302,000	7,329	309,329	319,114	9,785
08/03/22	**Federal Farm Credit Bank** CUSIP #3133EHTS2	08/17/17	Government Security	Aaa	1.90%	1.72%	500,000	2,041	502,041	515,140	13,099

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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)*
09/09/22	**Federal Farm Credit Bank** CUSIP #313380GJ0	09/11/17	Government Security	Aaa	2.00%	1.62%	$ 500,000	$ 4,511	$ 504,511	$ 517,905	$ 13,394
09/14/22	**Int'l Amer. Development Bank** CUSIP #4581X0CZ9	12/18/17	Supranational Security	Aaa	1.75%	2.23%	500,000	(5,779)	494,221	514,965	20,744
10/05/22	**Federal Farm Credit Bank** CUSIP #3135G0T78	01/18/18	Government Security	Aaa	2.00%	2.30%	500,000	(3,762)	496,238	518,060	21,822
11/28/22	**Bank of New England** Salem, NH	07/26/19	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	249,052	4,052
01/18/23	**Int'l Amer. Development Bank** CUSIP #4581X0DA3	01/18/18	Supranational Security	Aaa	2.50%	2.46%	500,000	491	500,491	526,200	25,709
01/18/23	**Int'l Amer. Development Bank** CUSIP #4581X0DA3	12/06/18	Supranational Security	Aaa	2.50%	2.90%	500,000	(5,307)	494,693	526,200	31,507
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	258,250	13,250
03/10/23	**Federal Farm Credit Bank** CUSIP #3130ADMX7	03/16/18	Government Security	Aaa	2.50%	2.71%	500,000	(2,938)	497,062	526,310	29,248
03/24/23	**Bell Bank** Fargo, ND	03/24/20	Certificate of Deposit	n/a	0.85%	0.85%	245,000	n/a	245,000	240,725	(4,275)
04/11/23	**Federal Farm Credit Bank** CUSIP #3133EJKN8	04/11/18	Government Security	Aaa	2.70%	2.71%	500,000	(160)	499,840	532,050	32,210
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	255,854	10,854
05/08/23	**Old Missouri Bank** Springfield, MO	05/06/19	Certificate of Deposit	n/a	2.50%	2.50%	100,000	n/a	100,000	103,171	3,171
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	257,571	12,571
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	258,607	13,607
06/27/23	**PeopleFirst Bank** Joliet, IL	03/27/20	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	241,410	(3,590)

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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	$ 259,205	$ 14,205
07/31/23	**Int'l Finance Corporation** CUSIP #45950KCP3	09/12/18	Supranational Security	Aaa	2.88%	2.90%	500,000	(397)	499,603	537,540	37,937
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	259,989	14,989
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	258,534	13,534
09/27/23	**Int'l Bank for Recon & Develop** CUSIP #459058GL1	02/06/19	Supranational Security	Aaa	3.00%	2.55%	500,000	7,509	507,509	539,720	32,211
09/27/23	**Nicolet National Bank** Green Bay, WI	03/27/20	Certificate of Deposit	n/a	1.25%	1.25%	245,000	n/a	245,000	243,128	(1,872)
09/29/23	**Alma Bank** Astoria, NY	03/31/20	Certificate of Deposit	n/a	1.10%	1.10%	245,000	n/a	245,000	241,871	(3,129)
11/06/23	**Federal Farm Credit Bank** CUSIP #3133EJQ85	11/06/18	Government Security	n/a	3.05%	3.06%	500,000	(136)	499,864	543,260	43,396
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	262,111	17,111
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	258,269	13,269
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	257,551	12,551
03/08/24	**Federal Home Loan Bank** CUSIP #3130AB3H7	03/07/19	Government Security	Aaa	2.38%	2.58%	750,000	(5,722)	744,278	802,696	58,418
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	256,863	11,863
04/26/24	**Mainstreet Bank** Fairfax, VA	05/01/19	Certificate of Deposit	n/a	2.60%	2.60%	245,000	n/a	245,000	255,604	10,604
05/13/24	**Federal Farm Credit Bank** CUSIP #3133EKLB0	05/13/19	Government Security	Aaa	2.31%	2.32%	500,000	(137)	499,863	534,280	34,417

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INVESTMENT REPORT
March 31, 2020

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)*
05/16/24	**Enterprise Bank** Allison Park, PA	05/16/19	Certificate of Deposit	n/a	2.60%	2.60%	$ 245,000	n/a	$ 245,000	$ 255,682	$ 10,682
06/26/24	**Commerce Bank** Geneva, MN	06/26/19	Certificate of Deposit	n/a	2.30%	2.30%	245,000	n/a	245,000	252,923	7,923
07/26/24	**Abacus Federal Savings** New York, NY	07/26/19	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	249,959	4,959
08/01/24	**Federal Farm Credit Bank** CUSIP 3133EJM55	07/24/19	Government Security	Aaa	3.25%	1.92%	427,000	23,385	450,385	474,884	24,499
08/19/24	**CF Bank** Worthington, OH	08/19/19	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	248,437	3,437
08/28/24	**Genoa Banking Company** Genoa, OH	08/28/19	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	247,920	2,920
08/28/24	**Int'l Bank for Recon & Develop** CUSIP #459056HV2	10/18/19	Supranational Security	Aaa	1.50%	1.62%	500,000	(2,511)	497,489	516,755	19,266
08/30/24	**Preferred Bank** Los Angeles, CA	08/30/19	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	248,445	3,445
09/10/24	**Peoples Bank** Rock Valley, IA	03/23/20	Certificate of Deposit	n/a	1.50%	1.50%	100,000	n/a	100,000	99,904	(96)
09/20/24	**Bank of Deerfield** Deerfield, WI	09/20/19	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	246,867	1,867
09/25/24	**Grand River Bank** Grandville, MI	03/25/20	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	239,434	(5,566)
10/15/24	**Federal National Mortgage Assn** CUSIP #3135G0W66	03/13/20	Government Security	Aaa	1.63%	0.81%	500,000	18,191	518,191	523,420	5,229
11/08/24	**Raymond James Bank** St. Petersburg, FL	11/08/19	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	247,925	2,925
12/13/24	**Federal Home Loan Bank** CUSIP #3130A3GE8	03/13/20	Government Security	Aaa	2.75%	0.84%	500,000	44,058	544,058	549,145	5,087
01/15/25	**Int'l Bank for Recon & Develop** CUSIP #459058HT3	01/16/20	Supranational Security	Aaa	1.63%	1.66%	500,000	(867)	499,133	522,590	23,457

CITY OF ATASCADERO
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01/20/25	**Live Oak Banking Company** Wilmington, NC	01/24/20	Certificate of Deposit	n/a	1.85%	1.85%	$ 245,000	n/a	$ 245,000	$ 248,513	$ 3,513
01/24/25	**Baycoast Bank** Swansea, MA	01/24/25	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	246,803	1,803
02/12/25	**Federal Home Loan Mtge Corp** CUSIP #3137EAEP0	03/13/20	Government Security	Aaa	1.50%	0.79%	500,000	16,961	516,961	521,745	4,784
03/03/25	**Federal Farm Credit Bank** CUSIP #3133ELQY3	03/04/20	Government Security	Aaa	1.21%	0.88%	500,000	7,850	507,850	512,290	4,440
03/26/25	**Evergreen Bank Group** Oak Brook, IL	03/26/20	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	238,542	(6,458)
03/27/25	**Bank of Romney** Romney, WV	03/27/20	Certificate of Deposit	n/a	1.15%	1.15%	245,000	n/a	245,000	240,301	(4,699)
03/27/25	**First Jackson Bank** Stevenson, AL	03/27/20	Certificate of Deposit	n/a	1.15%	1.15%	245,000	n/a	245,000	240,301	(4,699)
				Total Funds Managed by the City			46,515,124	106,964	46,622,088	47,568,338	946,250
Funds Managed by Fiscal Agent											
n/a	**BNY Western Trust** Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	1.09%	1,763,250	n/a	1,763,250	1,763,250	-
n/a	**BNY Western Trust** Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	0.88%	872,560	n/a	872,560	872,561	1
				Total Funds Managed by Fiscal Agent			2,635,810	n/a	2,635,810	2,635,811	1
							$ 49,150,934	**$ 106,964**	**$ 49,257,898**	**$ 50,204,149**	**$ 946,251**

Average Maturity of Total Portfolio 724 Days

Weighted Average Yield of Total Portfolio 1.9%

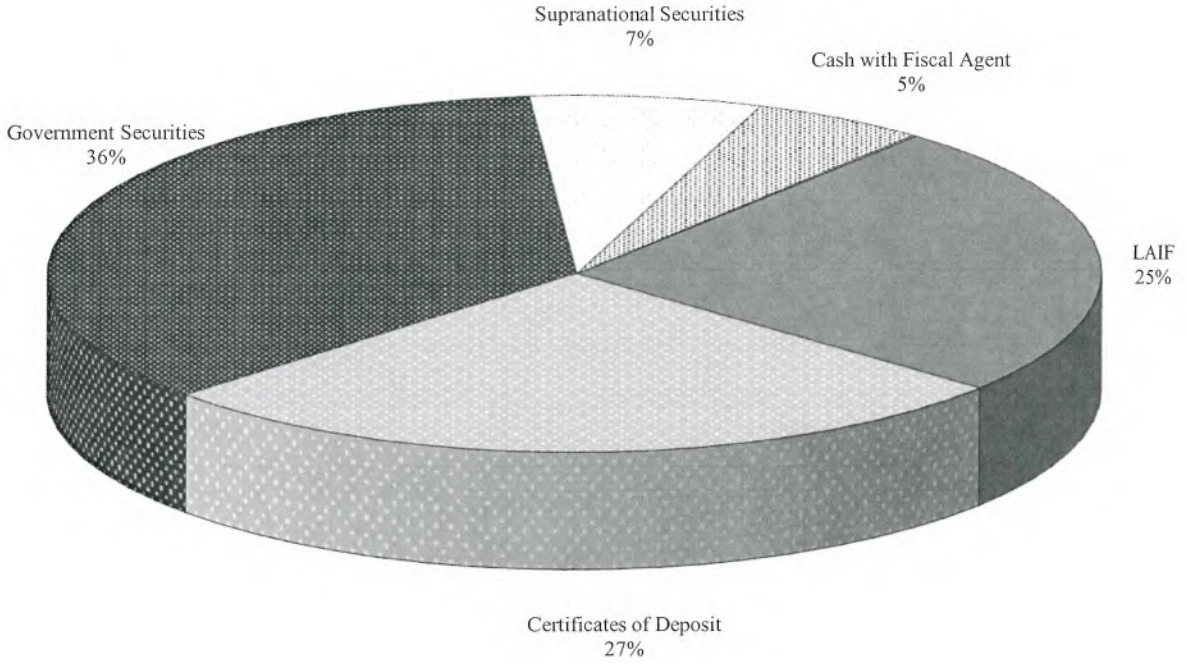
Certification:

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 : _____
Jeri Rangel - Director of Administrative Services

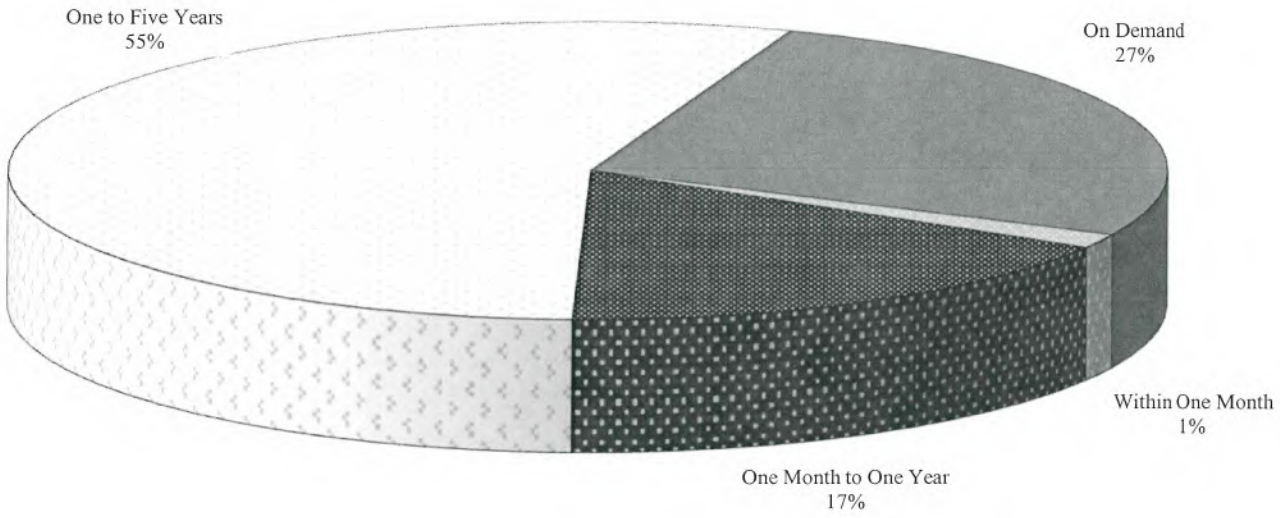
Approved by: _____
Gere Sibbach - City Treasurer

City of Atascadero
Investments by Type
March 2020



Investment		March 2020
LAIF	$	12,350,611
Certificates of Deposit		13,290,000
Government Securities		17,427,825
Supranational Securities		3,493,139
Cash with Fiscal Agent		2,635,810
Other		60,513
	$	49,257,898

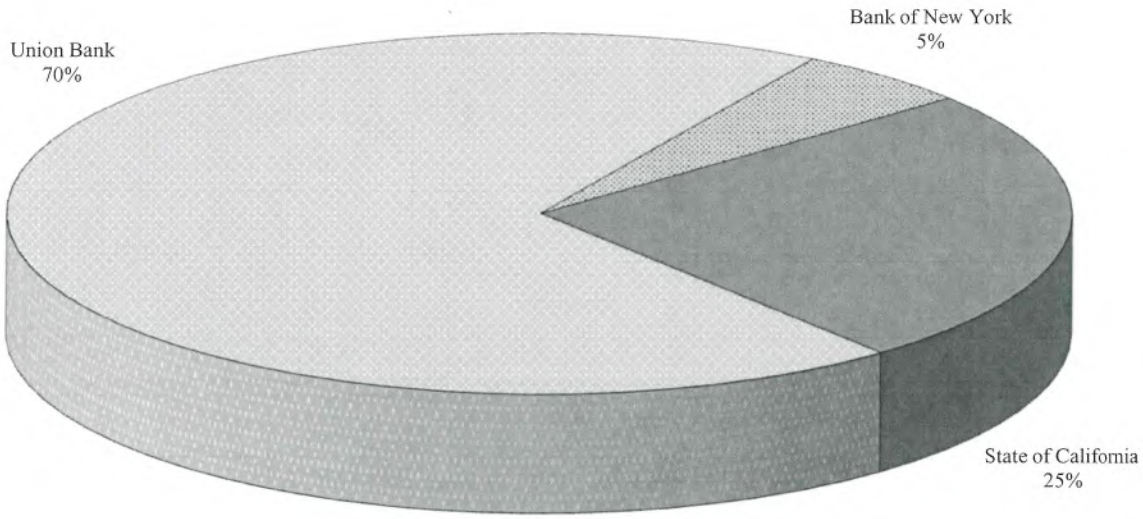
City of Atascadero
Investments by Maturity *
March 2020



Investment		March 2020
On Demand	$	12,411,124
Within One Month		694,909
One Month to One Year		7,844,858
One to Five Years		25,671,197
	$	46,622,088

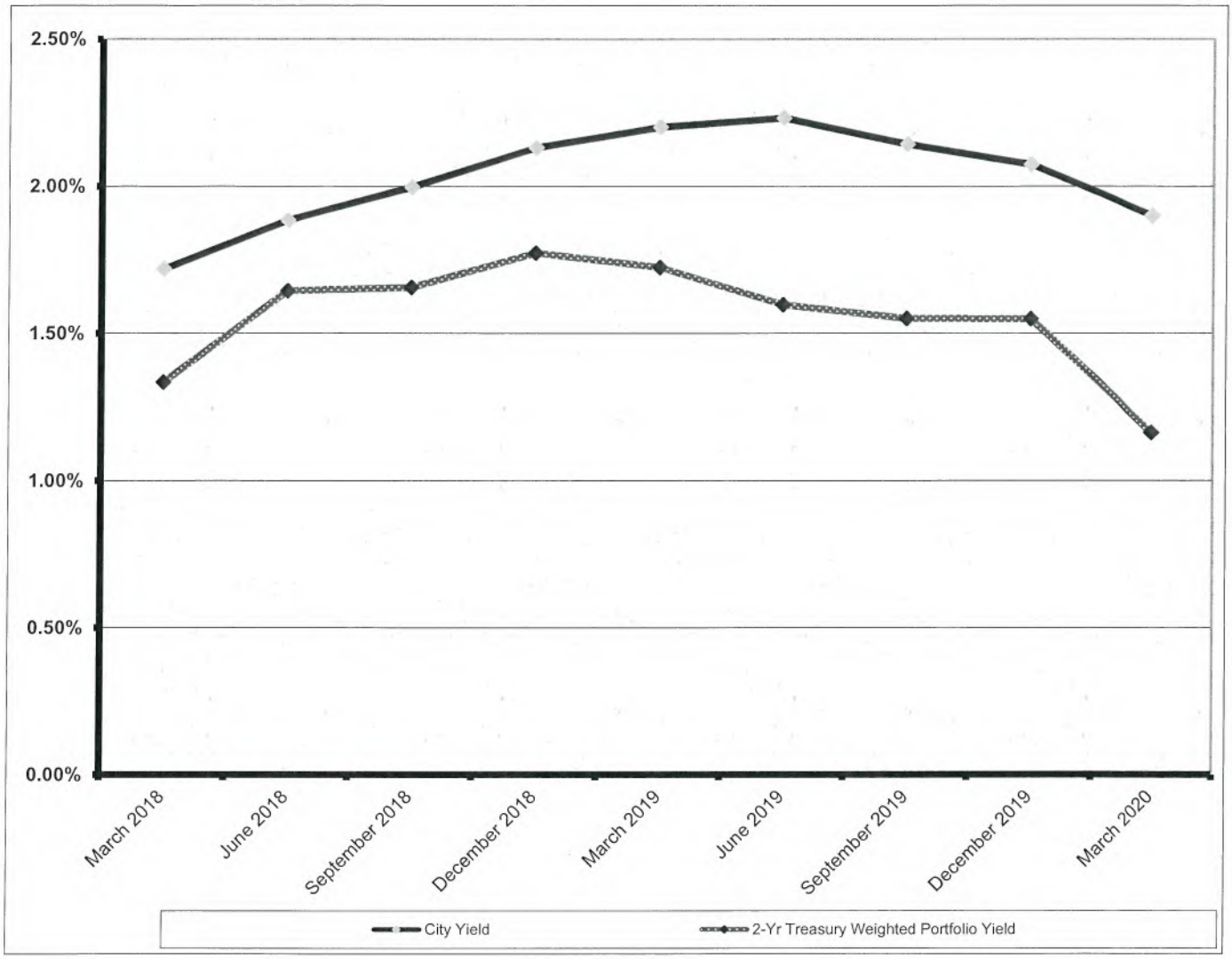
* Cash with fiscal agent is not included in the totals for this graph because the amounts are restricted based on bond covenants, and therefore, the City doesn't retain the option to liquefy these funds at will.

City of Atascadero
Investments by Custodial Agent
March 2020



Custodial Agent	March 2020
State of California	$ 12,350,611
Union Bank	34,271,477
Bank of New York	2,635,810
	$ 49,257,898

City of Atascadero
Investment Yield vs. 2-Year Treasury Yield
For the Quarter Ended March 31, 2020



	City Yield	2-Yr Treasury Weighted Portfolio Yield
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%
June 2019	2.23%	1.60%
September 2019	2.14%	1.55%
December 2019	2.07%	1.55%
March 2020	1.90%	1.16%

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 2020/2021.

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 2020/2021, 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 2020/2021 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 2020/2021.

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 2020/2021.

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 9, 2020 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 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased 3.0% (CPI) this year for both districts.

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

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

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

FISCAL IMPACT:

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

ATTACHMENTS:

1. **Draft Resolution A** - 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 2020/2021
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 2020/2021, 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 2020/2021 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 2020/2021 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 2020/2021
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 2020/2021
8. **Engineer's Annual Levy Report** - for the levy and collection of fiscal year 2020/2021 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 2020/2021

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 XIIIC and XIIID*.

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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION B

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, 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 2020/2021.

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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021, 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 2020/2021 (July 1, 2020 and ending June 30, 2021) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIIC and XIIID*, 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 9, 2020 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 2020/2021 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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report

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

May 2020

Prepared by:

NBS
helping communities fund tomorrow
nbsgov.com

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

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

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Summary of Assessment

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

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

_____

City Engineer

2. EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

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

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

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.3.3 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 XIIIC and XIIID), 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.

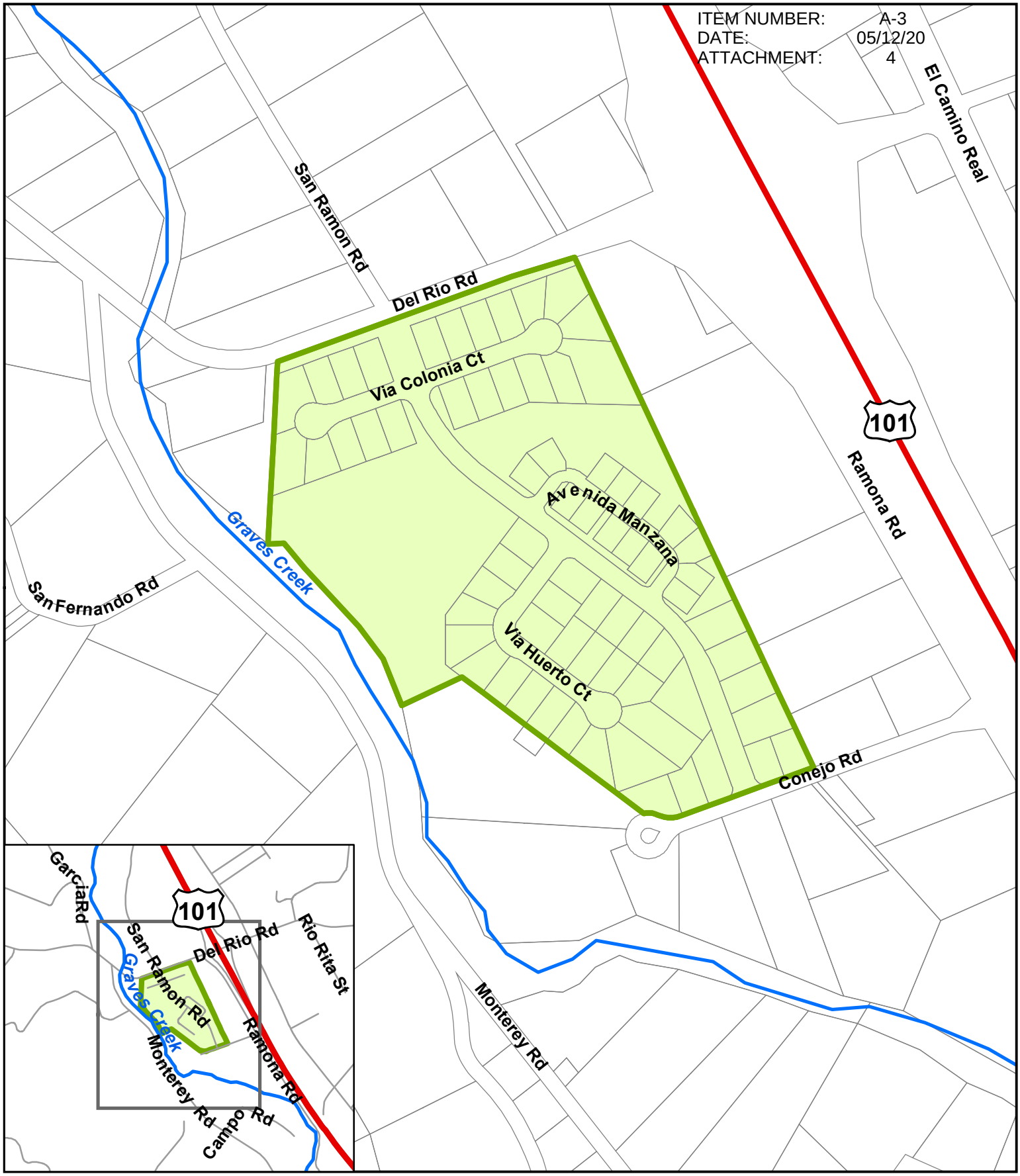
To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIIID Section 4c, that requires a public hearing and certain protest procedures including 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.

ITEM NUMBER: A-3
DATE: 05/12/20
ATTACHMENT: 4



CITY OF ATASCADERO

APPLE VALLEY
Street and Storm Drain Maintenance District No. 1
Landscaping and Lighting District No. 1

N
W E
S

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

7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)
Fiscal Year 2020/2021 Assessment Roll

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

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

DRAFT RESOLUTION 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 2020/2021 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 XIIID; 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 XIIID; 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 2020/2021.

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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 2020/2021 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 2020/2021 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIIID; 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 2020/2021.

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 2020/2021, 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 XIIID.

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 9, 2020, 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 2020/2021 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Landscaping and Lighting District

District No. 01 (Apple Valley)

May 2020

Prepared by:

NBS
helping communities fund tomorrow
nbsgov.com

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CITY OF ATASCADERO
Landscaping & Lighting 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, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Budget Summary

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

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

_____

City Engineer

2. EXECUTIVE SUMMARY

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

Landscaping and Lighting District No. 01 (Apple Valley)

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

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

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

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 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 XIIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by The 1972 Act

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

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

d) The removal of trimmings, rubbish, debris, and other solid waste;

e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;

f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;

g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

8) Incidental expenses associated with the improvements including, but not limited to:

a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

b) The costs of printing, advertising, and the publishing, posting and mailing of notices;

c) Compensation payable to the County for collection of assessments;

d) Compensation of any engineer or attorney employed to render services;

e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;

f) Costs associated with any elections held for the approval of a new or increased assessment.

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 LANDSCAPE IMPROVEMENTS

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

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

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

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

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

4. ESTIMATE OF COSTS

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

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article 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 affect the properties within the District. Although the improvements include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the construction and installation of these improvements were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District.

5.3 Assessment Methodology

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

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

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

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

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

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

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

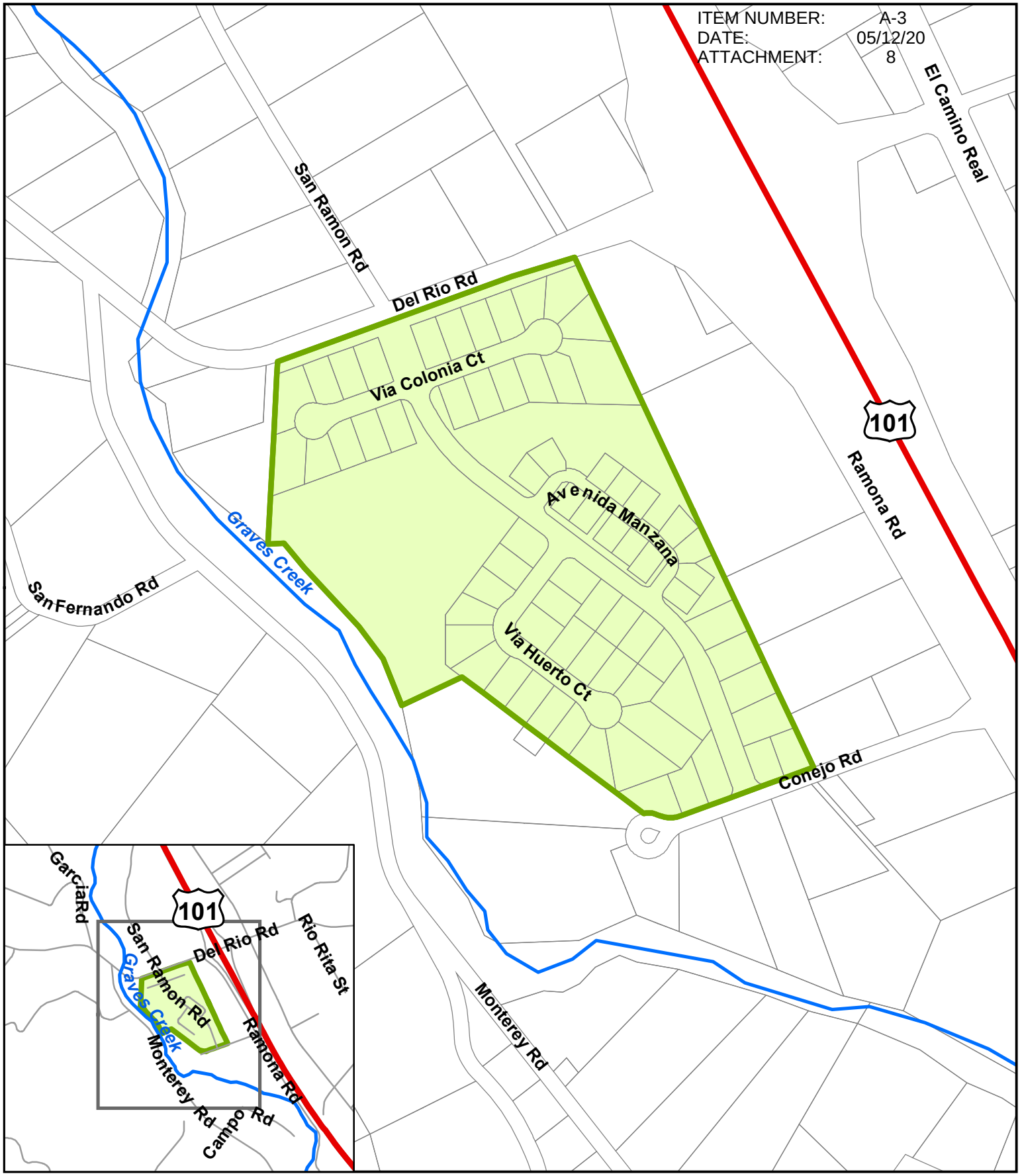
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the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

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIIID 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

N W E S

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

7. ASSESSMENT ROLL

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

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

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

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

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

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

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

Atascadero City Council

Staff Report – Administrative Services Department

De Anza Estates Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A 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 2020/2021.

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 2020/2021, 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 2020/2021 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 2020/2021.

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 2020/2021.

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 9, 2020, 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 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.0% (CPI) this year for both districts.

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

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

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

FISCAL IMPACT:

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

ATTACHMENTS:

1. **Draft Resolution A** - 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 2020/2021
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 2020/2021, 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 2020/2021 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 2020/2021 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 2020/2021
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 2020/2021
8. **Engineer's Report**- for the levy and collection of fiscal year 2020/2021 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 2020/2021

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 XIIIC and XIIID*.

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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION B

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, 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 2020/2021.

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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021, 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 2020/2021 (July 1, 2020 and ending June 30, 2021) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIIC and XIIID,* 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 9, 2020 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 2020/2021 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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

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

May 2020

Prepared by:

NBS
helping communities fund tomorrow
nbsgov.com

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Toll free: 800.676.7516

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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Summary of Assessment

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

Rates above are per Equivalent Benefit Unit.

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

City Engineer

2. EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

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

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

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

3.2 Funding Authorized by The 1982 Act

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

1) Drainage and Flood Control;

2) Streets and Roads.

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

3.3 Description of Improvements and Services

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

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

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

3.3.1 STREET MAINTENANCE

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

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

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

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

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

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

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

3.3.2 STORM DRAIN AND FLOOD CONTROL MAINTENANCE

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

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

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

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

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

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

4. ESTIMATE OF COSTS

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

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

eventually have a negative impact on properties within the District.

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

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

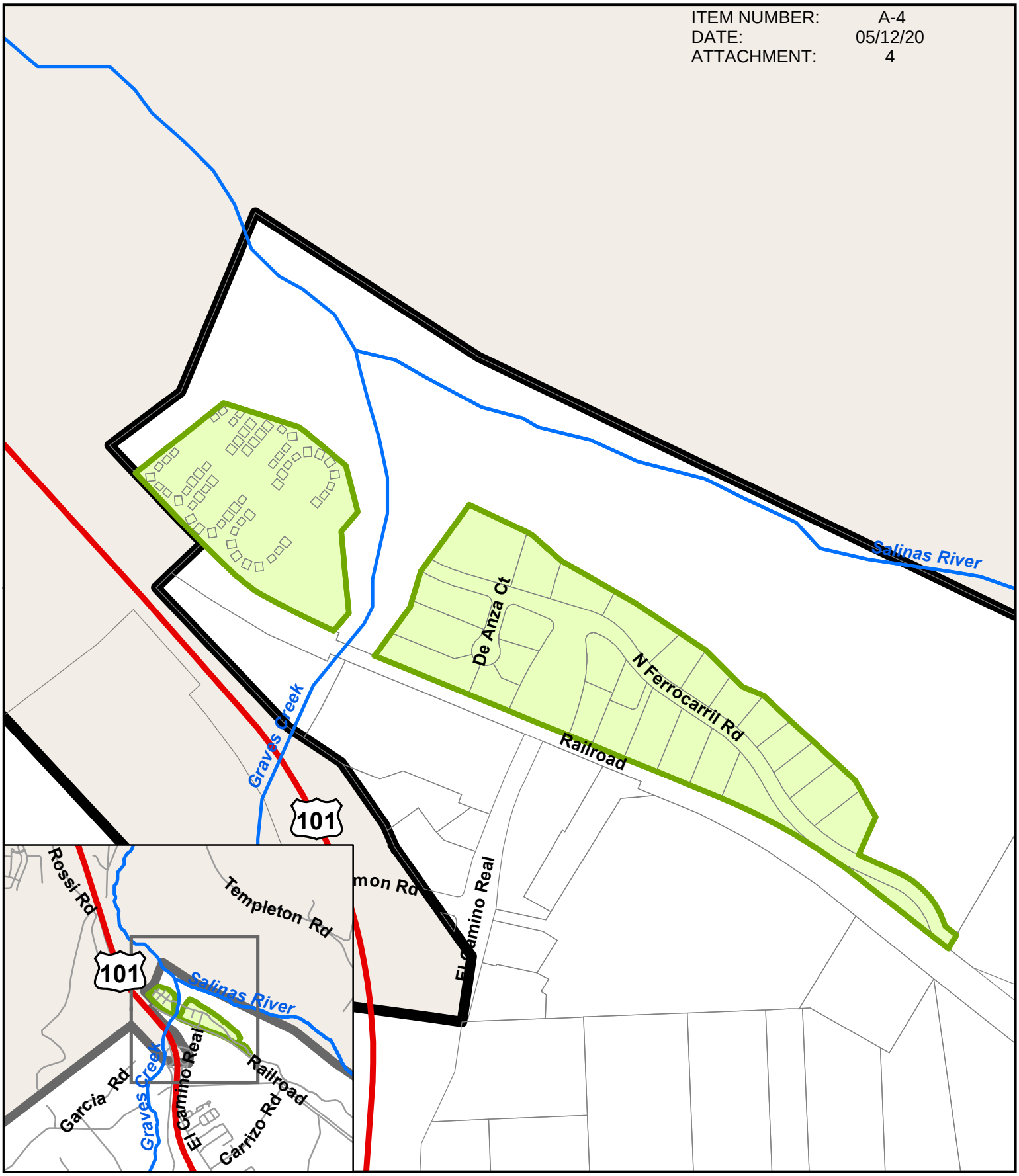
To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIIID Section 4c, that requires a public hearing and certain protest procedures including 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.

ITEM NUMBER: A-4
DATE: 05/12/20
ATTACHMENT: 4



CITY OF ATASCADERO

DE ANZA ESTATES
Street and Storm Drain Maintenance District No. 3
Landscaping and Lighting District No. 3

N
W E
S

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

7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 3
(De Anza Estates)
Fiscal Year 2020/2021 Assessment Roll

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

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

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

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

DRAFT RESOLUTION 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 2020/2021 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 XIIID; 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 XIIID; 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 2020/2021.

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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 2020/2021 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 2020/2021 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIIID; 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 2020/2021.

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 2020/2021, 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 XIIID.

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 9, 2020, 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 2020/2021 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 ____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian A. Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Landscaping and Lighting District

No. 03 (De Anza Estates)

May 2020

Prepared by:

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(De Anza Estates)

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Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

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Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Budget Summary

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

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

_____

City Engineer

2. EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by The 1972 Act

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

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

d) The removal of trimmings, rubbish, debris, and other solid waste;

e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;

f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;

g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

8) Incidental expenses associated with the improvements including, but not limited to:

a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

b) The costs of printing, advertising, and the publishing, posting and mailing of notices;

c) Compensation payable to the County for collection of assessments;

d) Compensation of any engineer or attorney employed to render services;

e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;

f) Costs associated with any elections held for the approval of a new or increase assessment.

3.3 Description of Improvements and Services

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

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

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

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

Landscape Improvements

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

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

Public Lighting Improvements

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

4. ESTIMATE OF COSTS

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

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article 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 XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

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

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

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

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

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

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

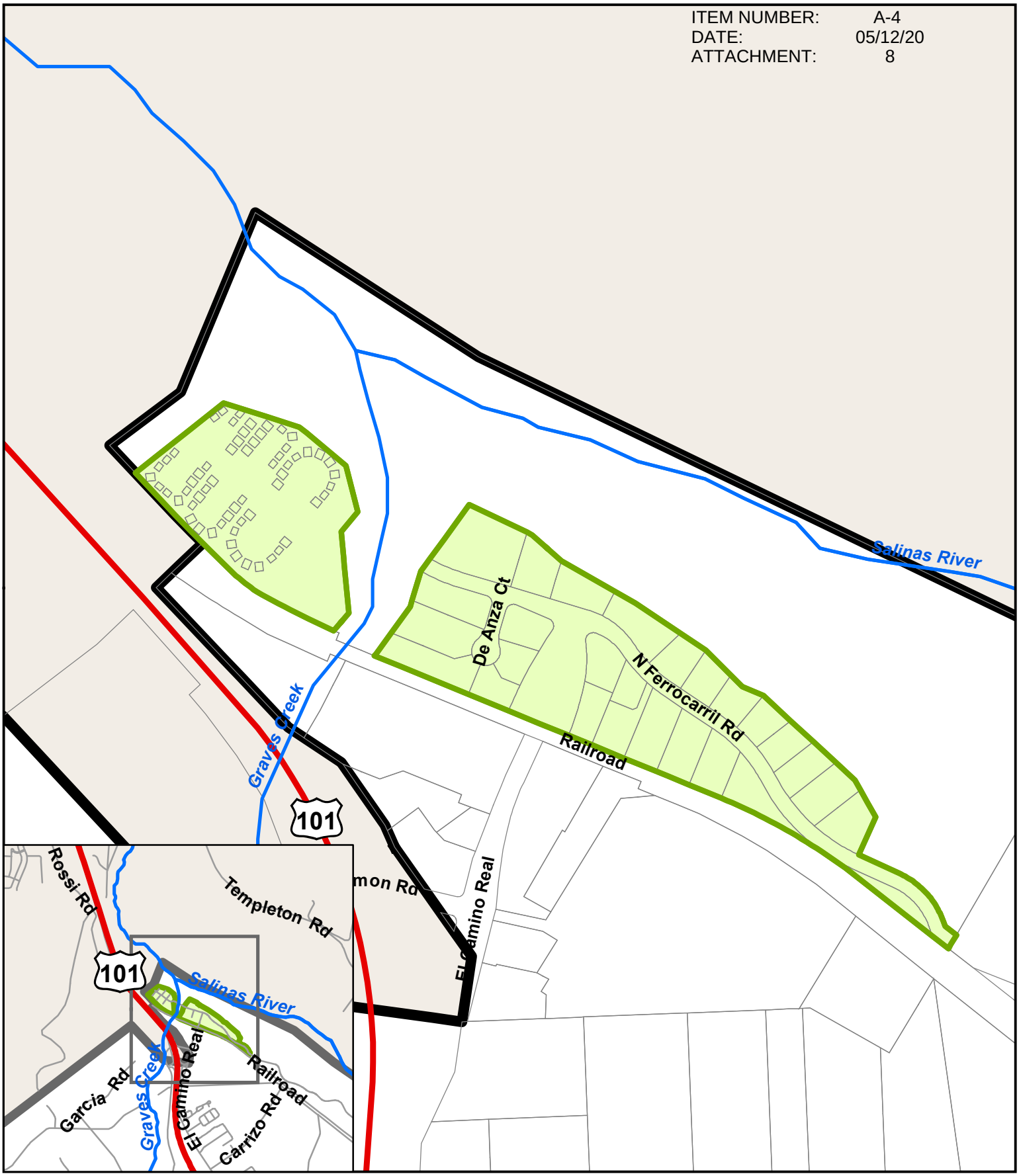
To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the 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.

ITEM NUMBER: A-4
DATE: 05/12/20
ATTACHMENT: 8



CITY OF ATASCADERO

DE ANZA ESTATES
Street and Storm Drain Maintenance District No. 3
Landscaping and Lighting District No. 3

N
W E
S

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

7. ASSESSMENT ROLL

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

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

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

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

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

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

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

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

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

ITEM NUMBER: **A-5**
DATE: **05/12/20**

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 2020/2021.

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 2020/2021, 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 2020/2021 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 2020/2021.

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 2020/2021.

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 9, 2020, 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 2020/2021 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the City may increase the Maximum Assessment Rate for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.0% (CPI) this year for both districts.

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

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

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

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

FISCAL IMPACT:

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

ATTACHMENTS:

1. **Draft Resolution A** - initiating proceedings for the levy and collection of annual assessments for Atascadero Street and Storm Drain Maintenance District No. 02 (Woodridge) for fiscal year 2020/2021
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 2020/2021, 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 2020/2021 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 2020/2021 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 2020/2021
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 2020/2021
8. **Engineer's Annual Levy Report** - for the levy and collection of fiscal year 2020/2021 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 2020/2021

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 XIIIC and XIIID.*

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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION B

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, 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 2020/2021.

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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021, 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 2020/2021 (July 1, 2020 and ending June 30, 2021) in accordance with *Chapter 1, Article 4* of the 1982 Act and in accordance with the requirements of the *California Constitution, Articles XIIIC and XIIID,* 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 9, 2020 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 2020/2021 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

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

May 2020

Prepared by:

NBS
helping communities fund tomorrow
nbsgov.com

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

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CITY COUNCIL

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Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Summary of Assessment

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

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

_____

City Engineer

2. EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

3. PLANS AND SPECIFICATIONS

3.1 Benefiting Properties within the District

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

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

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

3.2 Funding Authorized by The 1982 Act

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

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

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

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 STREET MAINTENANCE

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

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

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

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

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-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	2020/2021 Assessment
DIRECT COSTS	
Streets, Roads & Storm Drain Improvements	
Drainage Maintenance Services	$7,100
Inspection & Operational Services- Roads, Drainage	7,200
Total Annual Direct Costs	**$14,300**
SPECIAL PROJECT	**$394,000**
ADMINISTRATION EXPENSES	
City Annual Administration	$1,800
City Operational Services	200
Engineer's Report & Services	3,330
Public Noticing	300
Total Annual Administration Costs	**$5,630**
TOTAL DIRECT & ADMINISTRATION COSTS	**$413,930**
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	$97,500
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	12,500
Collection for Debris Removal	1,250
Collection for Storm Drain Infrastructure	3,020
Total Annual Capital Reserve Collections/(Uses)	**$114,270**
LEVY ADJUSTMENTS	
Interest Income- Improvement Fund	($5,793)
Interest Income- Operating Reserve Fund	(387)
Reserve Fund Collection (Use)	(429,090)
Total Levy Adjustments	**($435,270)**
BALANCE TO LEVY	**$92,930**
DISTRICT STATISTICS	
Total Parcels	190
Parcels Levied	181
Total EBU[(1)]	231.75
Levy per EBU	**$401.00**
Maximum Levy per EBU	$788.91
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	$12,870
Operational Reserve Interest	387
Surplus Transfer from Improvement Fund	434,968
Operational Reserve Collection (Use)	(435,270)
Ending Operating Reserve Balance	**$12,955**
Beginning Improvement Fund Balance	$508,970
Improvement Fund Interest	5,793
Surplus Transfer to Operations Fund	(434,968)
Improvement Fund Collection	114,270
Ending Improvement Fund Balance	**$194,065**

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

Furthermore:

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

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

5.2 Benefit Analysis

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

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

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

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

5.3 Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU
Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

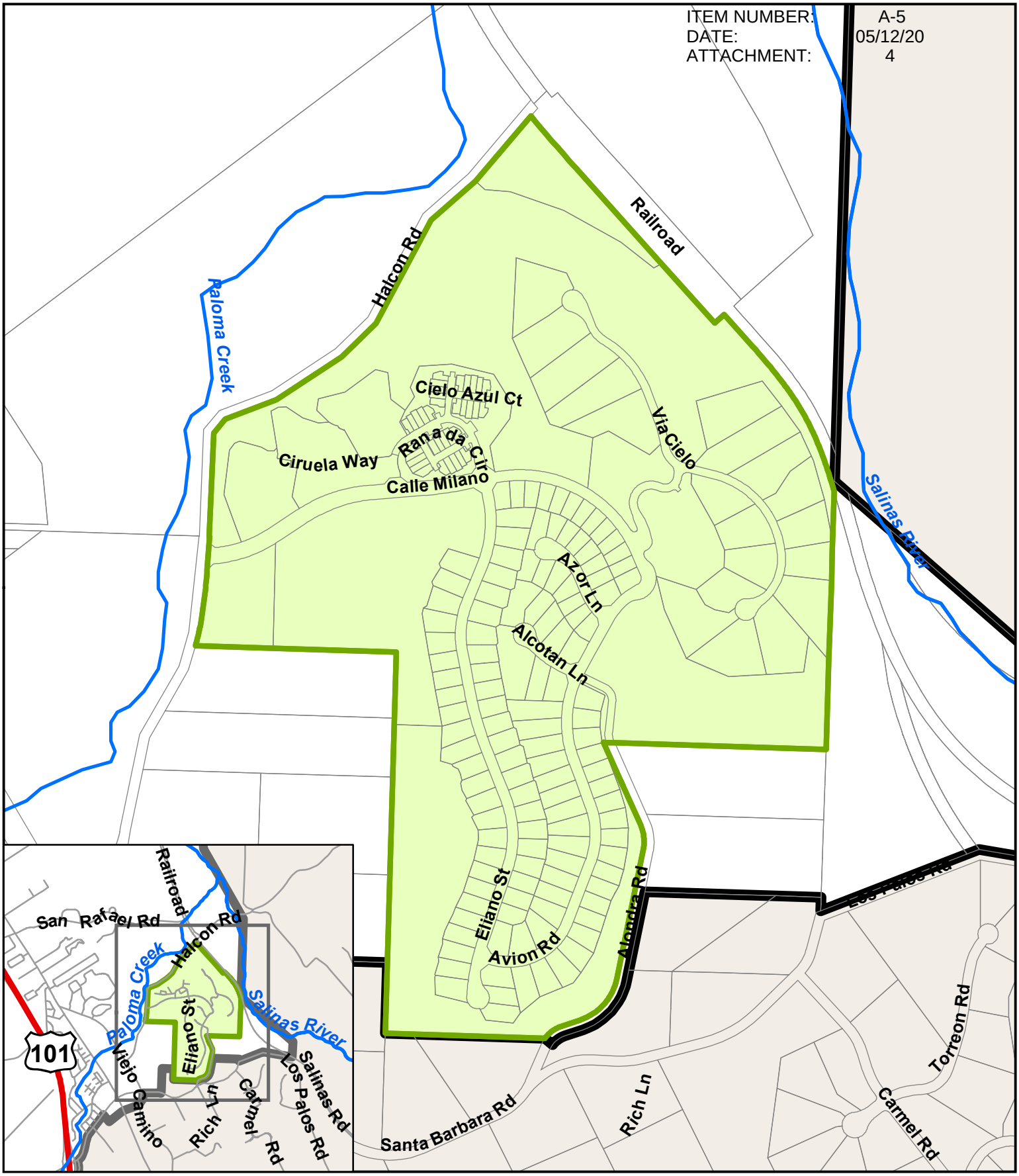
To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIIID Section 4c, that requires a public hearing and certain protest procedures including 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.

ITEM NUMBER: A-5
DATE: 05/12/20
ATTACHMENT: 4



CITY OF ATASCADERO

LAS LOMAS
Street and Storm Drain Maintenance District No. 2
Landscaping and Lighting District No. 2

N
W E
S

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

7. ASSESSMENT ROLL

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

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

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

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 2
(Las Lomas)
Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-311-006	0	$0.00	$0.00
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	14,018.98	7,125.94
045-311-015	24.83	19,588.70	9,957.06
045-311-016	19.9	15,699.36	7,980.08
045-312-001	1	788.91	401.00
045-312-002	1	788.91	401.00
045-312-003	1	788.91	401.00
045-312-004	1	788.91	401.00
045-312-005	1	788.91	401.00
045-312-006	1	788.91	401.00
045-312-007	1	788.91	401.00
045-312-008	1	788.91	401.00
045-312-009	1	788.91	401.00
045-312-010	1	788.91	401.00
045-312-011	1	788.91	401.00
045-312-012	1	788.91	401.00
045-312-013	1	788.91	401.00
045-312-014	1	788.91	401.00
045-312-015	1	788.91	401.00
045-312-016	1	788.91	401.00
045-312-017	1	788.91	401.00
045-312-018	1	788.91	401.00
045-312-019	1	788.91	401.00
045-312-020	1	788.91	401.00
045-312-021	1	788.91	401.00
045-312-022	1	788.91	401.00
045-312-023	1	788.91	401.00
045-312-024	1	788.91	401.00
045-312-025	1	788.91	401.00
045-312-026	1	788.91	401.00
045-312-027	1	788.91	401.00
045-312-028	1	788.91	401.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-312-029	1	788.91	401.00
045-312-030	1	788.91	401.00
045-312-031	1	788.91	401.00
045-312-032	1	788.91	401.00
045-312-033	1	788.91	401.00
045-312-034	1	788.91	401.00
045-312-035	1	788.91	401.00
045-312-036	1	788.91	401.00
045-312-037	1	788.91	401.00
045-312-038	1	788.91	401.00
045-312-039	1	788.91	401.00
045-312-040	1	788.91	401.00
045-312-041	1	788.91	401.00
045-312-042	1	788.91	401.00
045-312-043	1	788.91	401.00
045-312-044	1	788.91	401.00
045-312-045	1	788.91	401.00
045-312-046	1	788.91	401.00
045-312-047	1	788.91	401.00
045-312-048	1	788.91	401.00
045-312-049	1	788.91	401.00
045-312-050	1	788.91	401.00
045-312-051	1	788.91	401.00
045-312-052	1	788.91	401.00
045-312-053	1	788.91	401.00
045-312-054	1	788.91	401.00
045-312-055	1	788.91	401.00
045-312-056	1	788.91	401.00
045-313-001	1	788.91	401.00
045-313-002	1	788.91	401.00
045-313-003	1	788.91	401.00
045-313-004	1	788.91	401.00
045-313-005	1	788.91	401.00
045-313-006	1	788.91	401.00
045-313-007	1	788.91	401.00
045-313-008	1	788.91	401.00
045-313-009	1	788.91	401.00
045-313-010	1	788.91	401.00
045-313-011	1	788.91	401.00
045-313-012	1	788.91	401.00
045-313-013	1	788.91	401.00
045-313-014	1	788.91	401.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-313-015	1	788.91	401.00
045-313-018	1	788.91	401.00
045-313-019	1	788.91	401.00
045-313-020	1	788.91	401.00
045-313-021	1	788.91	401.00
045-313-026	1	788.91	401.00
045-313-027	1	788.91	401.00
045-314-001	1	788.91	401.00
045-314-002	1	788.91	401.00
045-314-003	1	788.91	401.00
045-314-004	1	788.91	401.00
045-314-005	1	788.91	401.00
045-314-006	1	788.91	401.00
045-314-007	1	788.91	401.00
045-314-008	1	788.91	401.00
045-314-009	1	788.91	401.00
045-314-010	1	788.91	401.00
045-314-011	1	788.91	401.00
045-314-012	1	788.91	401.00
045-314-013	1	788.91	401.00
045-314-014	1	788.91	401.00
045-314-015	1	788.91	401.00
045-314-016	1	788.91	401.00
045-314-017	1	788.91	401.00
045-314-018	1	788.91	401.00
045-314-019	1	788.91	401.00
045-314-020	1	788.91	401.00
045-314-021	1	788.91	401.00
045-314-022	1	788.91	401.00
045-314-023	1	788.91	401.00
045-314-024	1	788.91	401.00
045-314-025	1	788.91	401.00
045-314-026	1	788.91	401.00
045-314-027	1	788.91	401.00
045-314-028	1	788.91	401.00
045-314-029	1	788.91	401.00
045-314-030	1	788.91	401.00
045-314-031	1	788.91	401.00
045-314-032	1	788.91	401.00
045-314-033	1	788.91	401.00
045-315-001	1	788.91	401.00
045-315-002	1	788.91	401.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-315-003	1	788.91	401.00
045-315-004	1	788.91	401.00
045-315-005	1	788.91	401.00
045-315-006	1	788.91	401.00
045-315-007	1	788.91	401.00
045-315-008	1	788.91	401.00
045-315-009	1	788.91	401.00
045-315-010	1	788.91	401.00
045-315-011	1	788.91	401.00
045-315-012	1	788.91	401.00
045-315-013	1	788.91	401.00
045-315-014	1	788.91	401.00
045-315-015	1	788.91	401.00
045-315-016	1	788.91	401.00
045-315-017	1	788.91	401.00
045-315-018	1	788.91	401.00
045-315-019	1	788.91	401.00
045-315-020	1	788.91	401.00
045-315-021	1	788.91	401.00
045-315-022	1	788.91	401.00
045-315-023	1	788.91	401.00
045-315-024	1	788.91	401.00
045-315-025	1	788.91	401.00
045-315-026	1	788.91	401.00
045-315-027	1	788.91	401.00
045-315-028	1	788.91	401.00
045-315-029	1	788.91	401.00
045-315-030	1	788.91	401.00
045-315-031	1	788.91	401.00
045-315-032	1	788.91	401.00
045-315-033	1	788.91	401.00
045-316-040	0	-	-
045-316-041	0.75	591.68	300.76
045-316-042	0.75	591.68	300.76
045-316-043	0.75	591.68	300.76
045-316-044	0.75	591.68	300.76
045-316-045	0.75	591.68	300.76
045-316-046	0.75	591.68	300.76
045-316-047	0.75	591.68	300.76
045-316-048	0.75	591.68	300.76
045-316-049	0.75	591.68	300.76
045-316-050	0.75	591.68	300.76

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-316-051	0.75	591.68	300.76
045-316-052	0.75	591.68	300.76
045-316-053	0.75	591.68	300.76
045-316-054	0.75	591.68	300.76
045-316-055	0.75	591.68	300.76
045-316-056	0.75	591.68	300.76
045-316-057	0.75	591.68	300.76
045-316-058	0.75	591.68	300.76
045-316-059	0.75	591.68	300.76
045-316-060	0.75	591.68	300.76
045-316-061	0.75	591.68	300.76
045-316-062	0.75	591.68	300.76
045-316-063	0.75	591.68	300.76
045-316-064	0.75	591.68	300.76
045-316-065	0.75	591.68	300.76
045-316-066	0.75	591.68	300.76
045-316-067	0.75	591.68	300.76
045-316-068	0.75	591.68	300.76
045-316-069	0.75	591.68	300.76
045-316-070	0.75	591.68	300.76
045-316-071	0.75	591.68	300.76
045-316-072	0.75	591.68	300.76
045-316-073	0.75	591.68	300.76
045-316-074	0.75	591.68	300.76
045-316-075	0.75	591.68	300.76
045-316-076	0	-	-
045-316-077	0	-	-
Total	**231.75**	**$ 182,830.52**	**$ 92,932.68**

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

DRAFT RESOLUTION 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 2020/2021 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 XIIID; 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 XIIID; 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 2020/2021.

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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

DRAFT RESOLUTION 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 2020/2021

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 2020/2021 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 2020/2021 are less than or equal to the maximum assessments previously approved in accordance with the requirements of the California Constitution, Article XIIID; 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 2020/2021.

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 2020/2021, 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 XIIID.

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 9, 2020, 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 2020/2021 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 _____, 2020.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

_____
Heather Moreno, Mayor

ATTEST:

_____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

_____
Brian Pierik, City Attorney

CITY OF ATASCADERO

Fiscal Year 2020/21 Engineer's Report For:

Landscaping and Lighting District

District No. 02 Las Lomas (Woodridge)

May 2020

Prepared by:

NBS
helping communities fund tomorrow
nbsgov.com

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

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

CITY COUNCIL

Heather Moreno, Mayor

Charles Bourbeau, Mayor Pro Tem

Roberta Fonzi, Council Member

Susan Funk, Council Member

Heather Newsom, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Director

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1. ENGINEER'S LETTER

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

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

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

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

FY 2020/21 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	$78,460	$1,578	$76,882			
Special Project	4,000	0	4,000			
Administration	6,180	0	6,180			
Capital Reserve Collections/(Use)	14,567	250	14,317			
Levy Adjustments	(37,158)	(1,828)	(35,330)			
Total	**$66,049**	**$0**	**$66,049**	**231.75**	**$1,959.08**	**$285.00**

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

_____

City Engineer

2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the "District"), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer's Report (hereafter referred to as the "Report") has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2020/21, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

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

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

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 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 XIIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

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

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

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

3.2 Improvements and Services Authorized by the 1972 Act

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

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

sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;

c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;

d) The removal of trimmings, rubbish, debris, and other solid waste;

e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;

f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;

g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

8) Incidental expenses associated with the improvements including, but not limited to:

a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

b) The costs of printing, advertising, and the publishing, posting and mailing of notices;

c) Compensation payable to the County for collection of assessments;

d) Compensation of any engineer or attorney employed to render services;

e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;

f) Costs associated with any elections held for the approval of a new or increased assessment.

3.3 Description of Improvements and Services

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

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

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

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

3.3.1 LANDSCAPE IMPROVEMENTS

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

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

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

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

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

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

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2020/2021 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	$54,680	($1,578)	$53,102
Landscape Supplies	1,080	0	1,080
Landscape Utilities	4,800	0	4,800
City Landscape Services	12,510	0	12,510
Other Maintenance Services	5,390	0	5,390
Total Annual Direct Costs	**$78,460**	**($1,578)**	**$76,882**
CAPITAL EXPENDITURES			
Special Projects	4,000	-	4,000
Total Annual Special Projects	**4,000**	**-**	**4,000**
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	$1,360	$0	$1,360
Engineer's Report & Services	4,320	0	4,320
Public Noticing	500	0	500
Total Administration	**$6,180**	**$0**	**$6,180**
TOTAL DIRECT & ADMINISTRATION COSTS	**$88,640**	**($1,578)**	**$87,062**
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	$3,128	$0	$3,128
Median Rehabilitation/Replacement	138	0	138
Open Space Rehabilitation/Replacement	1,000	(250)	750
Tree Rehabilitation/Replacement	5,806	0	5,806
Slope Rehabilitation/Replacement	3,754	0	3,754
Other Rehabilitation/Replacement	741	0	741
Total Annual Capital Reserve Collections/(Uses)	**$14,567**	**($250)**	**$14,317**
LEVY ADJUSTMENTS			
Interest Income- Improvement Fund	($1,573)	$0	($1,573)
Interest Income- Operating Reserve Fund	(977)	0	(977)
Reserve Collection/(Use)	(32,780)	0	(32,780)
Contribution from Other Sources	(1,828)	(1,828)	0
Total Levy Adjustments	**($37,158)**	**($1,828)**	**($35,330)**
BALANCE TO LEVY	**$66,049**		**$66,049**
DISTRICT STATISTICS			
Total Parcels			190
Parcels Levied			181
Total EBU[(1)]			231.75
Levy per EBU			**$285.00**
Maximum Levy per EBU			$1,959.08
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			$51,467
Operational Reserve Interest			977
Surplus Transfer from Improvement Fund			32,102
Operational Reserve Collection (Use)			(32,780)
Estimated Ending Operating Reserve Balance			**$51,766**
Beginning Improvement Fund Balance			$101,854
Improvement Fund Interest			1,573
Surplus Transfer to Operations Fund			(32,102)
Improvement Fund Collection/(Use)			12,016
Estimated Ending Improvement Fund Balance			**$83,341**

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article 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 (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 XIIID 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).

Parcel Type EBU x Acres or Units = Parcel EBU

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

Total Balance to Levy / Total EBU = Levy per EBU

Levy per EBU x Parcel EBU = Parcel Levy Amount

5.4 Assessment Range Formula

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

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

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

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

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

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

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

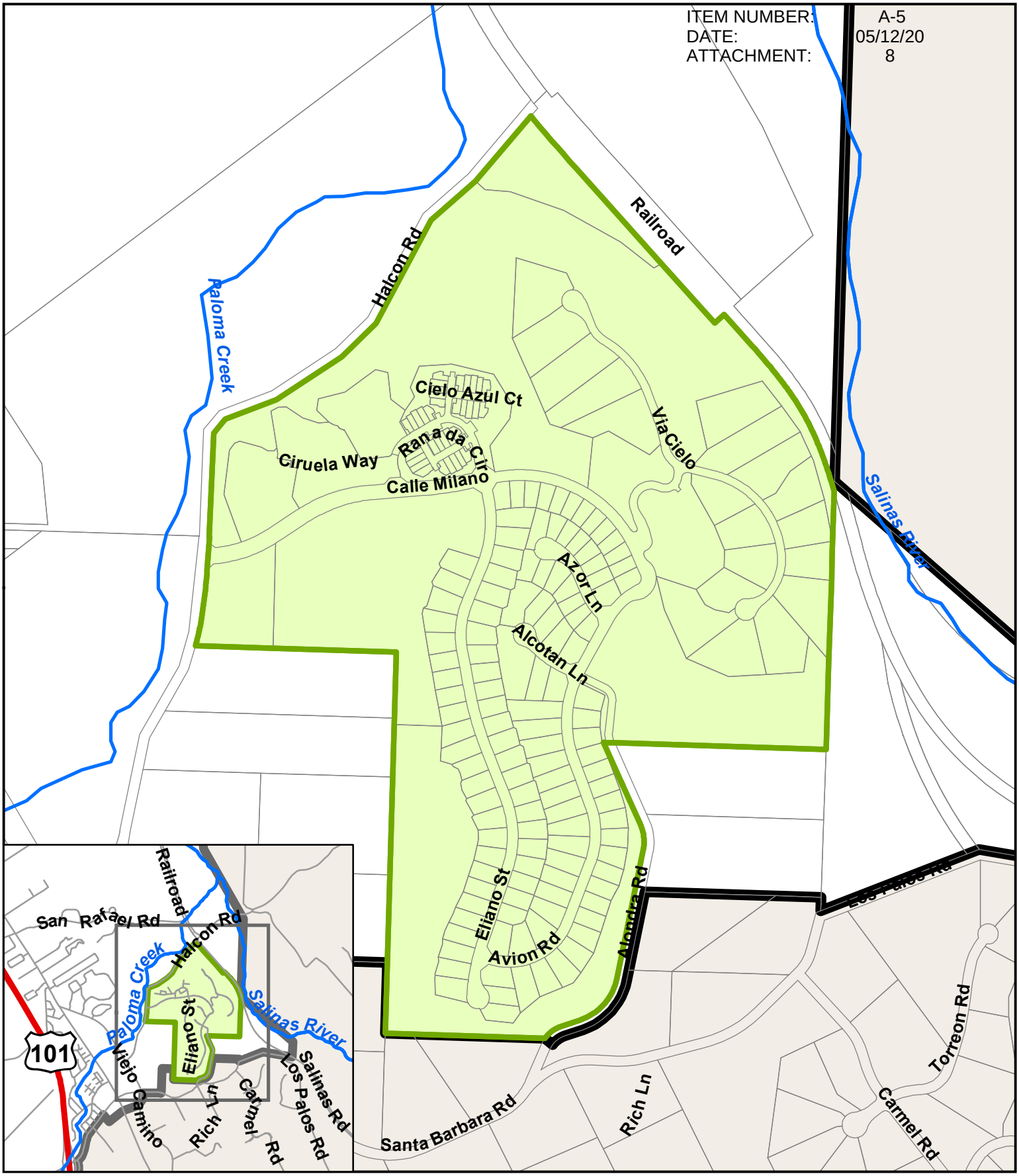
To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the 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.

ITEM NUMBER: A-5
DATE: 05/12/20
ATTACHMENT: 8



CITY OF ATASCADERO

LAS LOMAS
Street and Storm Drain Maintenance District No. 2
Landscaping and Lighting District No. 2

N
W E
S

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

7. ASSESSMENT ROLL

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

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

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

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

CITY OF ATASCADERO
Landscaping and Lighting District No. 02
(Las Lomas)
Fiscal Year 2020/2021 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-311-006	0	$0.00	$0.00
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	34,812.94	5,064.46
045-311-015	24.83	48,644.08	7,076.58
045-311-016	19.90	38,985.79	5,671.52
045-312-001	1	1,959.08	285.00
045-312-002	1	1,959.08	285.00
045-312-003	1	1,959.08	285.00
045-312-004	1	1,959.08	285.00
045-312-005	1	1,959.08	285.00
045-312-006	1	1,959.08	285.00
045-312-007	1	1,959.08	285.00
045-312-008	1	1,959.08	285.00
045-312-009	1	1,959.08	285.00
045-312-010	1	1,959.08	285.00
045-312-011	1	1,959.08	285.00
045-312-012	1	1,959.08	285.00
045-312-013	1	1,959.08	285.00
045-312-014	1	1,959.08	285.00
045-312-015	1	1,959.08	285.00
045-312-016	1	1,959.08	285.00
045-312-017	1	1,959.08	285.00
045-312-018	1	1,959.08	285.00
045-312-019	1	1,959.08	285.00
045-312-020	1	1,959.08	285.00
045-312-021	1	1,959.08	285.00
045-312-022	1	1,959.08	285.00
045-312-023	1	1,959.08	285.00
045-312-024	1	1,959.08	285.00
045-312-025	1	1,959.08	285.00
045-312-026	1	1,959.08	285.00
045-312-027	1	1,959.08	285.00
045-312-028	1	1,959.08	285.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-312-029	1	1,959.08	285.00
045-312-030	1	1,959.08	285.00
045-312-031	1	1,959.08	285.00
045-312-032	1	1,959.08	285.00
045-312-033	1	1,959.08	285.00
045-312-034	1	1,959.08	285.00
045-312-035	1	1,959.08	285.00
045-312-036	1	1,959.08	285.00
045-312-037	1	1,959.08	285.00
045-312-038	1	1,959.08	285.00
045-312-039	1	1,959.08	285.00
045-312-040	1	1,959.08	285.00
045-312-041	1	1,959.08	285.00
045-312-042	1	1,959.08	285.00
045-312-043	1	1,959.08	285.00
045-312-044	1	1,959.08	285.00
045-312-045	1	1,959.08	285.00
045-312-046	1	1,959.08	285.00
045-312-047	1	1,959.08	285.00
045-312-048	1	1,959.08	285.00
045-312-049	1	1,959.08	285.00
045-312-050	1	1,959.08	285.00
045-312-051	1	1,959.08	285.00
045-312-052	1	1,959.08	285.00
045-312-053	1	1,959.08	285.00
045-312-054	1	1,959.08	285.00
045-312-055	1	1,959.08	285.00
045-312-056	1	1,959.08	285.00
045-313-001	1	1,959.08	285.00
045-313-002	1	1,959.08	285.00
045-313-003	1	1,959.08	285.00
045-313-004	1	1,959.08	285.00
045-313-005	1	1,959.08	285.00
045-313-006	1	1,959.08	285.00
045-313-007	1	1,959.08	285.00
045-313-008	1	1,959.08	285.00
045-313-009	1	1,959.08	285.00
045-313-010	1	1,959.08	285.00
045-313-011	1	1,959.08	285.00
045-313-012	1	1,959.08	285.00
045-313-013	1	1,959.08	285.00
045-313-014	1	1,959.08	285.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-313-015	1	1,959.08	285.00
045-313-018	1	1,959.08	285.00
045-313-019	1	1,959.08	285.00
045-313-020	1	1,959.08	285.00
045-313-021	1	1,959.08	285.00
045-313-026	1	1,959.08	285.00
045-313-027	1	1,959.08	285.00
045-314-001	1	1,959.08	285.00
045-314-002	1	1,959.08	285.00
045-314-003	1	1,959.08	285.00
045-314-004	1	1,959.08	285.00
045-314-005	1	1,959.08	285.00
045-314-006	1	1,959.08	285.00
045-314-007	1	1,959.08	285.00
045-314-008	1	1,959.08	285.00
045-314-009	1	1,959.08	285.00
045-314-010	1	1,959.08	285.00
045-314-011	1	1,959.08	285.00
045-314-012	1	1,959.08	285.00
045-314-013	1	1,959.08	285.00
045-314-014	1	1,959.08	285.00
045-314-015	1	1,959.08	285.00
045-314-016	1	1,959.08	285.00
045-314-017	1	1,959.08	285.00
045-314-018	1	1,959.08	285.00
045-314-019	1	1,959.08	285.00
045-314-020	1	1,959.08	285.00
045-314-021	1	1,959.08	285.00
045-314-022	1	1,959.08	285.00
045-314-023	1	1,959.08	285.00
045-314-024	1	1,959.08	285.00
045-314-025	1	1,959.08	285.00
045-314-026	1	1,959.08	285.00
045-314-027	1	1,959.08	285.00
045-314-028	1	1,959.08	285.00
045-314-029	1	1,959.08	285.00
045-314-030	1	1,959.08	285.00
045-314-031	1	1,959.08	285.00
045-314-032	1	1,959.08	285.00
045-314-033	1	1,959.08	285.00
045-315-001	1	1,959.08	285.00
045-315-002	1	1,959.08	285.00

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-315-003	1	1,959.08	285.00
045-315-004	1	1,959.08	285.00
045-315-005	1	1,959.08	285.00
045-315-006	1	1,959.08	285.00
045-315-007	1	1,959.08	285.00
045-315-008	1	1,959.08	285.00
045-315-009	1	1,959.08	285.00
045-315-010	1	1,959.08	285.00
045-315-011	1	1,959.08	285.00
045-315-012	1	1,959.08	285.00
045-315-013	1	1,959.08	285.00
045-315-014	1	1,959.08	285.00
045-315-015	1	1,959.08	285.00
045-315-016	1	1,959.08	285.00
045-315-017	1	1,959.08	285.00
045-315-018	1	1,959.08	285.00
045-315-019	1	1,959.08	285.00
045-315-020	1	1,959.08	285.00
045-315-021	1	1,959.08	285.00
045-315-022	1	1,959.08	285.00
045-315-023	1	1,959.08	285.00
045-315-024	1	1,959.08	285.00
045-315-025	1	1,959.08	285.00
045-315-026	1	1,959.08	285.00
045-315-027	1	1,959.08	285.00
045-315-028	1	1,959.08	285.00
045-315-029	1	1,959.08	285.00
045-315-030	1	1,959.08	285.00
045-315-031	1	1,959.08	285.00
045-315-032	1	1,959.08	285.00
045-315-033	1	1,959.08	285.00
045-316-040	0	-	-
045-316-041	0.75	1,469.31	213.74
045-316-042	0.75	1,469.31	213.74
045-316-043	0.75	1,469.31	213.74
045-316-044	0.75	1,469.31	213.74
045-316-045	0.75	1,469.31	213.74
045-316-046	0.75	1,469.31	213.74
045-316-047	0.75	1,469.31	213.74
045-316-048	0.75	1,469.31	213.74
045-316-049	0.75	1,469.31	213.74
045-316-050	0.75	1,469.31	213.74

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment [1]
045-316-051	0.75	1,469.31	213.74
045-316-052	0.75	1,469.31	213.74
045-316-053	0.75	1,469.31	213.74
045-316-054	0.75	1,469.31	213.74
045-316-055	0.75	1,469.31	213.74
045-316-056	0.75	1,469.31	213.74
045-316-057	0.75	1,469.31	213.74
045-316-058	0.75	1,469.31	213.74
045-316-059	0.75	1,469.31	213.74
045-316-060	0.75	1,469.31	213.74
045-316-061	0.75	1,469.31	213.74
045-316-062	0.75	1,469.31	213.74
045-316-063	0.75	1,469.31	213.74
045-316-064	0.75	1,469.31	213.74
045-316-065	0.75	1,469.31	213.74
045-316-066	0.75	1,469.31	213.74
045-316-067	0.75	1,469.31	213.74
045-316-068	0.75	1,469.31	213.74
045-316-069	0.75	1,469.31	213.74
045-316-070	0.75	1,469.31	213.74
045-316-071	0.75	1,469.31	213.74
045-316-072	0.75	1,469.31	213.74
045-316-073	0.75	1,469.31	213.74
045-316-074	0.75	1,469.31	213.74
045-316-075	0.75	1,469.31	213.74
045-316-076	-	-	-
045-316-077	-	-	-
Total	231.75	$ 454,017.10	$ 66,048.46

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

Atascadero City Council

Staff Report –Community Development Department

2019 General Plan & Housing Element Annual Progress Report (CPP 20-0022)

RECOMMENDATION:

Council receive and file the 2019 Annual General Plan and Housing Element Progress Report and the 2019 HCD Annual Progress Report.

DISCUSSION:

Background

The State of California requires cities to file an Annual General Plan Progress Report (Report) to the Office of Planning and Research (OPR) and a Housing Element Annual Progress Report (APR) to the Department of Housing and Community Development (HCD). The purpose of these reports is to monitor the City's implementation of the City's General Plan including the City's Housing Element. Additionally, these reports will serve as an update to the Department's yearly activities and housing unit production.

Analysis

The following is a summary of the Community Development Department's activities in 2019. The 2019 Annual General Plan and Housing Element Progress Report (Attachment 1) contains a full documentation of the Department's activities and the HCD APR (Attachment 2) contains details on housing production for 2019, as well as previous years.

Since 2015, the Department processes approximately 1,079 construction permits per year; however, recent years have continued to be above average.

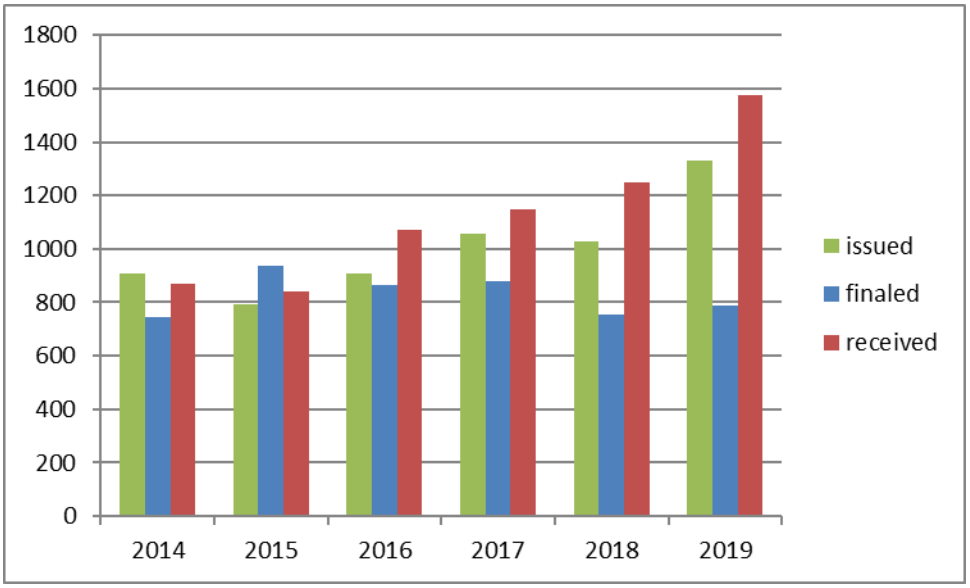
- In 2018, the department processed 1,247 permits, 86 planning projects, and completed 755 final inspections for building permits.
- In 2019, the department processed 1,577 building permits, 77 planning projects, and completed 789 final inspections for building permits. There was a significant increase of building permit activity, particularly towards the end of 2019, due to the California Building Code changes that came into effect January 1, 2020.

Some of the significant projects that were received, completed, or began construction in 2019 included the following:

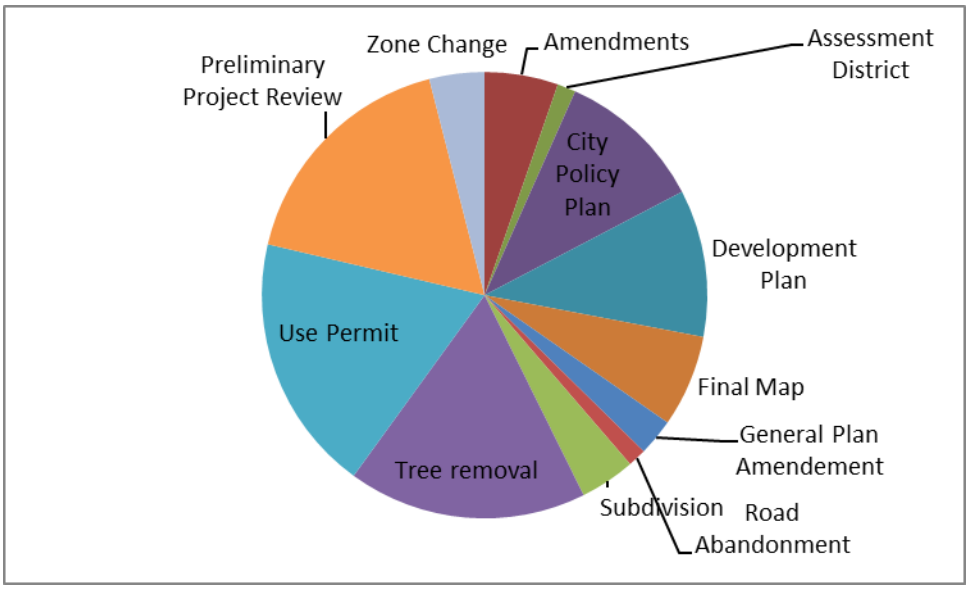
- Grand Oaks Micro Community (Entitlement)
- Emerald Ridge Apartments (Construction)

- Peoples' Self Help Housing Project (Entitlement)
- El Camino Mixed-Use (Entitlement)
- ECHO Shelter Major Tenant Improvements (Construction)
- Halcon Road Construction Office (Construction)
- Morro Rd Mixed-Use (Construction)
- La Plaza (Construction)
- Principal Mixed-Use Amendment (Entitled)
- Hartberg Residential Development (In review)
- Jamba Juice and Auntie Anne's (Construction)
- Human Bean Coffee Shop (Entitlement)

2019 Building Division by the Numbers



2019 Planning Division by the Numbers



General Plan Background:

California planning law requires the City to adopt a "comprehensive, long-term General Plan for physical development" (Government Code 65300). The City's General Plan was adopted in 2002. The 2002 General Plan adopts policies for the City's distribution and character of land uses and development. The General Plan goals, policies, and programs guide short and long-range decision making through 2025. This annual report will reflect the activities that the department has done in 2019 in meeting those goals and objectives outlined by the General Plan. It is important to note that the City is currently contemplating the next Citywide General Plan update. This update is anticipated to commence in 2021.

2019 Housing Activities and Report:

The purpose of the Housing Report is to monitor the implementation of the City's General Plan Housing Element and progress toward meeting the City's Regional Housing Needs Allocation (RHNA). The allocations are targets for the production of affordable housing for various income groups throughout the City for a five-year period (2015-2019). These regional housing allocations are required to be used by the City when updating the Housing Element. They are the basis for assuring that adequate sites are zoned and available to accommodate, at minimum, the number of units allocated. These housing allocation numbers are not housing unit quotas that the City must achieve within the time frame of the next Housing Element update, but instead are housing targets that the City must plan for, through targeted zoning, site identification, and reduction of obstacles to development. The next Housing Element update process began in late 2019 and will be completed in 2020. The next RHNA cycle will run from 2019 through to 2028 and is actually a 10-year cycle.

For the period from 2014 to 2019, there have been 169 more units built than the overall RHNA targets; however, these units have been in the moderate and above moderate categories. The City fell short of meeting the RHNA goals by 79 units in the very low and low categories for the 2014-2019 RHNA cycle.

RHNA Housing Target and Totals 2014-2019					
	Very Low Income (50% of Median)	**Lower Income** (80% of Median)	**Moderate Income** (120% of Median)	**Above Moderate** (Greater than 120% of Median)	**TOTAL**
Target	98	62	69	164	393
Completed	**48**	**33**	**184**	**297**	**562**
Remaining needed	**50**	**29**	**0 (-115)**	**0 (-133)**	**-169**

San Luis Obispo County Median Household Income: $70,699 (2014-2018ACS)

2019 Housing Production:

In 2019, the City issued building permits to construct 73 new residential units, 11 of which were secondary units, or accessory dwelling units. This is a considerable increase from 2018 when 19 residential permits were issued and four were accessory dwelling units. In 2020, the Housing Element update will complete a vacant land inventory to identify and evaluate housing capacity with existing land use and zoning, to meet the City's new housing allocation. Preliminary results from that inventory show that the City still has sufficient land inventory to meet our next RHNA cycle which will require the City to illustrate it has the capacity to accommodate up to 843 new residential units, many of which need to be in the low and very low income affordability categories. Many of the larger vacant sites that remain in the City, however, have significant constraints such as steep slopes, lack of access, and needed sewer infrastructure, which make site development more challenging and costly.

FISCAL IMPACT:

The annual General Plan and Housing Element reports are a state mandated activity. No fiscal impacts are anticipated.

ATTACHMENTS:

1. 2019 Annual General Plan and Housing Element Progress Report
2. 2019 HCD Annual Progress Report

2019 Annual General Plan and Housing Element Progress Report

"Dedicated to enhancing, and preserving Atascadero's character and safety by helping people plan, and build quality projects."

Community Development Department

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Section 1 – Introduction

1.1 Introduction

Every year, the City produces a report on the status of its General Plan and provides an overview of actions taken to implement this comprehensive plan during the past year, consistent with California Government Code section 65400, subdivision (a)(2). This report is provided to the City Council as well as residents and other interested parties to assist in gauging the progress the City is making on the programs that are being implemented. The annual report fulfills State law requirements and evaluates the number of housing units that have been approved and completed. Additionally, the report has been updated for 2019 to include requirements related to the Housing Element and Annual Progress Report (APR). The APR, along with a General Plan Progress report, must be reported to the Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR).

Section 2 – General Plan Activities

2.1 General Plan Activities

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

The City’s General Plan was adopted in June 2002. The City’s last major update of the General Plan was undertaken in January 2015 with the City’s adoption and certification of the 2014-2019 Housing Element Update and concurrent required updates to the Safety element. The City began updating its Housing Element Update early in 2020.

2.2 General Plan Element Progress

Land Use, Open Space and Conservation Element

The Land, Open Space, and Conservation Element (LOC) was adopted in 2002 and last updated in 2016, when a land use change was approved (GPA 2014-0030). The purpose of the Land, Open Space, and Conservation Element is to manage growth and development, and shape the future physical development of the City while maintaining community character. No amendments were made in 2019, however the following actions helped implement General Plan policies related to Land Use, Open Space and Conservation Element.

The following implementation progress was made in 2019:

- **Adoption of Drive-Through Business, Fuel Station, and Other High Traffic Producing Uses Policy (LOC Goal 1, Policy 1.3**). In 2019, the City Council expressed concern regarding the transportation impacts, air quality, and community character of Drive Through businesses in the City. At the November 26, 2019 City Council meeting, the City Council adopted a policy to address the potential impacts of future drive through businesses. This will help enhance commercial corridors and gateways by ensuring orderly development on land uses and help the City address impacts of Drive-Through Business in the City.

    - **Adoption of 2019 Zoning Code update (LOC Goal 1, Policy 1.3).** In 2019, the Community Development Department led the 2019 zoning code update for Title 4 Public Safety, Title 8 Building Code, Title 9 Planning and Zoning, and Title 11 Subdivision. The Title 9 update involved significant changes to land uses related to outdoor storage, particularly to Contract Construction Services and Vehicle and Equipment Storage. The changes will limit the allowance of outdoor storage uses in certain zoning districts, prevent outdoors storage uses without office spaces, and align Title 9 more closely with the General Plan definition of Commercial Park (CPK) zone.

    - **Implement Appearance Review Manual (LOC Goal 3, Policy 3.1).** The Community Development department recommended numerous projects for review at the Design Review Committee in 2019. As the Design Review Committee ensures that new development complies with the Appearance Review Manual, these recommendations to the DRC ensured neighborhood compatibility and appropriate design for new development projects.

    - **Implement Native Tree Ordinance (LOC Goal 7, Policy 7.1 and 7.2).** The department approved 12 native tree removal permits for development projects in 2019. The native tree removal permits will ensure appropriate tree removal mitigation through payments to the native tree mitigation fund or the planting and restoration of native trees at removal ratios outlined in the native tree ordinance. Additionally, for each single family home built in the City, at least one native tree was planted.

Circulation Element

The Circulation Element the General Plan was adopted in 2002, and has not been amended. The purpose of Circulation Element is to plan for and accommodate the transportation of people, and maintain circulation as a result of traffic generation associated with future development. No amendments were made in 2019, however the

following actions helped implement General Plan policies related to the Circulation Element.

The following implementation progress was made in 2019:

- **El Camino Plan Outreach (CIR Goal 1, Policy 1.2).** In 2019, the City received a California Department of Transportation Sustainable Transportation Planning Grant in order to identify future improvements and land uses, and transform the corridor from an auto-oriented, regional corridor to a multimodal economic hub. The City completed outreach meetings and the Existing Conditions Assessment in 2019.

- **Salinas River Trail Master Plan. (CIR Goal 2, Policy 2.1).** In 2019, City has staff has continued to work with stakeholders in the development of a Salinas River Trail Master Plan. This includes hosting community stakeholder meetings and coordination with key stakeholders, including San Luis Obispo Council of Governments, Atascadero Land Preservation Society, and the City of Paso Robles.

Safety and Noise Element

The Safety and Noise Element was adopted in 2002, and was amended in coordination with the Housing Element in 2014, pursuant to state law. The Safety Element policies were generally adopted from the 2000 County General Plan Safety Element and includes policies for local conditions. The Noise Element provides for a policy framework for addressing noise impacts in the planning process. No amendments were made in 2019; however, the following actions helped implement General Plan policies related to the Safety and Noise Element.

No significant progress was made towards implementation in 2019.

Housing Element

The Housing Element was last updated in 2014. The Housing Element covers the planning period from 2014-2019. The 2019 Annual Progress Report (attached) summarized progress in meeting housing goals outlined in the Regional Housing Needs Assessment.

The following implementation progress was made in 2019:

- **Residential construction activity (HOS Goal 1, Policy 1.1).** In 2019, the City approved the construction 73 new residential units, 11 of which were secondary units, or accessory dwelling units.

- **Housing Element Update**. Currently, the City is in the process of updating the Housing Element for the 6th Cycle (2020-2028).

Section 3 – Planning & Building Yearly Activities

3.1 2019 Planning Division Applications & Entitlements

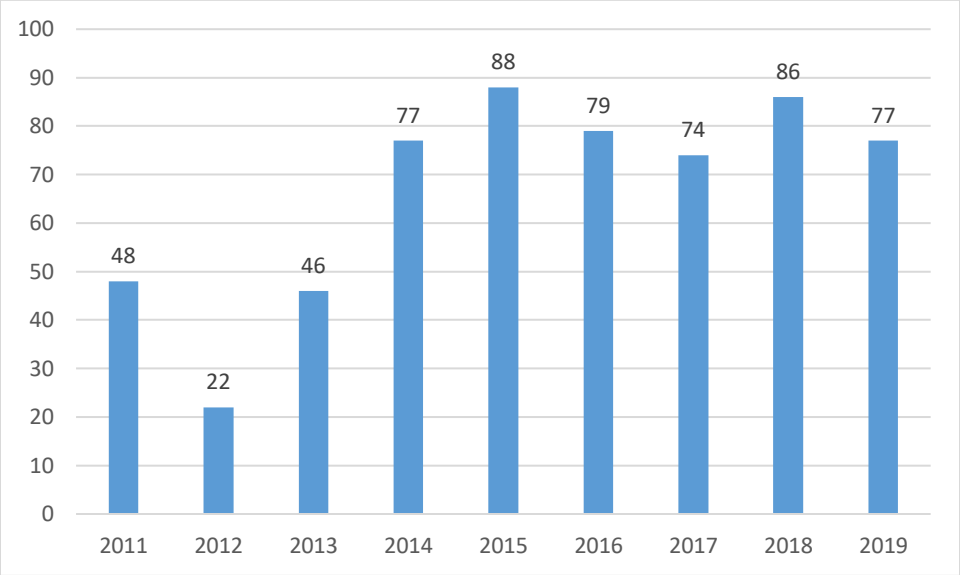
The Planning Division Highlights

- 77 applications processed in 2019

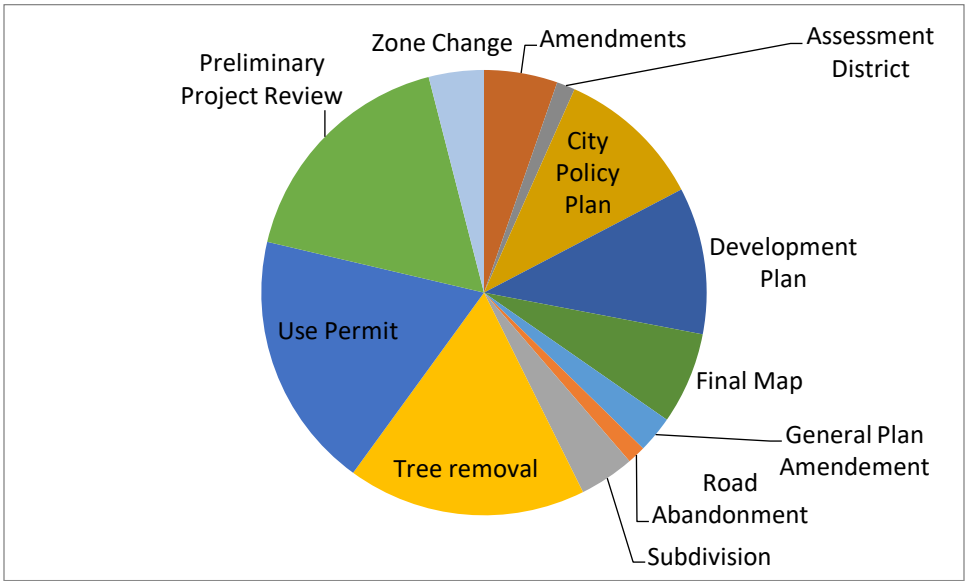
Some of the more significant projects included:

- Grand Oaks Micro Community: The Planning Department processed an amendment to Planned Development 27, which will allow for up to 30 affordable by design units in a “micro home” community and commercial space along El Camino Real.
- 2019 Fire, Building and Zoning Code Update: The Planning Department led the 2019 Code Update that included updates for the City, including Title 9 (Planning and Zoning). Significant changes to Title 9 involved new land use definitions for outdoor storage uses and limiting most outdoor storage uses to the industrial zone. This will align the zoning code with the General Plan definitions commercial land uses, and also implement land uses as defined in the General Plan.

Annual Planning Applications Since 2011



2019 Planning Projects



3.2 2019 Building Division Applications & Inspections

2019 Highlights

- Received and processed **1,577** building permit applications
- In 2019, City building inspectors made **3,689** construction and safety-related inspections associated with building permit activity.
- The Building Division "finaled" or completed **789** building permits.

3.3 Housing & Residential Growth

The 2019 California Department of Finance data estimates that the City's population is 30,405 residents and a 12,283 housing units as of January 1, 2019. This is an estimated increase of 6.7 percent and 7.4 percent growth, respectively, since the 2010 census.

Housing & Population 2019 Update			
Housing & Population	**2010 Census**	**2019**	**Percentage Increase from 2010**
Total Housing Units (DOF)	11,505	12,283	**6.7%**
Total Population (DOF)	28,310	30,405	**7.4%**

The following table shows residential projects of significance under construction or entitlement 2019, along with the number of affordable units in the project.

Major Residential (Application and Construction) Activity in 2019				
Project Name	**Address**	**Housing Type**	**Number of Units**	**Number of affordable or accessible units**
People Self Help Housing	2455 El Camino Real	Apartments	42	42
Grand Oaks Micro Community	4177 El Camino Real	Detached Single-Family	30	
El Camino Mixed Use	5730 El Camino Real	Mixed-use	5	1
Principal Road Housing	9019 Principal and 9300 Pino Solo	Attached and Detached Single-Family, mixed-use condominium units, and affordable rental units	52	6
Annex Residential Subdivision	S. Mirasol Way	Detached Single-Family with ADUs	12	6
Hartberg Residential Development	10850 El Camino Real	Attached and Detached Single-Family, Senior Apartments	75	9
Emerald Ridge Apartments	2705 El Camino Real	Apartments	208	
** Units deemed moderate based on sales price as established by the San Luis Obispo County Previously approved project List*				

RHNA 2014-2019

State housing law requires that each municipality establish quantified objectives for their fair share of regional housing needs by income group. Deed-restricted affordable housing, count towards meeting the quantified objectives. The quantified objectives are for the period of 2014-2019 Housing Element.

2014-2019 Atascadero Share of Regional Housing Need (RHNA)						
		Very Low	**Low**	**Moderate**	**Above Moderate**	**Total**
2014-2019 Reporting Period Totals		**98**	**62**	**69**	**164**	**393**
2014	Permitted Units Issued	**2**	**1**	**76**	**106**	**185**
	Secondary Units Issued	**0**	**0**	**0**	**0**	**0**
	Subtotal	**2**	**1**	**76**	**106**	**185**
2015	Permitted Units Issued	**1**	**0**	**56**	**27**	**84**
	Secondary Units Issued	**0**	**0**	**2**	**2**	**4**
	Subtotal	**1**	**0**	**58**	**29**	**88**
2016	Permitted Units Issued	**45**	**25**	**29**	**19**	**118**
	Secondary Units Issued	**0**	**0**	**0**	**2**	**2**
	Subtotal	**45**	**25**	**29**	**21**	**120**
2017	Permitted Units Issued	**0**	**0**	**1**	**76**	**77**
	Secondary Units Issued	**0**	**0**	**0**	**0**	**0**
	Subtotal	**0**	**0**	**1**	**76**	**77**
2018	Permitted Units Issued	**0**	**0**	**3**	**12**	**15**
	Secondary Units Issued	**0**	**0**	**4**	**0**	**4**
	Subtotal	**0**	**0**	**7**	**12**	**19**
2019	**Permitted Units Issued**	**0**	**2**	**7**	**53**	**62**
	Secondary Units Issued	**0**	**5**	**6**	**0**	**11**
	Subtotal	**0**	**7**	**13**	**53**	**73**
	Total Units Issued 2014-2019	48	33	184	297	562
	Remaining RHNA	***50***	***29***	***-115***	***-133***	***-169***
		49%	**53%**	**267%**	**181%**	**143%**

The RHNA for the next cycle housing element (6th Cycle) has also been released. The City of Atascadero future RHNA requirements will be used in the development of the next housing element, 2020-2028.

2020-2028 Atascadero Share of Regional Housing Need (RHNA)					
	Very Low	**Low**	**Moderate**	**Above Moderate**	**Total**
2020-2028 Adopted RHNA Requirement	**207**	**131**	**151**	**354**	**843**

3.4 Non-Residential Development

The following table shows non-residential permits of significance that were issued in 2019, along with the project valuation that was provided as a part of building permit issuance.

2019 Non-Residential Building Permits Issued and Processing				
Business Name	**Permit Status**	**Address**	**Project Type**	**Valuation**
La Plaza Mixed Use Building 1	Under Construction	6500 El Camino Real	New Construction	$6,925,269
Halcon Road Office	Under Construction	11505 Halcon	New Construction	$392,838
Jamba Juice and Auntie Ann's	Complete	6994 El Camino Real	Major Tenant Improvements	$500,000
Convenience Station and Drive Through	Application under review	9590 El Camino Real	New Construction	$509,992.6
El Camino Homeless Organization (ECHO)	Under Construction	6370 Atascadero Mall	Major Tenant Improvements	$120,000
Starbucks	Complete	9002 West Front	Major Tenant Improvements	$190,000
Morro Road Mixed Use	Under construction	8120 Morro Road	New Construction	$724,815

Please Start Here

General Information	
Jurisidiction Name	Atascadero
Reporting Calendar Year	2019
Contact Information	
First Name	Kelly
Last Name	Gleason
Title	Senior Planner
Email	kgleason@atascadero.org
Phone	8054703446
Mailing Address	
Street Address	6500 Palma Ave
City	Atascadero
Zipcode	93422

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated.

v 2_27_20

Jurisdiction	Atascadero		ANNUAL ELEMENT PROGRESS REPORT	Note: "+" indicates an optional field
Reporting Year	2019	(Jan. 1 - Dec. 31)	Housing Element Implementation	Cells in grey contain auto-calculation formulas

(CCR Title 25 §6202)

Table A

Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
1					2	3	4	5							6	7	8	9	10
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project (Auto-calculated Can Be Overwritten)	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes*
Summary Row: Start Data Entry Below								0	0	0	0	0	0	17	17	0	17	0	
	049-151-046	2455 El Camino Real	People's Self Help Housing Project	PRE18-0093	5+	R	8/23/2018	30		10					40		40	No	
	030-121-003	7298 Santa Ysabel	Ferguson RMF	PRE19-0126	2 to 4	R	12/17/2019							11	11		11	No	
	049-221-016	3710 El Camino Real	Industrial MU	DEV19-0124	2 to 4	R	12/10/2019							6	6		6	No	
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ITEM NUMBER: A-6
DATE: 05/12/20
ATTACHMENT: 2

Jurisdiction	Atascadero	
Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

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

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

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								Affordability by Household Incomes - Building Permits								Affordability by Household Incomes - Certificates of Occupancy									Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes
1					2	3	4							5	6	7								8	9	10							11	12	13	14	15	16		17	18	19	20			21
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Building Permits Date Issued	# of Units issued Building Permits	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units*	Demolished or Destroyed Units*	Demolished/Destroyed Owner or Renter*	Notes*
Summary Row: Start Data Entry Below							0	0	0	0	3	27	13		43	0	0	0	2	1	2	64		69	0	0	0	3	0	4	20		27	0	0								2	0	0	
	029-271-001	4711 EL CAMINO REAL	Grand Oaks Micro Community	DEV19-0049	SFD	O					3	27		11/26/2019	30									0									0	N	Y			MIRCO UNITS DESIGNED AS AFFORDABLE BY DESIGN	30				affordability term for restricted units only
	030-321-006	5425 PESCADO CT	Pescado 2-lot Parcel Map	SBDV18-0109	SFD	O							2	2/19/2019	2									0									0	N	Y									
	056-301-008	8559 SANTA ROSA RD	AT 18-0116 - 4-lot subdivision	SBDV18-0150	SFD	O							4	5/7/2019	4									0									0	N	Y									
	045-431-004	9040 SAN DIEGO RD	Two lot subdivision	SBDV19-0024	SFD	O							2	10/1/2019	2									0									0	N	Y									
	030-181-055	5730 EL CAMINO REAL	CUP for Density Bonus - 4 units base to 5 units total	USE19-0041	5+	R							5	5/7/2019	5									0									0	N	Y									
															0									0									0												
	031-261-005	8445 SAN FRANCISCO AVE		B17-15287	SFD	O									0							1	1/4/2019	1									0	N	Y									
	030-332-004	5945 VIOLETA AVE		BRES18-0736	SFD	O									0							1	2/20/2019	1									0	N	Y									
	050-141-022	3165 SAN FERNANDO RD		BRES18-0903	ADU	R									0				1				4/5/2019	1									0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	031-092-021	5460 ENCINO AVE		BRES18-0870	SFD	O									0							1	4/26/2019	1									0	N	Y									
	030-282-078	6603 POQUITO CREEK LN		BRES18-0893	SFD	O									0							1	5/14/2019	1									0	N	Y									
	050-173-027	13705 SANTA ANA RD		BRES19-0032	SFD	O									0							1	5/28/2019	1									0	N	Y									
	055-113-016	12722 SAN FELIPE CT		BRES18-0985	SFD	O									0							1	6/7/2019	1									0	N	Y									
	055-113-015	12723 SAN FELIPE CT		BRES18-0984	SFD	O									0							1	6/11/2019	1									0	N	Y									
	031-191-009	6370 NAVARETTE AVE		BRES19-0227	SFD	O									0							1	6/12/2019	1									0	N	Y									
	045-401-004	11925 VIA CORDOBA		B17-15404	SFD	O									0							1	6/25/2019	1									0	N	Y									
	049-151-063	2605 LA GRACIA CIR		B16-14352	5+	R									0							1	7/1/2019	1									0	N	Y									
	049-072-016	3470 TRAFFIC WAY		BRES19-0500	5+	R									0							35	7/16/2019	35									0	N	Y									
	031-244-008	8111 AMAPOA AVE		B14-11832	2 to 4	O									0							2	7/17/2019	2									0	N	Y									
	056-211-037	9010 BOSQUE CT		BRES19-0405	SFD	O									0							1	8/13/2019	1									0	N	Y									
	050-241-010	10200 CORONA RD		BRES18-0981	SFD	O									0							1	8/4/2019	1									0	N	Y									
	031-231-026	8120 MORRO RD		BMU19-0395	2 to 4	R									0							3	9/12/2019	3									0	N	Y									
	056-091-050	8200 COROMAR AVE		BRES19-0763	SFD	O									0							1	10/14/2019	1									0	N	Y									
	030-292-081	6509 POQUITO CREEK LN		BRES19-0484	SFD	O									0					1			10/15/2019	1									0	N	Y		INC		30					
	056-261-059	8412 SANTA ROSA RD		BRES19-0819	ADU	R									0						1		10/15/2019	1									0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	055-114-006	12601 CENEGAL RD		BRES19-1055	SFD	O									0							1	10/28/2019	1									0	N	Y									
	055-161-044	10458 MORRO RD		BRES19-0399	SFD	O									0							1	10/31/2019	1									0	N	Y									
	045-401-004	9330 VIA CASTILLO		B17-15402	SFD	O									0							1	11/8/2019	1									0	N	Y									
	056-091-051	8210 COROMAR AVE		BRES19-0764	SFD	O									0							1	11/15/2019	1									0	N	Y									
	056-051-021	8745 EL CAMINO REAL		BRES19-0652	2 to 4	R									0							3	11/22/2019	3									0	N	Y									
	045-402-014	11815 VIA MILAGRO		BRES19-1248	SFD	O									0							1	11/26/2019	1									0	N	Y									
	045-431-004	9081 LA PAZ RD		BRES19-1217	ADU	R									0				1				12/11/2019	1									0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	054-051-086	4610 PORTOLA RD		BRES19-0892	SFD	O									0							1	12/12/2019	1									0	N	Y									
	045-441-043	9079 SAN DIEGO RD		BRES19-0955	SFD	O									0							1	12/17/2019	1									0	N	Y									
	049-023-025	2790 FERROCARRIL RD		BRES19-1057	ADU	R									0						1		12/20/2019	1									0	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	030-292-076	6501 POQUITO CREEK LN		BRES19-1337	SFD	O									0							1	12/30/2019	1									0	N	Y									
															0									0									0												
	056-151-047	9905 WEST FRONT RD		B09-08494	ADU	R									0									0						1			7/24/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	031-381-027	9495 AVENAL AVE		B15-12370	SFD	O									0									0							1	10/10/2019	1	N	Y									
	056-151-023	8050 SANTA ROSA RD		B16-13589	SFD	O									0									0							1	7/6/2019	1	N	Y									
	054-301-027	10410 SAN MARCOS RD		B16-13888	SFD	O									0									0							1	12/27/2019	1	N	Y									
	029-371-031	7120 VALLE AVE		B16-14278	SFD	O									0									0							1	9/5/2019	1	N	Y									
	054-212-024	7350 SAN GABRIEL RD		B17-14627	ADU	R									0									0					1				6/14/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	056-383-013	9180 MAPLE ST		B17-14951	MH	O									0									0							1	6/4/2019	1	N	Y									
	056-362-004	8765 SAN RAFAEL RD		B17-14980	SFD	O									0									0							1	12/6/2019	1	N	Y									
	030-413-027	8525 EL DORADO RD		B17-15111	SFD	O									0									0							1	9/4/2019	1	N	Y									
	045-401-003	9305 VIA CASTILLO		B17-15401	SFD	O									0									0							1	12/11/2019	1	N	Y									
	045-402-007	11950 VIA CORDOBA		B17-15403	SFD	O									0									0							1	11/20/2019	1	N	Y									
	049-281-005	2145 SAN FERNANDO RD		B17-15452	SFD	O									0									0							1	11/22/2019	1	N	Y									
	049-072-010	3450 TRAFFIC WAY		B18-15470	SFD	O									0									0							1	3/5/2019	1	N	Y									
	045-441-046	9071 SAN DIEGO RD		B18-15549	SFD	O									0									0							1	3/29/2019	1	N	Y									
	049-223-037	3880 MONTEREY RD		B18-15630	SFD	O									0									0							1	7/3/2019	1	N	Y									
	030-031-019	7582 VALLE AVE		B18-15660	ADU	R									0									0						1			6/24/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	055-431-001	12415 SANTA LUCIA RD		B18-15663	ADU	R									0						1			0									10/25/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	056-162-030	9045 SAN RAFAEL RD		B18-15689	SFD	O									0									0							1	2/1/2019	1	N	Y									
	028-132-035	7200 SYCAMORE RD		B18-15735	ADU	R									0									0						1			2/4/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	030-351-017	7305 TECORIDA AVE		BRES18-0119	SFD	O									0									0							1	5/20/2019	1	N	Y									
	054-182-001	10205 SANTA LUCIA RD		BRES18-0291	SFD	O									0									0							1	6/7/2019	1	N	Y									
	049-072-008	3335 CHICO RD		BRES18-0323	ADU	R									0						1			0									4/2/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	054-131-011	6745 SAN GABRIEL RD		BRES18-0408	SFD	O									0									0							1	5/15/2019	1	N	Y									
	028-361-034	5350 ENSENADA AVE		BRES19-0051	MH	O									0									0							1	10/29/2019	1	N	Y									
	045-401-004	11930 VIA CORDOBA		BRES19-0184	SFD	O									0									0							1	10/28/2019	1	N	Y									
	031-261-003	8395 SAN FRANCISCO AVE		BRES19-0350	ADU	R									0									0						1			12/26/2019	1	N	Y			ADU'S 50% LOW and 50% MODERATE PER REGIONAL RENT STUDY									
	056-382-004	9188 ASH ST		BRES19-0540	MH	O									0									0							1	12/12/2019	1	N	Y									1	Demolished	O	
															0									0									0												

Jurisdiction	Atascadero	
Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	2								3	4
Income Level		RHNA Allocation by Income Level	2014	2015	2016	2017	2018	2019			Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	98	2	1	45						48	50
	Non-Deed Restricted											
Low	Deed Restricted	62	1		25						28	34
	Non-Deed Restricted							2				
Moderate	Deed Restricted	69						1			178	
	Non-Deed Restricted		76	58	29	1	7	6				
Above Moderate		164	106	29	21	76	12	64			308	
Total RHNA		393										
Total Units			185	88	120	77	19	73			562	84

Note: units serving extremely low-income households are included in the very low-income permitted units totals
Cells in grey contain auto-calculation formulas

N/A - no relevant data from City for reporting year.

Jurisdiction	Atascadero		ANNUAL ELEMENT PROGRESS REPORT	Note: "+" indicates an optional field
Reporting Year	2019	(Jan. 1 - Dec. 31)	Housing Element Implementation	Cells in grey contain auto-calculation formulas
			(CCR Title 25 §6202)	

Table C
Sites Identified or Rezoned to Accommodate Shortfall Housing Need

Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Type of Shortfall	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Atascadero	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
Program 1.1 - 1 Continue street and infrastructure improvement projects to benefit existing high density residential areas.	N/A	Ongoing	Ongoing on a per project basis.
Program 1.1 - 2. Continue to require the use of specific plans for residential projects of 100 or more units.	N/A	Ongoing	The city continues to review each project to determine the most efficient and effective process to meet our housing and development goals.
Program 1.1 - 3. Continue to allow manufactured housing and group housing in accordance with State law.	20 units	Within 2 years of the adopted housing element	17 modular homes have been installed as permanent residences since housing element update in 2014. The City updated definiitions for clarity and consistency with State law. Group housing is provided throughout the City but is not tracked at this time.
Program 1.1 - 4. Support the extension and expansion of sewer service for the Eagle Ranch annexation area by allocating the funding necessary	100 affordable units	Ongoing	The City is currenlty updating our facilities plan for the wastewater treatment plant. The eagle Ranch project has been withdrawn at this time but continues to be an area identified in the City's sphere of influence.
Program 1.1 - 5. Continue to allow mixed residential and commercial development and promote second- and third-story residential development in the City's downtown zoning districts. Taking into account market conditions and development costs, the City will provide, when possible, developer incentives such as expedited permit processing and fee deferrals for units that are affordable to lower income households. The City will publicize these incentives on the City's website (www.atascadero.org) within one week of a confirmed decision to make them available in a timely fashion.	20 units	Ongoing	The La Plaza project was approved in 2017 and includes 42 residential units, 38 of which are studio and one-bedroom units equating to affordable-by-design units. The city has also approved 2 other mixed use developments containign a total of 6 units. To date, the City has met it's projected unit goal for mixed-use development.
1.1-6. Adopt a Rural Residential Zone in the Zoning Ordinance consistent with its designation on the Zoning Map and standards that distinguish it from the Residential Suburban zone (to facilitate the development of a variety of housing types).	N/A	2017	The city is reviewing all zoning designations in preparation for the upcoming comprehensive General Plan Update.
Program 1.1 - 7. Continue to encourage, where suitable, Planned Unit Development (PD) Overlay Zones, particularly the PD-25 zone of small lot subdivisions, for higher density attached or row-house style housing in the RMF-10 and RMF-16 zoning districts.	75 units	Ongoing	Staff continues to encourage use of PDs for high quality design and flexibility of developmetn standards. Staff is looking at allowing smal lot subdivisions by right as part of the next General Plan Update. Since 2014, over 80 units have been approved through the PD overlay process.
Program 1.1 - 8.Continue to maintain an affordable housing density bonus ordinance that establishes procedures for obtaining and monitoring density bonuses in compliance with State law. Following adoption the City shall regularly update the ordinance to be in compliance with Government Code §65915	25	ordinance adoption by 2016, ongoing updates as needed	The City has adopted an ordinance for State Density Bonus projects and continues to monitor changes in the law so as to provide updates as needed. The City issued over 60 residential units in accordance with State density Bonus law.

Program 1.1 - 9. Continue to monitor the impact of the City's current inclusionary housing policy on production of market rate housing in response to market conditions. If the policy presents an obstacle to the development of the City's fair share of regional housing needs, the City will revise the policy accordingly	N/A	Ongoing	The City is reviewing the inclusionary housing policy and looking at ways to encourage the development of residential units that are affordable-by-design, inlcuding reducing impact fees for smaller units and capping unit sizes for high density residential prorjects. There are economic challenges to requirements for affordable housing production for smaller projects and infill development, especially units that are deed restricted and allow for minimal equity gains at the low and very-low income level. The State is also focused on streamling housing projects limiting the ability of City's to apply increased affordability standards to housing projects through descretionary action. As part of the City's Housing Element Updsate, options for affordable impact fees and restructuring of the existing Inclusionary Housing Policy are being contemplated
Program 1.1 - 10.Adopt an inclusionary housing ordinance that requires residential developments to provide deed-restricted, affordable units or an in-lieu fee. The inclusionary ordinance shall be consistent with State rent control laws for rental housing	70	2017	The City Council may direct Staff to craft affordable housing ordinance as a part of its strategic planning innatives. The current policy allows for use of the State Density Bonus program inn-lieu fpo the city's more striingent affordable housing requirement. Because density bonus law requires only moderate level deed restriuction of for sale units, the City is limited in our ability to require low or very-low income units at this time.
Program 1.1 - 11. To encourage the development of second units, the City will evaluate the development standards and update the Zoning Ordinance for second units (secondary residential units). For example, the City will explore incentives such as eliminating the covered parking requirement for a secondary residential unit	10 units	2016	The city is in the proccess of updating the ordinance to be consistent with new State law. Since 2014 the City has issued over 25 permits for ADUs.
Program 1.1 - 12.To encourage the development of second units, the City should consider reduced development impact fees for second units as part of an AB 1600 study. The City will also work with Atascadero Mutual Water Company to investigate the possibility of reductions to water connection fees for second units	15	2015	Part of the City's current development impact fee study efforts include examining development impact fees in relation to second untis and units size to provide incentives for the development of units that are affordable-by-design. It is also the city's understanding that the Atascadero Mutual Water Company continues to evaluate and reduce water meter fees for accessory dwelling units.
Program 1.1 - 13 The City will consider an amnesty program that would reduce or eliminate fees for unpermitted second units	15	2017	The City's fees for unpermitted construction continue to be nominal. A majority of permits submitted to legalize unpermitted second units relate to the conversion of a permitted guesthouse to a second unit. Fees for these permits area relatively low as development impact fees were paid for all guesthouse upon initial construction. Since 2014, the City has legalized approximately 7 previously unpermitted ADUs.
Program 1.1 - 14. Continue to maintain Chapter 12 of the Zoning Ordinance (Condo Conversion Ordinance) in order to reduce the impacts of condo conversions on lower cost rental housing.	N/A	ongoing	The city intends to maintain this ordinance
Program 1.1 - 15. Continue to work with non-profit agencies, such as the County Housing Authority, Habitat for Humanity, the San Luis Obispo County Housing Trust Fund and Peoples' Self-Help Housing, to preserve existing affordable housing and to pursue funding for new units for extremely low-, very low-, low-, and moderate-income families.	50 units	Ongoing	Staff has worked with PSHH and produced 11 low income units and worked with Corporation for a Better Housing to produce 60 very low and low income units since 2014. The city continues to work with non-profit organizations to provide opportunities for extremely-low, very-low, low, and moderate income families. The city utilizes funds from our inclusionary housing fund to assist with these projects.

Program 1.1 - 16. Continue to encourage developers to work with agencies such as the California Housing Finance Authority (CHFA) and the Department of Housing and Urban Development (HUD) to obtain loans for development of new multifamily rental housing for low income households. This will be accomplished by working with appropriate non-profit organizations, such as People's Self Help Housing and the San Luis Obispo County Housing Trust Fund to identify opportunities.	N/A	Ongoing	Staff provides necessary assistance in completing applications for funds.
Program 1.1 - 17. Continue to contract with the San Luis Obispo Housing Authority for administration of the Section 8 housing voucher program. The City utilizes this relationship for program implementation and income verifications, and will apply for additional Section 8 vouchers, as appropriate.	N/A	Ongoing	The City continues its contract with the San Luis Obispo Housing Agency.
Program 1.1 - 18. Amend the Zoning Ordinance to allow a waiver of the two story height limit in the RMF Zone through the Minor Use Permit process. This option applies to projects that are not using the Planned Development option.	N/A	2016	Staff has yet to commence this ordinance. This will be reviewed and carry over into next housing element cycle. Currenlty height waivers require a Major CUP application.
Program 1.1 - 19. To encourage and facilitate development of a variety of housing types, the City should consider amending the Zoning Ordinance to establish standards, policies, and procedures for efficiency or micro detached units consistent with the California Building Code. The ordinance should provide a definition of efficiency or micro detached unit as a single habitable living unit, separate from and not including a single-room occupancy unit.	N/A	2017	The building code was updated to include minimum standards for efficiency units. As part of the curernt Housing Element Update process, the City is considering objective design standards that encourage a varity of housing types and limiting the size of residential units on multi-faily zoned proeprties to encourage units that are affordable by design.
Program 1.1 - 20. To reduce constraints to multi-family housing production the City will amend the zoning ordinance to modify Conditional Use Permit requirements for multi family housing. A CUP will be required only for multi-family projects greater than 50 units. This will not affect the 'by right' approval of multi-family projects in the RMF-20 zone, which are not subject to a CUP or a Specific Plan. The City will periodically evaluate the approval process for projects requiring a CUP and monitor the impact the requirement has on project certainty, cost, and approval time.	N/A	2016	Staff has yet to commence this ordinance. This will be reviewed and carry over into next housing element cycle.

Program 1.1 - 21. The housing needs of persons with disabilities, including persons with developmental disabilities are typically not specifically addressed by Title 9 Regulations. The housing needs of persons with disabilities, in addition to basic affordability, range from slightly modifying existing units to requiring a varying range of supportive housing facilities. In order to assist in the housing needs for persons with Developmental Disabilities, the City will implement the following programs: • The City shall seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with disabilities, including persons with developmental disabilities. • The City shall provide regulatory incentives, such as expedited permit processing and reduced fee, to projects targeted for persons with disabilities, including persons with developmental disabilities. • The City shall work with local organizations such as the Tri-Counties Regional Center and Transitions Mental Health Association to implement an education and outreach program informing families within the City of housing and services available for persons with disabilities, including developmental disabilities. The program will include the development of an informational brochure available on the City's website or at City Hall .	10 units	Apply for funding - at least once during the planning period; develop informational material- within two years of Housing Element adoption; provide incentives for development of housing for persons with disabilities- on-going	The City works dilligently to identify grant and other funding opportunities to support housing rehabilitation. The city is also in contact with multiple non-profit organizations and makes available to them pre-planning and other services to streamling these types of projects.
Program 2.1 – 1. As new projects, code enforcement actions, and other opportunities arise, the City will investigate ways to meet its housing needs through rehabilitation and preservation of existing units (see also Program 4.3.3 for potential rehabilitation funding). Utilize code enforcement to identify housing maintenance issues and expedite rehabilitation of substandard and deteriorating housing by offering technical assistance to homeowners and occupants.	30 units	Ongoing	While this is on-going, the City has lost its primary funding tool when the RDA was dissolved. The City will continue to find ways to rehabilitate structures. City Staff will be exploring Block grants and other funding mechansims to achieve this goal.
Program 2.1 – 2. Continue to participate in federal grant programs, such as Community Development Block Grants (CDBG), to obtain loans and/or grants for housing rehabilitation. Apply an appropriate amount of the City's annual share of CDBG funds toward rehabilitation of existing housing units	25 units	Ongoing	The City will continue to participate in obtaining these funds and will seek how to gain additional grants with the loss of the RDA.
Program 2.1 – 3. Continue to maintain the sliding density scale for sloped lots in the Zoning Ordinance.	N/A	Ongoing	The City will continue to maintain its sliding scale of density for sloped lots.
Program 2.1 – 4. The City shall continue to monitor the status of subsidized affordable projects, rental projects, and mobile homes in the City and provide technical and financial assistance, when possible, to ensure long-term affordability. This will involve contacting owner/operators of subsided projects annually to determine the status of the units and their potential to convert to market-rate. If projects are at-risk, the City will maintain contact with local organizations and housing providers who may have an interest in acquiring at-risk units, and, when feasible, keep track of and apply for funding opportunities to preserve at-risk units, and assist other organizations in applying for funding to acquire at-risk units.	N/A	Ongoing	City Staff continues to monitor the status of affordable housing rental units and for sale units in partnership with the SLO County Housing Authority

Program 2.2 – 1. Continue to implement the Historic Site (HS) overlay zone to help preserve and protect historic Colony homes.	N/A	Ongoing	The City will continue to maintain this overlay zone to preserve and protect historic colony homes.
Program 2.2 – 2. Continue to maintain a GIS based map of historic buildings and sites.	N/A	Ongoing	The City continues to maintain GIS data in regards to historic buildings and sites.
Program 3.1 – 1. Promote environmentally sustainable building practices that provide cost savings to homeowners and developers	N/A	Ongoing	City staff continues to work with developers and homeowners to avoid environmental impacts and promote sustainable building practices.
Program 3.1 – 2. Make available in the Community Development Department brochures from PG&E and others that detail energy conservation measures for new and existing buildings.	N/A	Ongoing	In partnership with PG&E and San Luis Obispo Green Build, there are various brochures available to homeowners that detail energy conservation.
Program 3.1- 3. Continue to strictly enforce the State energy standards of Title 24.	N/A	Ongoing	The City's Building Department continues to enforce Title 24 requirements upon review of building plans that require energy reports.
Program 3.1- 4. Enhance partnerships with Solar Providers for installation of PV panels and other alternative electrical services for low-income households.	N/A	Ongoing	The City will continue to partner with non-profits by providing housing lists and affordable unit locations to assist in targeting these income groups.
Program 4.1 – 1. Cooperate with non-profit groups and local religious organizations to allow the temporary use of churches as homeless shelters.	N/A	Ongoing	The City continues to encourage local churches to provide temporary shelters for the homeless population. The City adopted Appendix O for emergency shelters during the latest Building Code Update cycle.
Program 4.1 – 2. Continue to support local motel voucher programs for temporarily displaced and extremely low-income persons. The motel voucher program is funded through the City's CDBG funding. Motel vouchers are available to aid residents experiencing emergency situations, such as a house fire, in finding temporary housing. The City works with non-profit organizations (such as Loaves and Fishes) to aid the residents in need and provide technical support for the motel voucher program.	N/A	Ongoing	The City will continue to work with local non-profits and obtain CDBG grant funding for this program
Program 4.1 – 3. Continue to allow small (6 or fewer) group housing (residential care facilities) by right in all residential zones and large (7 or more) residential care facilities in the Residential Multi Family (RMF) zone. The City should also consider allowing large residential care facilities by right in additional residential, commercial, public, and/or industrial zones, such as LSFX and RSFX zones, where sewer is available	N/A	Ongoing	The City continues to support proper permitting of group housing in accordance with State law. The City completed changes to the RMF Zoning that clarifies that both small and large residential care facilities are permitted by right.
Program 4.1 – 4. Consider amending the Zoning Ordinance to expand the Emergency Shelter (ES) Overlay Zone to other appropriate properties, subject to the same or similar, as appropriate, locational and operational criteria as outlined in the Zoning Ordinance	N/A	2015	City Staff will continue to monitor the City's Homeless shelter for consistency with State Housing Policy.

Program 4.1 – 5 Continue to provide information and complaint referral services for those persons who believe they have been denied access to housing because of their race, religion, sex, marital status, ancestry, national origin, color, or disability, family status, sexual orientation, source of income, or political affiliation. The City will educate Community Development Department staff on how to respond to complaints received regarding potential claims of housing discrimination. Staff will be trained to provide the person with an informational handout detailing the process of reporting and filing a claim through the California Department of Fair Employment and Housing. The staff will notify the City Manager and the City Attorney's office of the intent to file a claim and will be available to provide assistance to the person filing a claim, as needed. Information on Fair Housing law and how to file a claim will also be made available on the City's website and at the Community Development Department	N/A	2016	Information is provided at City Hall.
Program 4.1 – 6 The City will amend the Zoning Ordinance to ensure that permit processing procedures for farmworker housing do not conflict with Health and Safety Code Sections 17021.5, which states that farmworker housing for six or fewer employees should be "deemed a single-family structure with a residential land use designation", and 17021.6 which states that for "employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household...no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that is not required of any other agricultural activity in the same zone".	N/A	2016	This was completed as a part of the Land Use definition update in 2017.
Program 4.2 – 1. Continue to ensure full compliance with the California Disability Guidelines and enforce the complementary provisions of the Uniform Building Code. The Zoning Ordinance will be evaluated on an ongoing basis and amended as necessary, to ensure ADA compliance and remove governmental constraints on the production of housing for persons with disabilities.	N/A	Ongoing	City Staff continues to comply with ADA standards for new and change of occupancy building projects.
Program 4.3 – 1 Adopt a policy to determine allocation of the City Affordable Housing In-Lieu funds to support the creation of new affordable housing units in Atascadero.	N/A	2015	This has not yet been completed.
Program 4.3 – 2. Work with nonprofits and identify funding to address the housing needs of extremely low-income households and totally and permanently disabled persons.	5 units	Ongoing	RDA funds are no longer available. City Staff will work with non-profits for any grant funding opportunities.

Program 5.1 – 1. Continue to facilitate understanding of the impacts of economic issues, employment, and growth on housing needs among financial, real estate, and development professionals in formalized settings, such as the Economic Round Table.	N/A	Ongoing	City Staff attend economic roundtables and other events as continuing education of these impacts.
Program 5.1 – 2. Continue to work with development community to identify and mitigate any constraints on access to financing for multi-family development. The City will conduct regular stakeholder meetings with members of the development community including representatives from local non-profit housing organizations, developers, and real estate brokers to solicit feedback.	N/A	Ongoing	City Staff continues to work with developers, key stakeholders, and property owners on overcoming constraints in project design to help facilitate financing.
Program 5.2 – 1. Continue to monitor and evaluate development standards and advances in housing construction methods.	N/A	Ongoing	As City staff identifies issues with the municipal code and advance construction methods, the City will amend the code as necessary.
Program 5.2 – 2. Continue to track the affordability of housing projects and progress toward meeting regional housing needs. Reports should be provided semi-annually to the Planning Commission and annually to the City Council and the California Department of Housing and Community Development.	N/A	Ongoing	The City tracks all housing projects and provides status updates to both the Council and Planning Commission.
Program 6.1 –1.Continue to consolidate all actions relating to a specific project on the same Council or Commission agenda	N/A	Ongoing	Staff continues this practice for ease of tracking.
Program 6.1 – 2. Continue to review minor project modifications through the Design Review Committee and more substantial changes through a conditional use process.	N/A	Ongoing	Staff utilizes the DRC to make determinationson minor project changes.
Program 6.1 – 3. Continue to review and revise local review procedures to streamline the process	N/A	Ongoing	The City created the Design Review Committee in 2010 to help with project streamlining and review. The DRC has been helpful in working out issues that normally would have been dealt by Planning Commission.
Program 6.1 – 4. Continue to maintain pre-approved stock development plans to streamline the plan check process.	N/A	Ongoing	Stock plans are available for projects that include the construction of 3 or more of the same unit. This process allows for cost and time savings through the process.
Program 6.1 – 5. Provide pre-application technical assistance to affordable housing providers to determine project feasibility and address zoning compliance issues in the most cost-effective and expeditious manner possible.	N/A	Ongoing	Staff provides pre-application and technical assistance to all projects when requested.
Program 6.1 – 6. Provide, when possible, developer incentives such as expedited permit processing and fee deferrals for units that are affordable to lower income households. Atascadero will promote these incentives to developers on the City's website (http://www.atascadero.org) and during the application process.	N/A	Ongoing	The City's process streamlining is already expediting projects. Developers can defer development impact fees until final occupancy.
Program 6.1 – 7 The City should consider amending the zoning ordinance to allow single-room occupancy units (SROs) by right in the Residential Multi-Family (RMF) zone	N/A	2015	This will be completed with future Zoning Ordinance Work Plans

Program 6.1 –8. To encourage affordability by design, the City shall modify the Capital Facility Fee schedule to index fees based on size of unit, providing lower rates for small units. Indexed rate shall apply to apartments and second units.	N/A	Ongoing	City Staff solicited a proposal for completion of this. Expected adoption of 2019.
Program 6.1 –9. The City shall continue to monitor impact fees and the Capital Facility Fee schedule to identify barriers to housing development, particularly affordable units. If constraints are identified, the City shall revise the fee schedule accordingly.	N/A	Ongoing	City Staff solicited a proposal for completion of this. The consultant will look at proposals for encouraging residential units that are affordable-by-esign.
6.2.1 1. Following amendment of the General Plan Conservation and Safety Elements to comply with AB 162 related to floodplain mapping, the City will amend the Housing Element, if needed, for consistency	N/A	2023	This has been completed as a part of the 2014-2019 Housing Element update.

General Comments:

N/A - no relevant City data for reporting year

Jurisdiction	Atascadero	
Reporting Period	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table E

Commercial Development Bonus Approved pursuant to GC Section 65915.7

Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

N/A - no relevant City data for reporting year

Jurisdiction	Atascadero	
Reporting Period	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA+ Listed for Informational Purposes Only				Units that Count Towards RHNA+ Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1+
	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Total Units by Income									

N/A - no relevant City data for reporting year

Jurisdiction	Atascadero	
Reporting Period	2019	(Jan. 1 - Dec. 31)

NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Table G

Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier						
1						**4**
APN	**Street Address**	**Project Name+**	**Local Jurisdiction Tracking ID+**	**Realistic Capacity Identified in the Housing Element**	**Entity to whom the site transferred**	**Intended Use for Site**
Summary Row: Start Data Entry Below						

Jurisdiction	Atascadero	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	2
Moderate	Deed Restricted	1
	Non-Deed Restricted	2
Above Moderate		64
Total Units		**69**

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

Housing Applications Summary	
Total Housing Applications Submitted:	2
Number of Proposed Units in All Applications Received:	17
Total Housing Units Approved:	0
Total Housing Units Disapproved:	17

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

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

Cells in grey contain auto-calculation formulas

Atascadero City Council

Staff Report – Public Works Department

Cooperation Agreement with the County of San Luis Obispo for Department of Housing and Urban Development Community Development Programs for Fiscal Years 2021 through 2023

RECOMMENDATION:

Council approve the Cooperation Agreement with the County of San Luis Obispo for joint participation in the Community Development Block Grant Program, the Home Investment Partnerships Program, and the Emergency Solutions Grant Program for Fiscal Years 2021 through 2023.

DISCUSSION:

Background

Beginning with the 1994/1995 fiscal year, the City of Atascadero has jointly participated with the County of San Luis Obispo and other cities as part of the "urban county" Community Development Block Grant (CDBG) program. Urban counties receive annual, formula-based grants directly from the Department of Housing and Urban Development (HUD) under the CDBG, HOME Investment Partnerships (HOME) and the Emergency Shelter Grants (ESG). Cooperative agreements between the participating jurisdictions comprising an “urban county” establish a formula allocating CDBG funds by jurisdiction. The HOME and ESG funds are not formally divided up, but the cities provide recommendations to the County on these programs.

The City has a current Cooperative Agreement with the County for Fiscal Years 2017 through 2020 for joint participation in the Community Development Programs. In the agreement, the County provides the bulk of administration work for the programs, including monitoring and oversight for all CDBG grants. This provision applies to all cities participating in the urban county cooperation agreement with the County, including Arroyo Grande, Atascadero, Morro Bay, Paso Robles, and San Luis Obispo. The administrative work provided by the County will come with an associated cost to provide the monitoring and oversight services for the cities. The County provides project oversight and receives 13% of the total grant funds for administration services. Administrative funding is limited to 20% of the total grant; therefore, the City’s administrative portion of the funding cannot exceed 7% of the total administrative grant amount.

Pursuant to HUD regulations, the County recently notified the City of its right to elect to continue to participate in the CDBG program. The term for the current Cooperation Agreement ends June 30, 2021; which covers CDBG recommendations made in March 2020 and available for allocation in July 2020. Cooperation work by the County for allocations in July 2021 begins around September 2020 with public outreach and is not covered by the current Cooperation Agreement.

Analysis

The City can elect to continue to participate in the CDBG program by choosing from the following options:

1. Join the urban county to receive CDBG allocations through the County (current arrangement).
2. Become a stand-alone CDBG entitlement jurisdiction to receive CDBG funds directly from HUD.
3. Decline a formula CDBG allocation or entitlement and become an applicant to the competitive state CDBG program.

Staff has reviewed each of the three options available to the City and recommends continuation of the current CDBG allocation by participating as part of the "urban county" program (Option 1). This option is preferred for the following reasons:

1. Participation in the state CDBG program (Option 3) is competitive in nature and there is no guarantee that the City would receive any CDBG funding from year to year.
2. Becoming a stand-alone City (Option 2) would require the City to meet all of the HUD regulations as a grant recipient, including preparation of a five-year plan, annual allocation plan, preparation of various federally required reports, and other administrative activities. This would require additional staff resources to be allocated toward grant administration.
3. Administration of the CDBG program is a highly regulated and involves technical processes and the County has staff that specializes in this area. Additional training and participation in HUD activities would be required for Options 2 & 3. This would require significant additional staff resources.
4. The Option 1 funding allocation to the City from the County application is identical to the formula used by HUD if the City received a direct allocation. There may be some additional increase in funding levels as a direct entitlement city; however, it would be offset by the increases in administration required for direct participation.

Participation as part of the "urban county" allocation program would continue to provide the City with annual allocation of CDBG funds and continue to limit the amount of time the City would be required to spend on program administration that increases with either of the remaining options. Participation in the program is for a three (3) year, fiscal year cycle; therefore, the City will be able to re-evaluate its options prior to the next three (3) year cycle.

Overall, the Fiscal Year 2021 through 2023 Cooperative Agreement is very similar to the existing FY 2017 – 2020 Cooperation Agreement. The only noteworthy modification involves administrative costs. In the past, unspent City administrative funds (7% of total CDBG amount) were reallocated to a Public Facilities project in the following CDBG cycle. Section IV, Paragraph A.4 of the new agreement establishes deadline dates for the City to invoice the County to reimburse eligible administrative costs. Any remaining administrative funds that are not drawn down by the deadline "will be used to reimburse the County's administrative costs".

The above administrative costs provision has been added in an effort to reduce the County's staff time preparing new NEPA determinations and revisions to the Action Plan in HUD's Integrated Disbursement and Information System (IDIS) as required for each reallocation cycle, the County advises cities request smaller administrative allocations that can be drawn down in full. Under the new agreement, recommendations for City administrative costs could be less than the traditional 7% with the difference being allocated to a Public Facilities project at draft and final recommendations as to not lose any CDBG funds.

Continued participation in the CDBG program with the County provides continued allocation of CDBG funding to Atascadero while limiting the financial and administrative resources necessary to participate in the program overall.

FISCAL IMPACT:

The Cooperative Agreement will provide continued availability of CDBG funding for CDBG eligible programs in Atascadero over the next three years. The current annual award amount is approximately $140,000, of which 13% will be retained by the County to cover expenses for administrative project oversight, resulting in approximately $122,000 in available funding to the City for CDBG programs.

ALTERNATIVES:

The Council may choose to participate as a stand-alone CDBG entitlement jurisdiction or become an applicant to the competitive state program. This alternative is not recommended due to the cumbersome nature of HUD requirements that are most efficiently performed by one entity of the urban county (County of San Luis Obispo).

ATTACHMENT:

Cooperation Agreement for Fiscal Years 2021 through 2023

A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ATASCADERO FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM FOR FISCAL YEARS 2021 THROUGH 2023

THIS AGREEMENT is made and entered into this _____ day of _____ , 2020, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "County," and the City of Atascadero, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called "City;" jointly referred to as "Parties."

WITNESSETH

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called the "Act." The Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles; and

WHEREAS, Title I of the Act is entitled "Community Development" and governs programs for housing and community development within metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs; and

WHEREAS, the Community Development Block Grant Program (hereinafter referred to as "CDBG"), the HOME Investment Partnerships Act Program (hereinafter referred to as "HOME"), and the Emergency Solutions Grant Program (hereinafter referred to as "ESG") are consolidated under Title I of the Act; and

WHEREAS, the County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as "HUD," designate the County as an "urban county;" and

WHEREAS, the County needs to requalify as an urban county and will be eligible to receive CDBG funds provided that the County's entitled cities defer their entitlement to the County to enable both the County and the entitlement cities to jointly participate in the program; and

WHEREAS, the City desires to participate jointly with the County in said program; and

WHEREAS, if HUD redesignates the County as an urban county, then the County may also be eligible to receive funds from the HOME Program and the ESG Program; and

WHEREAS, the CDBG Regulations issued pursuant to the Act provide qualified urban counties must submit an application to the HUD for funds, and cities and smaller communities within the metropolitan area not qualifying as metropolitan cities may join the County in said application and thereby become a part of a more comprehensive County effort; and

WHEREAS, as the urban county applicant, the County must take responsibility and assume all obligations of an applicant under federal statues, including: the analysis of needs, the setting of objectives, the development of community development and housing assistance plans, the consolidated plan, and the assurances of certifications; and

WHEREAS, by executing this Agreement, the Parties hereby give notice of their intention to participate in the urban county CDBG, HOME, and ESG Programs.

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

SECTION I. General.

A. **Responsible Officers**. The Director of the County of San Luis Obispo Department of Planning and Building (hereinafter referred to as "Director") is hereby authorized to act as applicant for the CDBG, HOME, and ESG Programs and to administer funding and activities under the programs. The City Manager is hereby authorized to act as the responsible officer of the City under the programs.

B. **Full Cooperation**. Parties agree to fully cooperate and to assist each other in undertaking eligible grant programs or projects, including but not limited to community renewal and lower income housing assistance activities, specifically urban renewal and publicly-assisted housing; public services; and economic development.

C. **Term of Agreement – Automatic Renewal Provision**. The term of this Agreement shall be for a period of three (3) years commencing July 1, 2021 through June 30, 2024. In addition, this Agreement provides for automatic renewal for participation in successive three-year qualification periods, unless the City provides written notice at least 60 days prior to the end of the term that it elects not to participate in a new qualification period. Before the end of the first three-year term, the County will notify the City in writing of its right not to participate in the urban county for a successive three-year term.

The Parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice by HUD for a subsequent three-year urban County qualification period, prior to the subsequent three-year extension of the term. Any amendment to this Agreement shall be submitted to HUD as required by the regulations and any failure to adopt required amendments will void the automatic renewal of this Agreement for the relevant qualification period.

This Agreement remains in effect until the CDBG, HOME, and ESG Program funds and program income received with respect to the three-year qualification period, and the subsequent three-year renewals are expended and the funded activities are completed. The Parties may not terminate or withdraw from this Agreement while this Agreement remains in effect.

D. **Scope of Agreement**. This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Program, the HOME Program, and the ESG Program.

SECTION II. <u>Preparation and Submittal of CDBG Funding Applications.</u>

A. **Inclusion of City as Applicant.** The Parties agree the City shall be included in the application the County shall submit to HUD for Title I Housing and Community Development Block funds under the Act.

B. **Consolidated Plan.** The City shall assist the County by preparing a community development plan, for the period of this Agreement, which identifies community development and housing needs, projects and programs for the City; and specifies both short and long-term City objectives, consistent with requirements of the Act. County agrees to: (1) include the City plan in the program application, and (2) include City's desired housing and community development objectives, policies, programs, projects and plans as submitted by the City in the County's consolidated plan.

C. **Application Submittal.** The County agrees to commit sufficient resources to completing and submitting the Consolidated Plan and supporting documents to HUD in time for the Parties to be eligible to receive funding beginning July 1, 2021, and to hold public hearings as required to meet HUD requirements.

D. **County Responsibility.** Parties agree the County shall, as applicant, be responsible for holding public hearings and preparing and submitting the CDBG funding application and supporting materials in a

timely and thorough manner, as required by the Act and the federal regulations established by HUD to secure entitlement grant funding beginning July 1, 2021.

E. **Grant Eligibility.** In executing this Agreement, the Parties understand they shall not be eligible to apply for grants under the Small Cities or State CDBG Programs for appropriations for fiscal years during the period in which the Parties are participating in the urban county CDBG entitlement program; and further, the City shall not be eligible to participate in the HOME, or ESG Programs except through the urban county.

SECTION III. Program Administration.

A. **Program Authorization.** The Director is hereby authorized to carry out activities that will be funded from the annual CDBG, HOME, and ESG Programs from fiscal years 2021, 2022, and 2023 appropriations and from any program income generated from the expenditure of such funds.

B. **Responsibilities of Parties.** The Parties agree the County shall be the governmental entity required to execute any grant agreement received pursuant to the CDBG, HOME, and ESG applications, and subject to the limitations set out in this Agreement, the County shall thereby become liable and responsible thereunder for the proper performance of the plan and CDBG, HOME, and ESG under County programs. County agrees to perform program administrative tasks such as environmental clearance under the National Environmental Policy Act (NEPA), subrecipient agreements and monitoring of subrecipients. The City agrees to act in good faith and with due diligence in performance of the City obligations and responsibilities under this Agreement and under all subrecipient agreements. The City further agrees that it shall fully cooperate with the County in all things required and appropriate to comply with the provisions of any Grant Agreement received by the County pursuant to the Act and its Regulations.

C. **City Assistance.** The City agrees to undertake, conduct, perform or assist the County in performing the essential community development and housing assistance activities identified in the City's community development plan. Pursuant to the Act and pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement with the County as set forth in 24 CFR 570.503.

SECTION IV. Use of Program Funds.

A. **Allocation of CDBG funds.** All funds received by the County pursuant to this Agreement shall be identified and allocated, as described below, to the specific projects or activities set out in the application, and such allocated amounts shall be expended exclusively for such projects or activities; provided, however, that a different distribution may be made when required by HUD to comply with Title I of the Housing and Community Development Act of 1974, as amended.

1) **Metropolitan Cities' Allocation**. The Parties agree the County shall make available to the City a total amount of CDBG funds equal to that which the City would have been entitled had it applied separately as a "metropolitan city," using HUD allocation formulas as applied by the County, except that an amount equal to thirteen (13) percent of the Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement and/or HUD requirements for administrative costs. Further, with respect to the availability of the funds, the County agrees to fully cooperate and assist the City in expending such funds.

2) **Non-Metropolitan Cities' Allocation**. The County agrees to allocate a portion of CDBG program funds to the non-Metropolitan, incorporated cities participating in the program. The amount of allocation per city shall be equal to that which the urban county formula award from HUD increases as a result of the HUD allocation formulas as applied by the County, except that an amount equal to thirteen (13) percent of the Non-Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement and/or HUD requirements for administrative costs.

3) **Urban County.** Parties shall not recommend a CDBG award of less than $8,000 for any one project or program due to the staff cost of processing such awards in compliance with federal requirements. A project or program recommended to receive an amount less $8,000 can still receive an award if any other Party or Parties make an award, which is aggregated to be greater than $8,000.

4) **Administrative Costs.** The County hereby acknowledges the City, as a subrecipient defined in 24 CFR 570.500(c) and its eligibility to incur administrative costs per 24 CFR 570.206, or as otherwise negotiated and approved in the Action Plan for related Planning and Capacity Building costs per 24 CFR Part 570.205. The City shall submit invoices and supporting documentation to the County

for reimbursement of eligible administrative costs in accordance with the following schedule:

2021 Program Year: Friday, June 1, 2022
2022 Program Year: Friday, June 7, 2023
2023 Program Year: Friday, June 5, 2024
Administrative funds that are not drawn down following the review and approval by county staff by the deadlines above will be used to reimburse the County's administrative costs.

B. **Availability of Funds**. The County agrees to make CDBG funds available to all participating incorporated cities as set out here when HUD makes the CDBG funds available to it. The County shall immediately notify the participating incorporated cities of the availability of the funds.

It is understood by the Parties, hereto, the CDBG funds being used for the purposes of this Agreement are funds furnished to the County, through HUD, pursuant to the provisions of the Act. Notwithstanding any other provision of this Agreement, the liability of the County shall be limited to CDBG funds available for the Project. The City understands that the County must wait for release of CDBG funds from HUD before CDBG funds may be advanced or reimbursed. The County shall incur no liability to the City, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments.

C. **Public Services Costs**. The County agrees that after the availability of CDBG program funds to the City, the County shall not use its remaining balance of funds in any way that would limit the City's ability to use its CDBG funds to the maximum extent allowed by HUD for public service purposes.

D. **Income Generated**. The City shall notify the County of any income generated by the expenditure of CDBG funds received by the City. Such program income may be retained by the City subject to the provisions of this Agreement, the Act and its Regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements as they apply.

E. **Use of Program Income**. The County shall monitor the use of any program income, requiring appropriate record-keeping and reporting by the City as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out or change of status of the City, all program income on hand or received by the City subsequent to the close-out or change of status shall be paid to the

County. In the event that the City withdraws from the urban county to become an entitlement grantee, as provided under 24 CFR 570.504, all program income on hand or received by the City from urban county activities shall be retained by the City to be used as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.

F. **Change in Use of Property**. The City shall notify the County of any modification or change in the use of real property acquired or improved in whole or in part using CDBG funds that is within the control of the City, from that use planned at the time of acquisition or improvement including disposition. Such notification shall be made within thirty (30) calendar days of such change of use and comply with the provisions of 24 CFR 570.505.

G. **Fair Housing Implementation**. The Parties agree no urban county funding shall be allocated or expended for activities in or in support of any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's actions to comply with its fair housing certification.

H. **Conflict Resolution**. In the event of disagreement between the County and the City as to the allocations, disbursement, use, or reimbursement of CDBG funds, the Parties agree to accept HUD's written determination as to the appropriate resolution or disposition of funds to the extent HUD is willing to resolve such disagreement.

I. **Consolidated and Further Continuing Appropriations Act**. The City may not sell, trade, or otherwise transfer all of any portion of CDBG funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act**.**

J. **Special Provisions for the Urban County.**

(1) To affirmatively furthers fair housing and implement the Analysis of Impediments to Fair Housing Choice or better known as the Fair Housing Plan, the cities are encouraged to contribute CDBG funds to affordable housing projects when there is an eligible CDBG component in the proposal that is located within the city's jurisdiction.

(2) The County will enforce remedies for noncompliance pursuant to 2 CFR Part 200.338 and allowed per 2 CFR Part 200.207 by pulling

CDBG funds for under preforming projects or programs not implemented during agreed timeframe identified in the subrecipient agreement.

SECTION V. Amendment or Extension of Agreement.

A. **Subrecipient Agreement**. For each fiscal year during the term of this Agreement, the County and the City shall enter into a Subrecipient Agreement, prepared jointly by the County and the City, which identifies a project or program that the County will administer with the City's CDBG entitlement funds during that program year. The Subrecipient Agreement will set forth the minimum requirements found at 24 CFR 570 and as otherwise required by applicable federal laws. In addition, the agreements will provide project changes, time schedule for completion of the project(s), deliverable checklist, and additional funding sources, if any. If substantial compliance with the completion schedule cannot be met by the City due to unforeseen or uncontrollable circumstances, then the County may extend the schedule for project completion, as allowed by federal regulations.

B. **Amendments**. Any amendments to this Agreement shall be in writing. Parties agree any such fully executed amendment or amendments to this Agreement may be entered into at any time if required or necessary to implement the plans contemplated hereunder, or to comply with any grant agreement or the regulations issued pursuant to the Act.

SECTION VI. Compliance with Federal Regulations.

A. **General.** The Parties agree to take all actions necessary to assure compliance with the urban county's certifications required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, regarding Title VI of the Civil Rights Act of 1964, the Fair Housing Act, affirmatively furthering fair housing, Section 109 of Title I of the Housing and Community Development Act of 1974; the National Environmental Policy Act of 1969; the Uniform Relocation Assistance and Real Property Acquisition Act of 1970; and other applicable laws.

B. **Citizen Participation.** The Parties agree to comply with federal citizen participation requirements of 24 CFR Part 91, and provide citizens with:

1) An estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate income; and

2) A plan for minimizing displacement of persons as a result of CDBG-assisted activities and programs, and to provide assistance to such persons.

C. **Citizen Participation Plan.** The Parties agree to follow a citizen participation plan which:

1) Provide for and encourages citizen participation, particularly those of low or moderate income who reside in slum or blighted areas where CDBG funds are proposed to be used;

2) Provide citizens with reasonable and timely access to local meetings, staff reports, and other information relating to grantee's proposed use of funds, as required by HUD regulations related to the actual use of funds under the Act;

3) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least: 1) formulation of needs; 2) review of proposed grant activities; and 3) review of program performance; for which public hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation of handicapped persons;

4) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;

5) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

6) Identifies the use of non-traditional methods of community outreach, including the provision of CDBG documents in a user-friendly format, including but not limited to Braille, large print, oral format, and delivering copies to homebound individuals.

D. **The Parties hereby certify, to the best of their knowledge and belief, that**:

1) **Conflict of Interest.** No federal grant monies have been paid or will be paid, by or on behalf of the Parties, to any officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering

into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.

2) **Influence.** If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3) **Certifications Disclosure.** Parties agree to include this certification in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), and that all grant subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was entered into.

E. **Certification Regarding Policies Prohibiting Use of Excessive Force and Regarding Enforcement of State and Local Laws Barring Entrances**.

In accordance with Section 519 Public Law 101-144 (the 1990 HUD Appropriations Act), the City certifies that it has adopted and is enforcing.

1) A policy prohibiting the use of excessive force by law enforcement agencies within their respective jurisdictions against any individuals engaged in non-violent civil rights demonstrations; and

2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within their jurisdictions.

SECTION VII. <u>Execution of Agreement and Recordkeeping.</u>

A. **HUD Certification.** The Director is hereby authorized to execute and submit to the County the HUD Certification Form with respect to the community development activities carried out within the boundaries of the City. It is further understood that the County will rely upon the certification executed by the Director for purposes of executing a certification form for submission to HUD.

B. **Maintenance of Records.** The City shall maintain records of activities for any projects undertaken pursuant to the program, and said records shall be open and available for inspection by auditors assigned by HUD and/or the County on reasonable notice during the normal business hours of the City.

NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

_____
Chairperson of the Board of Supervisors

ATTEST:

WADE HORTON
Ex-Officio Clerk of the Board of Supervisors

By: _____
Deputy Clerk
[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Deputy County Counsel

Dated:_____

NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

CITY OF ATASCADERO

_____
HEATHER MORENO, MAYOR

Date: _____

ATTEST:

_____
LARA K. CHRISTENSEN, CITY CLERK

Date: _____

APPROVED AS TO CONTENT:

_____
RACHELLE RICKARD, CITY MANAGER

Date: _____

APPROVED AS TO FORM:

_____
BRIAN PIERIK, CITY ATTORNEY

Date: _____

Atascadero City Council

Staff Report - Public Works Department

Local Roadway Safety Plan

RECOMMENDATIONS:

Council:

1. Approve the California Department of Transportation grant funding allocation of $72,000 to prepare a Local Roadway Safety Plan (LRSP).

2. Authorize the Director of Administrative Services to appropriate $15,000 in Local Transportation Funds to fund the local share of participating costs for the LRSP.

DISCUSSION:

Background

Federal regulations require each state has a Strategic Highway Safety Plan (SHSP). An SHSP is a statewide data-driven traffic safety plan that coordinates the efforts of a wide range of organizations to reduce traffic accident fatalities and serious injuries on all public roads. In coordination with federal, state, local and private sector safety stakeholders, the SHSP establishes goals, objectives, and emphasis (or challenge) areas. The SHSP addresses the 4Es of traffic safety: Engineering, Enforcement, Education, and Emergency Services.

While the SHSP is used as a statewide approach for improving roadway safety, A Local Road Safety Plan (LRSP) can be a means for providing local and rural road owners with an opportunity to address unique highway safety needs in their jurisdictions while contributing to the success of the SHSP. The process of preparing an LRSP creates a framework to systematically identify and analyze safety problems and recommend safety improvements. Preparing an LRSP facilitates the development of local agency partnerships and collaboration, resulting in a prioritized list of improvements and actions that can demonstrate a defined need and contribute to the statewide plan. The LRSP offers a proactive approach to addressing safety needs and demonstrates agency responsiveness to safety challenges.

An LRSP provides a framework for organizing stakeholders to identify, analyze, and prioritize roadway safety improvements on local and rural roads. The process of developing an LRSP can be tailored to local protocols, needs, and issues.

Caltrans announced a Call for LRSP grant applications in October 2019. A total of $10 million from the Highway Safety Improvement Program (HSIP) was set aside and exchanged for state funds to assist local agencies to develop their safety plans. Each applicant may have up to $72,000 of state funds, which requires a ten percent (10%) local match. Funds are awarded on a "first come first serve" basis as long as funding is available.

Analysis

Staff made a request to Caltrans in December 2019 for $72,000 in State funding to develop a LRSP, which was subsequently awarded. An informal Request for Proposals (RFP) to prepare a LRSP was issued to qualified traffic engineering consultants in February 2020 and the City received two proposals in April 2020. W-Trans was selected as submitting the most qualified proposal for an estimated fee of $80,000. The RFP and W-Trans proposal includes the following general scope of work summary:

1. Meetings and Project Management. Includes a kickoff meeting and two stakeholder meetings, review of preliminary report with staff, and a Council presentation.
2. Data Collection. Compilation of collision data records and logs, conduct a study area field and image review of various roadway characteristics, and organize speed and traffic volume data to determine priorities and where traffic safety improvements can be applied appropriately.
3. Data Analysis and Safety Improvements Selection. Analyze collision data and provide maps for up to twenty high-incident locations, review collision data and maps to identify up to ten crash types, propose safety improvements for the identified locations, determine countermeasures, and prioritize a list of safety improvements to serve as a basis for safety projects.
4. Develop Safety Projects. Develop a list of safety projects with countermeasures, identify constraints and limitations, prepare cost estimates and benefit-to-cost ratio analysis, develop prioritized list of safety projects, and detailed summary of safety projects.
5. Final Report Preparation. Determine LRSP implementation and success evaluation, prepare draft and final LRSP reports, and prepare presentation for Council meeting.

The LRSP will primarily address intersections, interchanges, and other roadway areas; speeding and aggressive driving; pedestrians and bicyclists; emergency medical services; roadway departure and head-on collisions; and distracted driving. It is anticipated that the LRSP will have a focus on downtown safety issues in keeping with the Council strategic goals. Staff anticipates having an adopted LRSP will support Council strategic goals and provide support for future funding opportunities to address safety projects such as the Downtown El Camino Real Infrastructure Enhancement Project.

FISCAL IMPACT:

Approving recommendations will result in the City receiving grant funding totaling $72,000 from Caltrans and expenditures from the Local Transportation Fund up to $15,000 to cover the 10% local share of participating costs ($8,000) and any costs related to staff

time and additional consultant fees (up to $7,000). A LRSP will be required for the City to be eligible to apply for future Highway Safety Improvement Program (HSIP) grant opportunities.

ALTERNATIVES:

Council may decline the LRSP grant. This alternative is not recommended since it will make the City ineligible for future HSIP grant opportunities.

ATTACHMENTS:

None.

Atascadero City Council

Staff Report – City Manager's Office

Atascadero Tourism Business Improvement District (ATBID) Board Appointment of Four Board Members to Fill Vacancies

RECOMMENDATIONS:

Council:

1. Appoint Lucian Caprau to the ATBID Advisory Board for the vacant position for a term expiring June 30, 2021.

2. Appoint Patricia Harden, Amar Sohi, and Deana Alexander to the ATBID Advisory Board for terms expiring June 30, 2022.

DISCUSSION:

In 2013, the lodging businesses in Atascadero requested the Council establish a Tourism Business Improvement District in order to levy annual assessments that would fund tourism promotions and marketing programs to promote the City as a tourism destination. The City Council established the ATBID, appointed Board Members, and levied assessments beginning June 1, 2013.

When the initial Advisory Board was appointed, it was comprised of three members serving three-year terms, and two members serving two-year terms. In 2015, the Municipal Code was changed to clarify that after the initial formation, all subsequent Board Members will serve two-year staggered terms. The terms of the Board Member positions currently held by Amar Sohi and Deana Alexander and a vacant position previously held by Jack Mahar, are set to expire on June 30, 2020. In addition, there is a second vacancy to for the remainder of the term previously held by Jaclyn Dawson, which will expire on June 30, 2021.

Once Board Member terms are close to expiring, the ATBID's Rules and Procedures lay out the nomination process that must be followed. Before the expiration of terms, a letter is mailed out to each Lodging Business notifying them of a meeting for the purpose of making nominations for the Board seats that are scheduled to be vacant in July. At this meeting, lodging business owners are nominated and a written ballot election determines the nominees to be recommended to the City Council. The results of the nomination meeting are then forwarded to the City Clerk to be placed on the Council's agenda as a recommendation for filling the Board vacancies.

The Atascadero Municipal Code § 3-16.07 (b) states that membership on the ATBID Board is limited to Lodging Business owners or employees or other representatives holding the written consent of a Lodging Business owner within the ATBID area who has fully paid its assessment at the time of the appointment, and remain fully paid during the term of the membership on the Board.

This year, letters were mailed out to each of the Lodging Businesses on February 4, 2020 and the Lodging Business nomination meeting was held April 15, 2020. At that meeting, the lodging owners nominated that the following be recommended to the City Council for appointment to the ATBID Board:

BOARD MEMBER	LODGING FACILITY	TERM EXPIRATION
Lucian Caprau	Best Western	6/30/21
Patricia Harden	Springhill Suites Marriott	6/30/22
Amar Sohi	Holiday Inn Express	6/30/22
Deana Alexander	The Carlton	6/30/22

FISCAL IMPACT:

None.

ALTERNATIVE:

Council may reject the recommendation to appoint the nominated lodging business owners and request a new recommendation from the lodging business owners.

ATTACHMENTS:

None.

ITEM NUMBER: **B-1**
DATE: **05/12/20**

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 last week of March and the first week of April. There are approximately 11,188 parcels within the City.

Compliance with the Weed Abatement Section of the 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 – Community Development Department

Cannabis Regulations Update
(CPP 2020-011)

RECOMMENDATION:

Council provide staff direction on cannabis activities and regulations.

REPORT-IN-BRIEF:

In 2017, the City adopted an Ordinance No. 612 amending the Zoning Code, (Atascadero Municipal Code Title 9-Chapter 17), to implement changes in State Law regarding cannabis. At that time, the City held extensive outreach meetings and considered all categories of cannabis business and personal uses. The final ordinance was adopted to allow deliveries that originate outside of the City and to allow testing labs along with personal use and cultivation policies. Since that date, the industry has continued to change, while State Laws have continued to be updated. Revisions to the Cannabis Ordinance have the potential to provide a source of City tax revenue while enhancing our ability to regulate the commercial industry while maintaining some consistency with nearby communities in our County.

During a recent discussion at the City Council strategic planning meetings in January of 2020, Council asked staff to return with some additional discussion regarding the City's Cannabis Ordinance to evaluate options. In November, 2018, voters approved a Cannabis Tax on commercial cannabis business for the City of Atascadero which became effective on January 1, 2019. At this time, the City is taxing delivery businesses that have licenses to operate in Atascadero. These delivery businesses only recently sought licenses to operate in Atascadero, therefore information on sales tax is not available at this time.

DISCUSSION:

Background

In 2015 and 2016, the California State Legislature passed the Medical Cannabis Regulation and Safety Act (MCRSA), which established the state's cannabis licensing authorities, including the Bureau of Cannabis Control, Cal Cannabis Cultivation Licensing, and the Manufactured Cannabis Safety Branch. MCRSA created a framework for licensing, regulation and enforcement of commercial medicinal cannabis activity in the

state. In 2016, California passed Prop 64, or the Adult Use of Marijuana Act (AUMA), which allowed adults to grow, possess, and use cannabis for non-medicinal purposes. Additionally, it allowed the sale and distribution of cannabis through a regulated business beginning in January of 2018. In June of 2017, the legislature passed Senate Bill No. 94, which integrated MCRSA and AUMA to create the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and created a single regulatory system governing the cannabis industry in California. Local and regional governments may have their own local policies and ordinances for regulating commercial cannabis activities.

Since the adoption of a new ordinance regulating Cannabis in 2017, the City has adopted a cannabis tax (November, 2019) and developed a license application procedure for cannabis delivery businesses (January 2020). In January 2020, the City began to follow up with cannabis businesses that advertise delivery services to our community to ensure they have a State License, a City License and registration to provide tax revenue to the City. At this time, there are 5 businesses licensed to deliver cannabis products into the City. All of these delivery businesses are located outside of the City limits.

Existing Cannabis Activities and Regulations Ordinance:

In 2017, the City Council adopted a new ordinance regulating cannabis activities that repealed Title 9, Chapter 6, Section 9-6.186, Medical Marijuana Facilities, of the Atascadero Municipal Code. Chapter 6 Section 9-6.186 was replaced with an entire new Chapter (Chapter 17), Cannabis Activities and Regulations. The development of the 2017 Ordinance relied on the process for zoning code amendments, including the following phases:

- Phase 1 – Public feedback through a series of public workshops and informational discussions.
- Phase 2 – Direction from the City Council on the formulation of local ordinances.
- Phase 3 – Provide refined information to the City Council based on specific feedback. Introduce land use definitions and information towards Zoning Code development while hearing additional input.
- Phase 4 - Required public hearings of the Planning Commission and City Council, to review final amended Zoning Code language, introduction of Draft Ordinance on first reading, and, adoption of Ordinance on second reading.

After completion of these steps, the new ordinance was adopted and contains cannabis definitions, personal cultivation standards, and a review process to allow for commercial cannabis activities, including a land use table indicating permitted zoning for each land use. Other than testing labs, all other commercial cannabis activities are prohibited. However, at this time, no testing labs have located in the City.

The Ordinance was developed in a fashion that would allow for code updates in the future and to incorporate legal and regulatory developments. Since adoption of Chapter 9-17, the Council also voted to adopt a Cannabis Tax Measure, Chapter 3-18, which allowed the City to adopt a tax based on business gross receipts and square footage of plant canopy.

Personal Cultivation

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and the current City Ordinance allows for up to six (6) plants for personal cultivation of cannabis. Anything over six (6) plants, pursuant to MAUCRSA, requires a State License for commercial cultivation and the City Ordinance prohibits commercial cultivation. The current Cannabis Ordinance provides development standards for both indoor and outdoor personal cultivation of cannabis within residential zones (specifically on a private residence). Since these standards have been in place, most residents have respected the state and local laws. These standards are shown in Table 1, Atascadero Cannabis Standards.

Table 1 – Atascadero Cannabis Standards

	Personal –Cultivation for Adult and Medical Cannabis	
Regulation Type	**Indoor Regulations**	**Outdoor Regulations**
Maximum number of plants allowed	6 Plants	6 Plants
Max space allowed to cultivate plants	120 Square Feet	120 Square Feet
Completely screened with neighborhood compatible fencing and/or landscaping	N/A	Required
Maximum fence height	N/A	7 feet
Setback from rear / side property line	N/A	15 feet
Setback from adjacent residences	N/A	25 feet
Setback from public right-of-way	N/A	25 feet
Property Owner Consent	Required	Required
Other Provisions	Not permitted inside rooms designed for sleeping	Cannot be visible from public right of way or neighboring property Not allowed in front yard setback Certain screening/fencing prohibited

Testing Facilities

The Ordinance allows for cannabis testing facilities to be established through either an Administrative Use Permit (AUP) or Conditional Use Permit (CUP) in certain non-residential zones. A testing facility is a private business that offers or performs laboratory testing of cannabis or cannabis products that is independent from all other persons involved in the cannabis industry in the state, and registered with and licensed by the California State Department of Public Health. Testing facilities are prohibited in all Agriculture and Residential Zones, as well as all Public Zoning Districts. The Atascadero Ordinance also contains standards for testing facilities that include prohibition of retail or wholesale sales to the public, prohibits any public visitation, and includes buffers for testing facilities of 600-feet of sensitive land uses, and limits on exterior signage of fifteen

(15) square feet. As of 2020, there are no testing facilities located in the City and the City has not received any AUP or CUP permit applications for testing facilities.

Existing City Tax 2018

Proposition 64, passed by the voters in 2016, gave local governments the authority to regulate the sale and cultivation of recreational cannabis consistent with the land use and police powers that local governments hold under the state law and state licensing program. Based on the City Council Strategic Planning sessions held throughout 2018, the City Council decided to implement a ballot measure that would place a tax on commercial cannabis activities. The intent, as commercial or retail cannabis activities are prohibited in the City (besides delivery and testing facilities), was to have a tax mechanism in place in case of future amendments of AMC 9-17 or violation of the City code. The City Council voted to adopt a resolution to submit a Cannabis Tax Ballot Measure to the voters in June of 2018. The Cannabis Tax Measure came into effect January 1, 2019, and is based on gross receipts of cannabis sales, services, and transactions. The Cannabis Business Tax may be repealed or amended by the City Council without a vote, but voter approval would be required for any amendment that would increase the rate of any tax. The current City Cannabis Business Tax rates are shown in Table 2.

Table 2 – City of Atascadero Cannabis Tax Rates

	Initial Rate (beginning January 1, 2019)	**Maximum Rate (through January 1, 2021)***
Commercial Cultivation	**Per square feet of canopy space**	
Indoor, permanent artificial lighting	$7.00 annually	$10.00 annually + Consumer Price Index (CPI) Increase
Indoor, combination of natural and artificial lighting	$4.00 annually	$7.00 annually + CPI Increase
Indoor, exclusively natural lighting	$2.00 annually	$4.00 annually + CPI Increase
Nursery, minimal artificial lighting	$1.00 annually	$2.00 annually + CPI Increase
Testing, manufacturing, and Retail	**% of Gross receipts**	
Testing Lab	1%	2.5%
Retail sales	4%	6%
Distribution	2%	3%
Manufacturing, processing, or other	2.5%	4%

* The Maximum rate may increase by CPI thereafter.

The City is currently only collecting tax under the Cannabis Business Tax on delivery and distribution businesses based outside of the City, but that deliver within City limits.

Regional Trends and Policies:
Since the approval of Prop 64 and state legislation related to cannabis, local agencies have been actively adopting ordinances to regulate cannabis operations. The San Luis Obispo region has experienced local ordinance adoption on a County-wide scale and in

numerous cities. Below is a summary of what regional jurisdictions, including in the unincorporated County, have adopted related to the regulation of cannabis activities and what is permitted in each jurisdiction.

Table 3 – Existing Regional Ordinances

Agency	Ordinance Adoption	What is allowed
Arroyo Grande	October, 2017	**Cannabis Dispensaries:** Dispensaries with storefronts open to the public are prohibited. Cannabis deliveries by State-licensed operations may occur, but the City no longer has a local permit requirement for those operations. **Commercial Cannabis Cultivation:** Commercial cannabis cultivation, indoor and outdoor, is prohibited. **Personal Cannabis Cultivation:** Six cannabis plants total, grown indoors, per dwelling unit, for personal use, are permitted. Outdoor personal cultivation is prohibited. **Cannabis Activities:** Cannabis testing facilities are prohibited. Cannabis manufacturing facilities are prohibited.
Atascadero	October, 2017	**Cannabis Dispensaries:** Dispensaries with storefronts open to the public are prohibited. Deliveries of recreational and medical cannabis are permitted when the dispensary is located outside of City limits. **Commercial Cannabis Cultivation:** Commercial cannabis cultivation is prohibited. **Personal Cannabis Cultivation:** Six cannabis plants total, per dwelling unit, for personal use, are permitted. Outdoor and indoor personal cultivation is permitted. **Cannabis Activities:** Cannabis testing facilities are permitted. Cannabis manufacturing facilities are prohibited.
Grover Beach	May, 2017	**Cannabis Dispensaries:** Up to four retailers (dispensaries) are permitted, whether they are open to the public or only deliver from their facility. **Commercial Cannabis Cultivation:** Outdoor commercial cannabis cultivation is prohibited. Indoor commercial cannabis cultivation is permitted. **Personal Cannabis Cultivation:** Six cannabis plants total, grown indoors, per dwelling unit, for personal use, are permitted. Outdoor personal cultivation is prohibited. **Cannabis Activities:** Cannabis testing facilities are permitted. Volatile manufacturing facilities are permitted.
Morro Bay	November, 2017	**Cannabis Dispensaries:** Up to two medical dispensaries with storefronts open to the public are permitted. Recreational dispensaries with storefronts open to the public are prohibited. Delivery dispensaries are limited to medical only dispensaries (mobile deliveries). **Commercial Cannabis Cultivation:** Commercial cannabis cultivation is prohibited. **Personal Cannabis Cultivation:** Six cannabis plants total, per dwelling unit, for personal use, are permitted. Up to two outdoor cannabis plants, for personal use, are permitted. **Cannabis Activities:** Cannabis testing facilities are prohibited. Cannabis manufacturing facilities are prohibited.
Paso Robles	March, 2018	**Cannabis Dispensaries:** Dispensaries with storefronts open to the public are prohibited. Delivery dispensaries are limited to medical only dispensaries (mobile deliveries). **Commercial Cannabis Cultivation:** Commercial cannabis cultivation, indoor and outdoor, is prohibited. **Personal Cannabis Cultivation:** Six cannabis plants total, grown indoors, per dwelling unit, for personal use, are permitted. Outdoor personal cultivation is prohibited. **Cannabis Activities:** Cannabis testing facilities are prohibited. Cannabis manufacturing facilities are prohibited.
San Luis Obispo (City)	May, 2018	**Cannabis Dispensaries:** Limit of three retail storefront permits *(permitting currently in progress for three storefront applicants).* **Commercial Cannabis Cultivation:** Capped at 70,000 square feet, with no one business being larger than 10,000 square feet. **Personal Cannabis Cultivation:** Six cannabis plants total, either grown indoors, outdoors or both, for personal use, are permitted. **Cannabis Activities:** There is no limitation on permits for manufacturing, distribution, testing and non-storefront retail (delivery only).
San Luis Obispo County (County)	November, 2017	**Personal Cannabis Cultivation:** Six cannabis plants, grown indoors, per dwelling unit, for personal use, are exempt from obtaining a land use permit. **Cannabis Dispensaries:** Cannabis dispensaries are limited to delivery-only dispensaries (mobile deliveries) requiring a Type 9 State license. **Commercial Cannabis Cultivation:** Commercial cannabis cultivation may be permitted in the Agriculture (AG), Rural Lands (RL), Residential Rural (RR), and Industrial (IND) land use categories, with certain restrictions including minimum site size and setback requirements. **Cannabis Nurseries.** Commercial cannabis nurseries may be permitted in the Agriculture (AG), Rural Lands (RL), Residential Rural (RR), and Industrial (IND) land use categories.

		Cannabis Manufacturing. Non-volatile cannabis manufacturing facilities may be permitted in the Commercial Service (CS) and Industrial (IND) land use categories, and in the Agriculture (AG) land use category with cannabis grown onsite. **Cannabis Testing Facilities.** Cannabis testing facilities may be permitted in the Commercial Service (CS) and Industrial (IND) land use categories. **Cannabis Distribution Facilities.** Cannabis distribution facilities may be permitted in the Commercial Service (CS) and Industrial (IND) land use categories.
Pismo Beach	December, 2016	**Cannabis Dispensaries:** Dispensaries with storefronts open to the public are prohibited. Delivery dispensaries are limited to medical only dispensaries (mobile deliveries). **Commercial Cannabis Cultivation:** Commercial cannabis cultivation is prohibited. **Personal Cannabis Cultivation:** Six cannabis plants total, grown indoors, per dwelling unit, for personal use, are permitted. Outdoor personal cultivation is prohibited. **Cannabis Activities:** Cannabis testing facilities are prohibited. Cannabis manufacturing facilities are prohibited.

Anticipated Tax Revenue:

Similar to other industries, cannabis businesses are required to pay taxes such as income taxes and sales taxes. In California, the state retail excise tax is nominally 15 percent of retail sales and the cultivation tax ranges from $1.35 to $9.65 per ounce depending on the product cultivated. While the excise tax is 15 percent, the current effective tax rate (based on the mark-up price of the product sold), is estimated to be 27 percent. This is before local and regional sales taxes are applied. The California Legislative Analyst's Office estimates that in 2019-2020 tax year, the state will allocate nearly $300 million from cannabis tax revenues into state programs. The California Department of Tax and Fee Administration (CDTFA) reported that as of August 2019, California's cannabis excise tax generated $74.2 million in revenue and the cultivation tax generated $22.6 million, not including taxes collected by local and regional governments. Local and regional government tax rates vary across the state, but generally range from 7.25 to 10.5 percent, with a statewide average of 8.6 percent. Cannabis products are considered to be tangible goods, so any retail sales are subject to this sales tax.

Regional Tax Revenue Projections

In San Luis Obispo County, the cities of Morro Bay, San Luis Obispo, and Grover Beach have adopted ordinances that allow for retail sales of cannabis products through store fronts or dispensaries, in addition to other commercial cannabis activities. Morro Bay and San Luis Obispo are in the early phases of cannabis business openings and do not have ongoing revenue and expense data available. Last fiscal year, Grover Beach had the following permitted operating cannabis establishments: two retail establishments (both storefront and delivery), four manufacturing businesses and a "few" other associated cannabis businesses. For fiscal year 2018-2019, the City of Grover Beach received approximately $1,000,000 in cannabis related revenues for the year and the City of San Luis Obispo received about $80,000.

City Cannabis Tax Revenues

The City of Atascadero is currently collecting tax on retail cannabis delivery services, and this was implemented in early 2020. It remains to be seen how much revenue will be made from levying a tax on delivery companies, but the City has issued five licenses for cannabis delivery. The City's current ordinance does not allow for commercial distribution sites, cannabis retailers or dispensaries, and there are no permitted testing facilities.

Potential Land Uses in Atascadero

In 2017, in preparation for the adoption of what was to become the City's existing cannabis ordinance, City staff recommended that the City allow for commercial cannabis activities in particular zoning districts for commercial cannabis testing facilities. A set of land uses were contemplated in the Commercial Professional, Commercial Retail, Commercial Service, Commercial Park, and Industrial zoning districts. In each of these districts, additional restrictions, including distances from sensitive land uses, use permit requirements and performance standards were suggested.

The State of California Bureau of Cannabis Control currently recognizes the following different cannabis license types:

- **Type 6 = Manufacturer 1**. For manufacturing sites that produce medical cannabis products using nonvolatile solvents.
- **Type 7 = Manufacturer 2.** Manufacturing sites that produce medical cannabis products using volatile solvents.
- **Type 8 = Testing**. Testing of medical cannabis and medical cannabis products.
- **Type 10 = Dispensary**; General retail. This includes both retail storefront and delivery businesses.
- **Type 11 = Distribution**. Distribution of medical cannabis and medical cannabis products from manufacturer to dispensary.
- **Type 12 = Transporter.** Transporters of medical cannabis or medical cannabis products between licensees.

For the City of Atascadero, our discussion may include a list of potential land uses such as:

- *Personal Indoor cultivation*
- *Personal outdoor cultivation*
- *Commercial Outdoor or Indoor cultivation(up to 10 license types based on size etc)*
- *Retail storefront (Type 10 Dispensary)*
- *Mobile dispensary / Retail delivery with no storefront (Considered a Type 10 dispensary)*
- *Manufacturing with volatile facilities (Type 7)*
- *Manufacturing with non-volatile facilities (Type 6)*
- *Distribution facility (Type 11)*

The following is a general summary of each of the topics that need direction to City staff. These items could be addressed through new or amended ordinances. Staff has included a list of tools that can be used to regulate these areas of the AUMA to address the concerns voiced in the public outreach, as well as, address supporters that wish the City implement the AUMA. These tools can be used in combination or stand alone.

1. Personal Cultivation – Indoors/Outdoors

While personal cultivation cannot be banned, it can be *reasonably regulated.* In 2017, the City adopted standards to allow both indoor and outdoor cultivation with a maximum limit of 6 plants per site.

At this time, limited personal cultivation is allowed subject to specific standards. Should the City desire to adjust the existing ordinance for personal cultivation, the following tools can be evaluated:

Potential Tools	
Maintain Status Quo	☐ Allow personal indoor and outdoor cultivation in all residential zones for both medical and non-medical cannabis. ☐ Ordinance address modifications to residences that require building permits. ☐ Let property owners decide whether to prohibit personal indoor cultivation on rental properties. ☐ Standards for screening, setbacks and nuisance ☐ Maximum # of plants and square foot of growing space
Council Considerations	☐ Should setbacks for outdoor growing be changed? ☐ Should there be different screening requirements? ☐ Should all **outdoor** personal cultivation be prohibited in all residential zones?

2. Commercial cultivation.

Currently, the City prohibits all commercial cultivation for cannabis in all zones throughout the City. Since the City does not have extensive agricultural land and very limited industrial land, there are few sites to support commercial cultivation, especially outdoor cultivation.

Based on feedback received in 2017, the City decided not to explore allowing commercial cultivation. However, the following topics were considered:

- The location of Commercial cultivation, if allowed, should be taken into consideration. This includes potentially allowing a commercial cultivation on larger residential lots, ag zones, industrial zones, certain commercial zones, etc.
- Limiting the type of commercial cultivation, if allowed based on license types issued by the State.
- Security of the commercial cultivation and how this may affect neighborhood compatibility.
- Local taxation of commercial cultivation and the process to set up new fees, taxes, etc. and potential increase in City revenues (***This has now been implemented).***
- Policing issues that may arise from commercial cultivation.
- Smell and aesthetics
- The potential for a new economic development tool.

Potential Tools	
Maintain Status Quo	☐ Prohibit all commercial cultivation for both non-medical and medical cannabis.
Council Considerations	☐ Should commercial cultivation be allowed with a Major Conditional Use Permit (CUP) in certain non-residential zones for indoor grows only? This would limit the types of cultivation to license holders to indoor or mixed light. The maximum size of an indoor grow is 22,000 sf. ☐ Should commercial cultivation be allowed in certain non-residential zones, with a Major CUP for a mix of both indoor and outdoor? ☐ Should commercial cultivation in certain residential zones, based on size, for a mix of indoor / outdoor grows be allowed?. This may also be limited to certain sizes such as a maximum of 5,000 sf or utilizing the "microbusiness" license. A major CUP would be required. This may also be utilized for indoor cultivation in non-commercial zones. ☐ If allowed, should the distance from schools, parks, youth centers be expanded beyond the minimum 600-foot radius? ☐ If allowed, should a distance from another commercial cultivation operation be established? ☐ If allowed, what should the setbacks be? ☐ If allowed, should there be a minimum parcel sizes? ☐ If allowed, should parking standards be established? ☐ If allowed, should fencing, lighting, and landscaping standards for ease of neighborhood policing be established? ☐ If allowed, should appearance review standards and air filtration devices for buildings if be considered?

3. Storefront Retail Sales of Cannabis

Currently, the City prohibits onsite retail commercial sales in all zones throughout the City. In 2017, this topic was considered. At that time, it was discussed that the timing was not right to move forward with an ordinance that allowed retail sales. Instead, it was suggested that Atascadero wait for the adoption of a local tax and for the industry to mature while we evaluate federal regulations and the banking industry.

The Council may wish to consider several topics associated with retail sales:

- Location and impact of adjacent commercial uses
- Number of such uses, if any (most cities limit number to increase oversight, quality and to reduce competition)
- Banking industry
- Federal stance
- Security
- Staff review time for ordinance update and ongoing permit process
- The potential for a new economic development tool

Potential Tools	
Maintain Status Quo	☐ Prohibit all commercial retail sales of non-medical cannabis and dispensaries for medical cannabis.
Council Considerations	☐ Should retail sales / dispensaries be allowed with a Major Conditional Use Permit (CUP) in certain commercial zones? ☐ If allowed, in which zones would retail cannabis storefronts be allowed? ☐ Should a limit be set on the number of retail cannabis storefronts licensed in the City? If so, what criteria would be used to establish licenses? ☐ If allowed, what security standards and procedures should be required? ☐ If allowed, should the distance from schools, parks, youth centers be expanded beyond the minimum 600-foot radius? ☐ If allowed, should a distance from another retail cannabis operation be established? ☐ If allowed, what should the setbacks be? ☐ If allowed, should parking standards be established? ☐ If allowed, should fencing, lighting, and landscaping standards for ease of neighborhood policing be established? ☐ If allowed, should appearance review standards for buildings be established?

4. Mobile dispensary

Currently the City allows for delivery services of retail recreational and medical cannabis from a mobile dispensary that is located outside of the City. These delivery services are not allowed to have a mobile dispensary business site in the City. There are 5 such known businesses that currently operate within Atascadero that are based outside of the City. In 2018, the State prohibited local communities from banning local deliveries within their jurisdiction, however the City may and does currently ban Mobile dispensary business sites.

When considering allowing a mobile dispensary site, the Council should take into consideration the following:

- What zoning districts would this be appropriate in (office type use)
- Would home occupation mobile dispensaries be allowed

Potential Tools	
Maintain Status Quo	☐ Prohibit services from basing their business in Atascadero
Council considerations	☐ Should mobile dispensary delivery businesses be allowed to base operations in the City? ☐ If allowed, in which zones would mobile dispensaries be allowed? ☐ If allowed, would a mobile dispensary be allowed in residential zones ☐ Should a limit be set on the number of mobile dispensaries licensed in the City? If so, what criteria would be used to establish licenses? ☐ If allowed, should the distance from schools, parks, youth centers be expanded beyond the minimum 600-foot radius? ☐ If allowed, should a distance from another cannabis business be established? ☐ If allowed, what should the setbacks be? ☐ If allowed, should parking standards be established? ☐ If allowed, should fencing, lighting, and landscaping standards for ease of neighborhood policing be established. ☐ If allowed, should appearance review standards for buildings be established?

5. Testing facilities for Cannabis

The City currently allows testing facilities, as the only allowed "commercial cannabis activity". Testing facilities include medical research of cannabis, as well as labs the test for pesticides, TCH, the active chemical compound that determines potency of cannabis and other types of test. No retail or wholesale sales to the public , nor is any public access involved with a testing facility. However without local cannabis cultivation or retail sales in Atascadero or Paso Robles, there has been no local demand for testing facilities and there is no testing lab in Atascadero.

Potential Tools	
Maintain Status Quo	☐ Allow Cannabis testing facilities in the CS, CPK, IP & I zones with an AUP and in the CP & CR zones with a CUP. ☐ Prohibited within 600 feet of schools, parks, and youth centers ☐ Limit signage to 15 sq. ft. in size
Council Considerations	☐ Should testing facilities be prohibited? ☐ Should zoning for testing facilities be changed? ☐ Should the distance from schools, parks, youth centers be expanded beyond the 600-foot radius established by the State? ☐ Should additional fencing, lighting, and landscaping standards be established?

6. Manufacturing facilities

Manufacturing facilities are currently prohibited within the City. Unlike testing facilities, manufacturing facilities may be taxed. There are two types of manufacturing facilities. A type 1 and Type 2. Type 1 facilities do not use hazardous solvents such as butane, which can be used to process cannabis into other product types. Type 2 manufacturing uses flammable solvents and other more intensive manufacturing processes similar to the City's existing "Manufacturing and Processing High Intensity.

The Council should consider:

- The location of manufacturing facilities, if allowed, should be taken into consideration. This includes potentially allowing a facilities and distribution centers in certain non-residential zones.
- Ensure any buildings utilized are compatible with the neighborhood.
- The potential for a new economic development tool.

Potential Tools	
Maintain Status Quo	☐ Prohibit all (Type 1 and Type 2) manufacturing facilities or distribution centers for non-medical cannabis or medical cannabis.
Council Considerations	☐ Should Type 1 manufacturing facilities be allowed with a Major Conditional Use Permit (CUP) in certain non-residential zones or an Administrative Use Permit (AUP)? An AUP may be utilized if this is the type of use that is an appropriate for the Industrial zone or CPK zone. ☐ Should Type 2 manufacturing facilities be allowed with a Major Conditional Use Permit (CUP) in certain non-residential zones? ☐ Should a limit be set on the number of manufacturing facilities in the City? If so, what criteria would be used to establish licenses? ☐ If allowed, what security standards and procedures should be required?

	☐ If allowed, should the distance from schools, parks, youth centers be expanded beyond the minimum 600-foot radius? ☐ If allowed, should a distance from another cannabis operation be established? ☐ If allowed, what should the setbacks be? ☐ If allowed, parking standards should be established. ☐ If allowed, should fencing, lighting, and landscaping standards for ease of neighborhood policing be established? ☐ If allowed, appearance review standards for buildings should be established. ☐ If allowed, what additional protections should Type 2 facilities have?

7. Distribution facilities

Distribution facilities are typically small warehouse or office facilities that store and transport market ready product from cultivation and manufacturing sites to the retail market. These facilities are currently prohibited within the City. Unlike testing facilities, distribution facilities may be taxed.

The Council should consider:

- The location of distribution facilities, if allowed, should be taken into consideration. This includes potentially allowing a distribution center in certain non-residential zones.
- Ensure any buildings utilized are compatible with the neighborhood.
- The potential for a new economic development tool.

Potential Tools	
Maintain Status Quo	☐ Prohibit all distribution facilities for non-medical cannabis or medical cannabis.
Council Considerations	☐ Should distribution facilities be allowed with a Major Conditional Use Permit (CUP) in certain non-residential zones or an Administrative Use Permit (AUP)? An AUP may be utilized if this is the type of use that is an appropriate for the Industrial zone or CPK zone. ☐ Should a limit be set on the number of distribution facilities in the City? If so, what criteria would be used to establish licenses? ☐ If allowed, what security standards and procedures should be required? ☐ If allowed, should the distance from schools, parks, youth centers be expanded beyond the minimum 600-foot radius? ☐ If allowed, should a distance from another cannabis operation be established? ☐ If allowed, what should the setbacks be? ☐ If allowed, should parking standards be established? ☐ If allowed, should fencing, lighting, and landscaping standards for ease of neighborhood policing be established? ☐ If allowed, should appearance review standards for buildings be established?

Potential City Restrictions and Regulation

State law creates a framework that allows for a legal, structured, and taxed statewide industry to develop while giving purview in terms of location and approval of cannabis business to local and regional governments. Cities can prohibit cannabis businesses, or allow businesses to operate within their jurisdiction. It is generally up to local government

to choose where a business can locate, how close these businesses can be located to sensitive uses, and how many can locate in a city. For the City of Atascadero, it is important that any amendments to the existing Cannabis Ordinance related to the permitting of cannabis retailers clarify the following issues:

- Land Use: What type of business is appropriate in Atascadero?
- Where should such businesses be located?
- Quotas: How many business or retailers should be allowed in Atascadero?
- Discretion: What approval process should be used for these businesses, should community benefit agreements be implemented and what fees should be charged to ensure cost recovery?
- Development Standards: What specific development standards should be applied to cannabis retailers?

Next Steps

This discussion is intended to be broad discussion and update on the current code, what is happening at the state and regional level, and what options we may have looking forward.

Staff is seeking Council direction on the following items:

- Should the City amend the existing ordinance to expand the scope of commercial cannabis business?

- Should we explore changes to the existing ordinance to modify allowed uses such as personal cultivation or testing?

- If so, what specific items should returned to City Council for further discussion?

If the City Council wishes to amend the existing cannabis regulation ordinance, an item will be brought back at a Council Meeting later this summer for further discussion and refinement of direction. At that future hearing, the Council could then provide specific direction that would allow staff to draft an ordinance to amend the City Municipal Code. The draft ordinance would be brought back to Council in the fall for potential adoption.

ATTACHMENTS:

1. Atascadero Municipal Code Title 9, Chapter 17 – Cannabis Activities and Regulations
2. Existing 2017 Buffer Maps
3. Atascadero Municipal Code Title 3, Chapter 18 – Cannabis Business Tax

Chapter 17 CANNABIS ACTIVITIES AND REGULATIONS

9-17.001 Title.

This chapter shall be known as the cannabis regulations of the City of Atascadero. (Ord. 612 § 2, 2017)

9-17.002 Purpose and intent.

(a) Purpose. It is the purpose and intent of this chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") and to provide access to adult-use of cannabis for persons over the age of twenty-one (21) as authorized by the Control, Tax and Regulate the Adult Use Cannabis Act ("AUMA" or "Proposition 64" passed by California voters in 2016), while imposing sensible reasonable regulations on the use of land to protect the City's residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this chapter to regulate the cultivation, processing, manufacturing, testing, sale, delivery, distribution and transportation of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Atascadero and to enforce rules and regulations consistent with State law.

(b) Non-Conflicting Enactment. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate State or Federal law.

(c) Additional Provisions. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under State, County, or other law. (Ord. 612 § 2, 2017)

9-17.003 Definitions.

For the purposes of this chapter, the following definitions shall apply.

(a) **Accessory Structure.** An accessory structure is a detached structure, with a "u" occupancy that is accessory to and subordinate to the primary residential use.

(b) **Cannabis.** "Cannabis" shall have the meaning set forth in Business and Professions Code Section 26001(f), which includes all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

(c) **Cannabis Canopy.** All areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one (1) site. Cannabis canopy" shall be measured by taking the longest length and widest width of existing plants (including all gaps and open areas between plants) and multiplying the length and width to get square footage.

(d) **Cannabis Greenhouse.** A fully enclosed permanent structure that is clad in transparent material. Cannabis cultivation within an enclosed, non-transparent greenhouse is considered indoor cultivation.

(e) **Cannabis Hoop Structure.** A readily removable plastic covered hoop structure without in-ground footings or foundations, which are not more than twelve (12) feet in height and do not have vertical sides that exceed four (4) feet in height. Cannabis hoop structures are accessory uses on residential land use categories which shall not exceed one hundred twenty (120) square-feet. Cannabis cultivation within hoop structures is considered outdoor cultivation.

(f) **Cannabis Testing Facility.** A facility, entity, or site that offers or performs testing of cannabis or cannabis products and that is both accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state, and registered with and licensed by the California State Department of Public Health.

(g) **Commercial Cannabis Activity.** "Commercial cannabis activity" shall have the meaning set forth in Business and Professions Code Section 26001(k), which includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or cannabis products as provided in MAUCRSA (Business and Professions Code Section 26000 et seq.) and for which a state license is required. Commercial cannabis activity shall also include the sale or distribution of cannabis and/or cannabis products, in exchange for compensation in any form, for medicinal purposes under Health and Safety Code Sections 11362.5 and 11362.7 et seq.

(h) **Cultivation.** "Cultivation" shall have the meaning set forth in Business and Professions Code Section 26001(l), which includes any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(i) **Day Care Center.** "Day care center" shall have the same meaning as Health and Safety Code Section 1596.76, which any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.

(j) **Fully Enclosed Structure.** A fully enclosed space within a building or separate structure that complies with the California Building Code (CBC), as adopted by the City of Atascadero, or if exempt from the permit requirements of the CBC, that has a complete roof, foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, and non-transparent walls on all sides.

(k) **Indoor Cultivation.** Cultivation, as defined in subsection (h), of this section, within a fully enclosed structure, as defined in subsection (j) of this section.

(l) **Outdoor Cultivation.** Any location within the City of Atascadero that is not within a fully enclosed structure, or cannabis green house, as defined in subsection (d) of this section.

(m) **Personal Cultivation.** Cultivation of cannabis at a private residence, as defined by subsection (n) of this section, for non-commercial cannabis activities, which is defined in subsection (g).

(n) **Private Residence.** A house, apartment unit, mobile unit, or other similar dwelling unit that is legally permitted within the City of Atascadero, and is considered a residential occupancy type in the California Building Code, as adopted by the City of Atascadero.

(o) **Retail Cannabis Delivery Center.** A "retail cannabis delivery center" is a facility from which deliveries of cannabis and/or cannabis products originate pursuant to orders placed by customers inside and/or outside the City.

(p) **School.** A private or public educational facility providing instruction in kindergarten or grades 1 through 12.

(q) **State Cannabis Laws.** "State Cannabis Laws" shall mean and include California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical

Marijuana Program Act); California Health and Safety Code Sections 26000 through 26211 (Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA")); California Health and Safety Code Sections 26220 through 26231.2; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all State regulations adopted pursuant to MAUCRSA; and all other applicable laws of the State of California.

(r) **Youth Center.** "Youth center" shall have the same meaning as Health and Safety Code Section 11353.1, which includes any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities. (Ord. 612 § 2, 2017)

9-17.004 Personal cannabis cultivation.

The following regulations pertain to the personal cultivation of cannabis.

(a) All cannabis cultivation is prohibited within the City except that no more than six (6) living cannabis plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one (1) time. In no instance may personal cultivation occur on vacant property.

(b) Indoor Cultivation Regulations. Indoor cultivation on residential properties is subject to the following regulations:

(1) Indoor cannabis cultivation shall only occur inside a private residence or an accessory structure to a private residence that is fully enclosed and secured against unauthorized entry.

(2) Sleeping Rooms within Residential Occupancies. Indoor cultivation may not occur inside rooms designed for sleeping. Sleeping rooms are defined by the California Building Code for residential occupancies.

(c) Outdoor Cultivation. Outdoor cultivation on residential properties is subject to the following regulations:

(1) Visibility. Outdoor cannabis cultivation shall not be visible from public rights-of-way or neighboring properties.

(2) Screening. Outdoor cannabis cultivation must be completely screened with permanent fencing and/or landscaping. Fencing must be compatible with the neighborhood and be constructed of wood pickets, block, or other typical fencing materials.

(3) Prohibited Fence Types. Electrical fencing, razor wire fencing, chain link fencing, barbwire, plywood, and unfinished materials. Shade cloth, plastic, plywood, OSB, and other temporary screening materials shall not be allowed.

(4) Fencing Height. Fencing for screening of outdoor cannabis cultivation must not exceed seven (7) feet in height, measured from natural grade. Additional plastic or other materials attached, suspended, or supported beyond the seven (7) foot height limitation shall be prohibited.

(d) Setbacks. Personal cannabis cultivation shall be subject to the following setback requirements:

(1) Property line. Cannabis greenhouses, cannabis hoop-structures, and all outdoor cannabis cultivation must be located fifteen (15) feet or more from the edge of property lines.

(2) Distance from Adjacent Residences. Cannabis greenhouses, cannabis hoop-structures, and all outdoor cannabis cultivation must be located twenty-five (25) feet or more from the nearest adjacent residence.

(3) Front Setback. No cannabis cultivation may occur within a designated front setback as defined in Section 9-4.106 of this title.

(e) Total Coverage of Personal Cannabis Cultivation.

(1) Indoor Cannabis Cultivation. Indoor cannabis cultivation shall not take up more than one hundred twenty (120) square feet of indoor residential space.

(2) Outdoor Cannabis Cultivation. Outdoor cannabis cultivation shall not take up more than one hundred twenty (120) square feet of cannabis canopy coverage.

(f) Property Owner Consent. Where a private residence is not occupied or inhabited by the owner of the residence, the owner of the property must provide written consent expressly allowing cannabis cultivation to occur at said private residence.

(g) Applicability of Adopted Building Codes. All personal cannabis cultivation at a private residence shall comply with applicable Building Code requirements set forth in the Atascadero Municipal Code Title 8.

(h) Use of Solvents. There shall be no use of gas products (CO_2, butane, propane, natural gas,

etc.) on a property for purposes of cannabis cultivation.

(i) Waste Disposal. The following regulations apply to the disposal of cannabis waste on residential property:

(1) Cannabis and cannabis infused products must be disposed in a secure waste receptacle located on the residential property.

(2) Cannabis plants and products must be rendered unusable and unrecognizable by grinding and incorporating cannabis waste with any non-consumable solid waste with a resulting mixture of at least fifty percent (50%) non-cannabis waste. (Ord. 612 § 2, 2017)

9-17.005 Commercial cannabis activities.

All commercial cannabis activities are prohibited unless specifically allowed in this Table 17-1. It is unlawful for any person to commence, operate, engage in, to conduct, or carry on (or to permit to be commenced, operated, engaged in, conducted or carried on) in or upon any property located within the City a commercial cannabis activity unless that person does so in strict compliance with State Cannabis Laws, this section, and all applicable Municipal Code provisions.

(a) Table 17-1 identifies the uses of commercial cannabis activities that are permitted in non-residential districts, and the planning permit required to establish each use, in compliance with Chapters 9-1 and 9-2 of this code.

Table 17-1 – Commercial Cannabis Use Table

Allowed Land Uses and Permit Requirements										
	A	Allowed Use, Zoning Clearance Required								
	CUP	Conditional Use Permit Required								
	AUP	Administrative Use Permit Required								
Non-Residential Zones	☐	Not Permitted								
	Permitted Uses By Zones									
Use	**CN**	**CP**	**CR**	**CS**	**CT**	**CPK**	**DC**	**DO**	**IP**	**I**
Commercial Cannabis Activity										
Testing Facility		CUP	CUP	AUP		AUP			AUP	AUP

(Ord. 612 § 2, 2017)

9-17.006 Commercial cannabis activities development standards.

(a) Cannabis Testing Facilities. The following are development standards for cannabis testing facilities:

(1) On-Site Sales. Retail or wholesale sales to the public are prohibited.

(2) Distance. Cannabis testing facilities shall be prohibited within six hundred (600) feet of schools, parks, and youth centers.

(3) Signage. Signage shall be limited to fifteen (15) square feet in size.

(b) Cannabis Deliveries. The following standards apply to Cannabis delivery services located outside the incorporated City limits of the City of Atascadero:

(1) Deliveries within Incorporated City Limits. State-licensed retail cannabis delivery centers located outside the City may personally deliver cannabis and cannabis products to individuals located at private residences within the City, provided that such deliveries are in strict compliance with State Cannabis Laws and have obtained a business license tax certificate and are paying the applicable business license tax under Municipal Code Chapter 3-5. All other deliveries of cannabis and/or cannabis products are prohibited.

(2) Vehicle Advertising. Vehicles used in the delivery process must be unmarked without any designation or logo that identifies the vehicle as a cannabis delivery vehicle.

(3) Delivery Times. Cannabis and cannabis product deliveries within the City may not occur between 11:00 p.m. and 7:00 a.m. (Ord. 612 § 2, 2017)

9-17.007 Commercial cannabis application and procedures.

(a) Application Requirements. Any person applying for an AUP or CUP for a cannabis testing facility, as allowed under this chapter, must submit the following information with their application:

(1) The name of the proposed cannabis testing facility including, if applicable, the name on file with the California Secretary of State and any fictitious business names and/or DBAs.

(2) The location of the proposed cannabis testing facility (must comply with the zoning and location restrictions set forth above).

(3) The names, addresses, and contact information for each owner of the proposed cannabis testing facility.

(4) If the proposed cannabis testing facility is incorporated, the names, titles, addresses, and contact information of each corporate officer, the name, address, and contact information of the agent for service of process, a certified copy of the articles of incorporation, and copy of the bylaws.

(5) If the proposed cannabis testing facility is a partnership, the names, addresses, and contact information for each partner and the agent for service of process.

(6) The name and contact information for each manager of a proposed commercial cannabis business, establishment, or facility. If such information is not available at the time the application is submitted, the proposed commercial cannabis business, establishment, or facility shall submit such information to the Community Development Department as soon as it becomes available.

(7) For each owner, corporate officer, partner, manager, employee, or volunteer, a criminal history (“LiveScan”) prepared not more than two (2) weeks prior to the date of submitting the application demonstrating that there are no pending charges or convictions for any crime (including, without limitation, theft, fraud, deceit, or assault) within the previous ten (10) years, and that the subject is not currently on parole or probation for the sale, possession for sale, manufacture, transportation, cultivation, or distribution of a controlled substance. For each owner, corporate officer, partner, manager, employee, or volunteer who becomes part

of a cannabis testing facility after the required permit is issued, the cannabis testing facility must submit the required criminal history to the Community Development Department within two weeks of the new owner, corporate officer, partner, manager, employee, or volunteer joining the operation.

(8) A site plan and operations plan that demonstrate how the proposed cannabis testing facility has already complied or will comply with the requirements of this chapter.

(9) A copy of all required permits and certificates under Title 8 (Buildings Code) of this Code or an acknowledgment that the proposed cannabis testing facility will obtain all required permits and certificates under Title 8 prior to its opening, establishment, operation, and/or commencement.

(10) The name, address, and contact information for the owner of the property on which the proposed cannabis testing facility will be located.

(11) An agreement signed by the owner of the property on which the proposed cannabis testing facility is located consenting to use of the property as a cannabis testing facility and agreeing to indemnify, defend (with an attorney selected by the city), and hold harmless The City of Atascadero from any claims, damages, legal or enforcement actions arising from the use of the property as a cannabis testing facility.

(12) Any supplemental information requested by the Community Development Director or designee to establish compliance with the requirements of this chapter. (Ord. 612 § 2, 2017)

9-17.008 Commercial cannabis application approval or denial of entitlement.

(a) Criteria for Issuance or Denial of Permit. In addition to the criteria for land use permits set forth in this title, the Planning Commission, or the City Council on appeal, shall consider the following criteria in determining whether to grant or deny a land use permit for a cannabis testing facility:

(1) That the proposed location of the cannabis testing facility is not identified by the City Chief of Police, or designee, as an area of increased or high crime activity.

(2) For those applicants who have operated other businesses within the City, that there have not been significant numbers of calls for police service, crimes or arrests in the area of the applicant's other business.

(3) That the location is not prohibited by the provisions of this section or any local or state law, statute, rule, or regulation, and no significant nuisance issues or problems are likely or anticipated, and that compliance with other applicable requirements of the City's Zoning Ordinance will be accomplished.

(4) That the operations plan and site plan have incorporated features necessary to assist in reducing potential crime-related problems and as specified in the operating requirements section. These features may include, but are not limited to, security on-site; procedure for allowing entry; openness to surveillance and control of the premises; the perimeter, and surrounding properties; reduction of opportunities for congregating and obstructing public ways and neighboring property; illumination of exterior areas; and limiting furnishings and features that encourage loitering and nuisance behavior.

(5) That all reasonable measures have been incorporated into the operations plan and site plan or consistently taken to successfully control and/or prevent disturbances, vandalism, traffic problems, cannabis use in public, public or private nuisances, or interference in the operation of another business.

(6) That the cannabis testing facility is likely to have no potentially adverse effect on the health, peace, or safety of persons living or working in the surrounding area, overly burden a specific neighborhood, or contribute to a public nuisance.

(7) That any provision of the Municipal Code or condition imposed by a City-issued permit, or any provision of any other local or State law, regulation, or order, or any condition imposed by permits issued in compliance with those laws, will not be violated.

(8) That the applicant has not made a false statement of material fact or has omitted to state a material fact in the application for a permit.

(9) That the applicant has not engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices with respect to the operation of another business. (Ord. 612 § 2, 2017)

9-17.009 Commercial cannabis operational requirements.

(a) Operational Requirements.

(1) A cannabis testing facility permitted under this section may only operate between the hours of 7:00 a.m. and 8:00 p.m.

(2) A cannabis testing facility permitted under this chapter must comply with all applicable State Cannabis Laws.

(3) A cannabis testing facility permitted under this chapter must comply with all applicable provisions of Title 8 of this Code.

(4) A cannabis testing facility permitted under this section may not employ any person who is not at least eighteen (18) years of age.

(5) A cannabis testing facility permitted under this section shall not conduct or engage in the commercial or retail sales of any cannabis or cannabis products on the premises of the cannabis testing facility.

(6) No cannabis cultivation may occur on the property of a cannabis testing facility permitted under this chapter.

(7) A cannabis testing facility permitted under this chapter may not allow or permit the use, inhalation, smoking, eating, ingestion, or consumption of cannabis or cannabis products on the property of the commercial cannabis activity, including in the parking areas of such property.

(8) Criminal Background Requirements.

(i) No person who is currently charged with or has been convicted within the previous ten years of a felony, a felony or misdemeanor involving moral turpitude, or any crime involving the sale, possession for sale, manufacture, transportation, cultivation, or distribution of a controlled substance, shall be an owner, corporate officer, partner, manager, employee, or volunteer of a cannabis testing facility permitted under this chapter. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendre or no contest.

(ii) Prior to commencing any work within or on behalf of a cannabis testing facility permitted under this chapter, each owner, corporate officer, partner, manager, employee, and volunteer must complete a current criminal history background check that demonstrates compliance with subsection (g)(13)(i). Each criminal history background check must be updated every twelve (12) months.

(iii) A cannabis testing facility permitted under this section shall maintain a complete register of each owner, corporate officer, partner, manager, employee, and volunteer working for and/or associated with the cannabis testing facility, including a copy of each required criminal history background check. The register and required records must be made available for inspection by any city officer or official for purposes of determining compliance with this chapter.

(iv) A cannabis testing facility permitted under this chapter shall notify the city in writing of any disqualifying conviction described in subsection (g)(13)(i) for an owner, corporate officer, partner, manager, employee, or volunteer within ten (10) days of the conviction.

(v) A cannabis testing facility permitted under this chapter may submit to the Police Chief a written request for a waiver of the prohibition in subsection (g)(13)(i) with regard to a particular owner, corporate officer, partner, manager, employee, or volunteer, on the ground that such person's involvement with the cannabis testing facility will not pose a threat to public safety. The Police Chief, in his or her unfettered discretion, may deny such a written request, subject to the appeal procedures set forth in Municipal Code Sections 1-2.13 through 1-2.16.

(9) A cannabis testing facility permitted under this chapter shall provide the name, phone number, facsimile number, and e-mail address of a manager or representative who can be reached twenty-four (24) hours a day in the event that the city decides to provide notice of an operating problem associated with the cannabis testing facility.

(10) Disposal of chemical, dangerous or hazardous waste must be conducted in a manner consistent with Federal, State and local laws, regulations, rules or other requirements. Cannabis waste must be made unusable and unrecognizable prior to leaving the licensed premises by grinding it and incorporating it with fifty percent (50%) non-cannabis waste.

(11) A cannabis testing facility permitted under this chapter must pay any applicable taxes pursuant to Federal, State, and local law.

(12) A cannabis testing facility permitted under this chapter shall provide a secured storage area on-site. All cannabis and cannabis products shall be stored in this area during non-business hours. (Ord. 612 § 2, 2017)

9-17.010 Suspension and revocation of entitlement.

(a) Suspension and Revocation.

(1) Authority to Suspend or Revoke. Any permit issued for a cannabis testing facility may be suspended or revoked by the Planning Commission if it shall appear to the Commission that the permittee has violated any of the requirements of this chapter or the Municipal Code, the permittee is operating in a manner which violates the operational requirements or operational plan required by this chapter, the permittee is operating in a manner which constitutes a nuisance, the permittee's state license under MAUCRSA has been suspended, revoked, or terminated, or the permittee is operating in a manner which conflicts with state or federal law.

(2) Annual Review of Permitted Cannabis Testing Facilities. The Community Development Department and the Police Department are hereby authorized to conduct an annual review of the operation of each permitted cannabis testing facility within the City for full compliance with the operational, recordkeeping, nuisance and all other requirements of this chapter. A fee in an amount established by resolution of the City Council may be established in order to reimburse the City for the time involved in the annual review process. The staff may initiate a permit suspension or revocation process for any cannabis testing facility which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis testing facility, place on a Planning Commission meeting agenda, a proposal to suspend or revoke a cannabis testing facility permit.

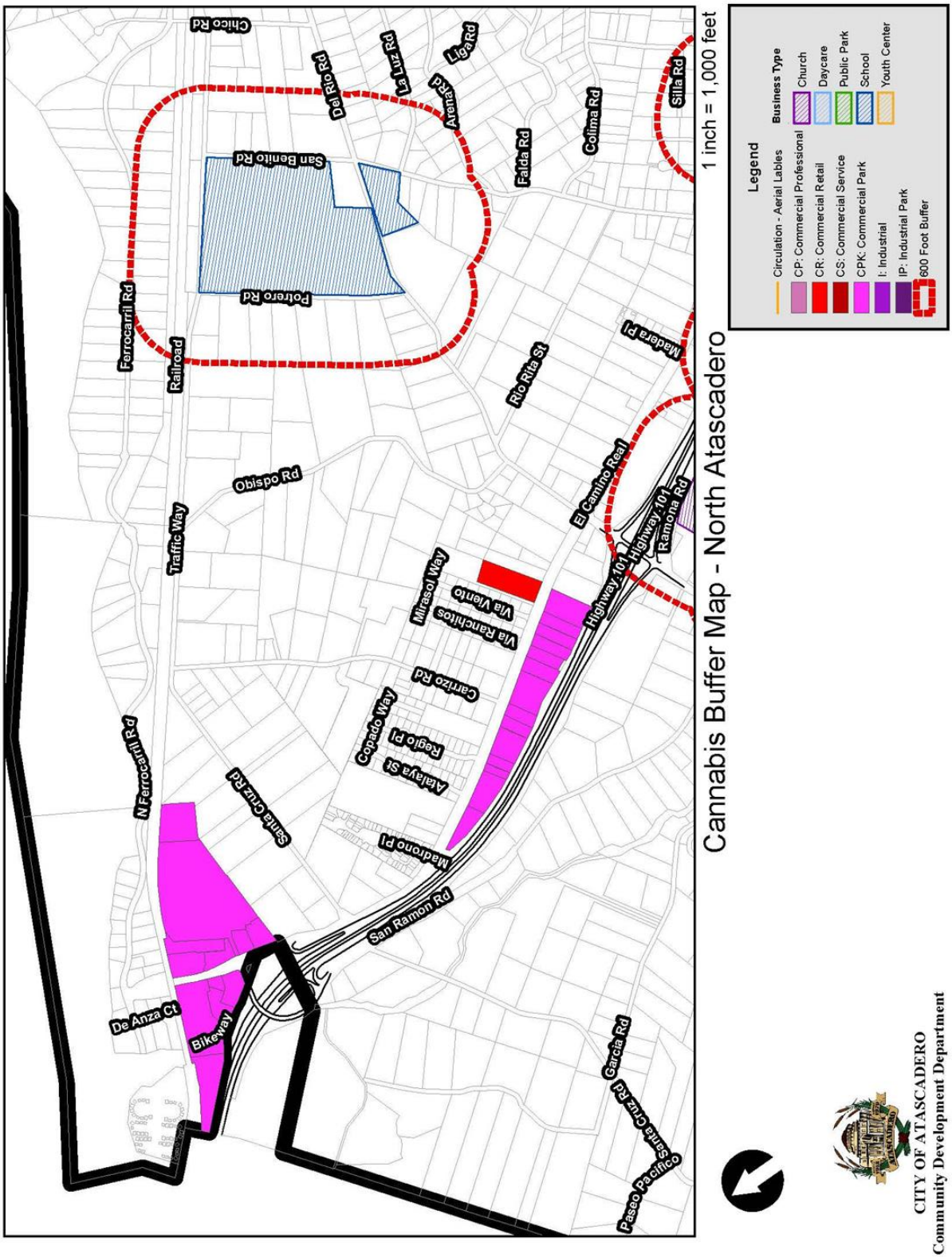
(3) Except as otherwise provided in this chapter, no permit shall be revoked or suspended by the Planning Commission under the authority of this section until written notice of the intent to consider revocation or suspension of the permit has been served upon a permittee at least ten (10) days prior to the date set for such review hearing. Such revocation or suspension notice shall state the specific reasons for the proposed suspension or revocation and must have been provided to the permittee in writing prior to the hearing. Such notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending such permit. Notice may be given either by personal delivery to the permittee, or by depositing such notice in the U.S. mail in a sealed envelope, postage prepaid (via regular mail and return receipt requested), addressed to the person to be notified at his or her address as it appears in his or her application for a permit. (Ord. 612 § 2, 2017)

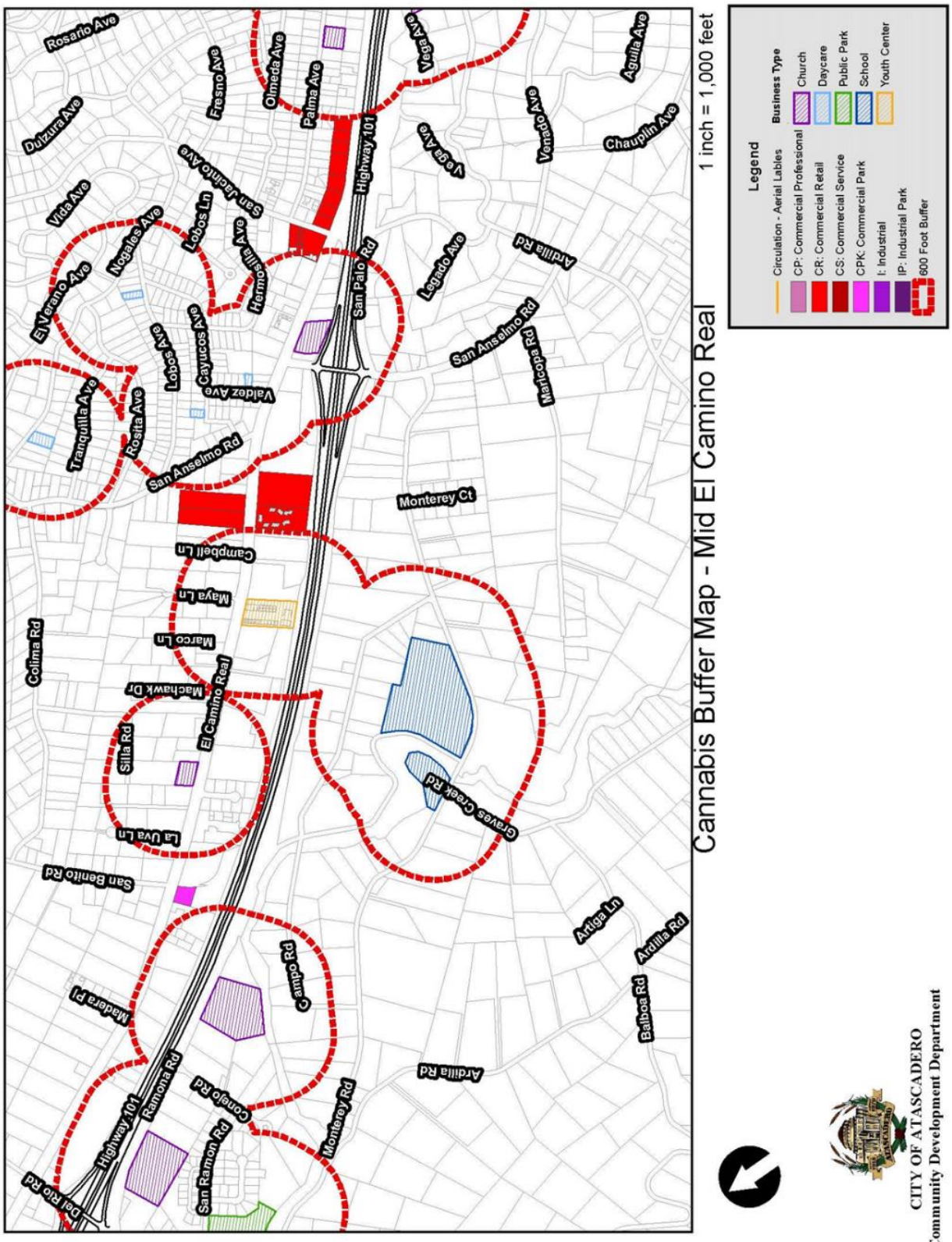
9-17.011 Enforcement.

The City may enforce this chapter in any manner permitted by law. Any violation of this chapter shall be and is hereby declared to be a public nuisance and contrary to the public interest and shall, at the discretion of the City, create a cause of action for injunctive relief. (Ord. 612 § 2, 2017)

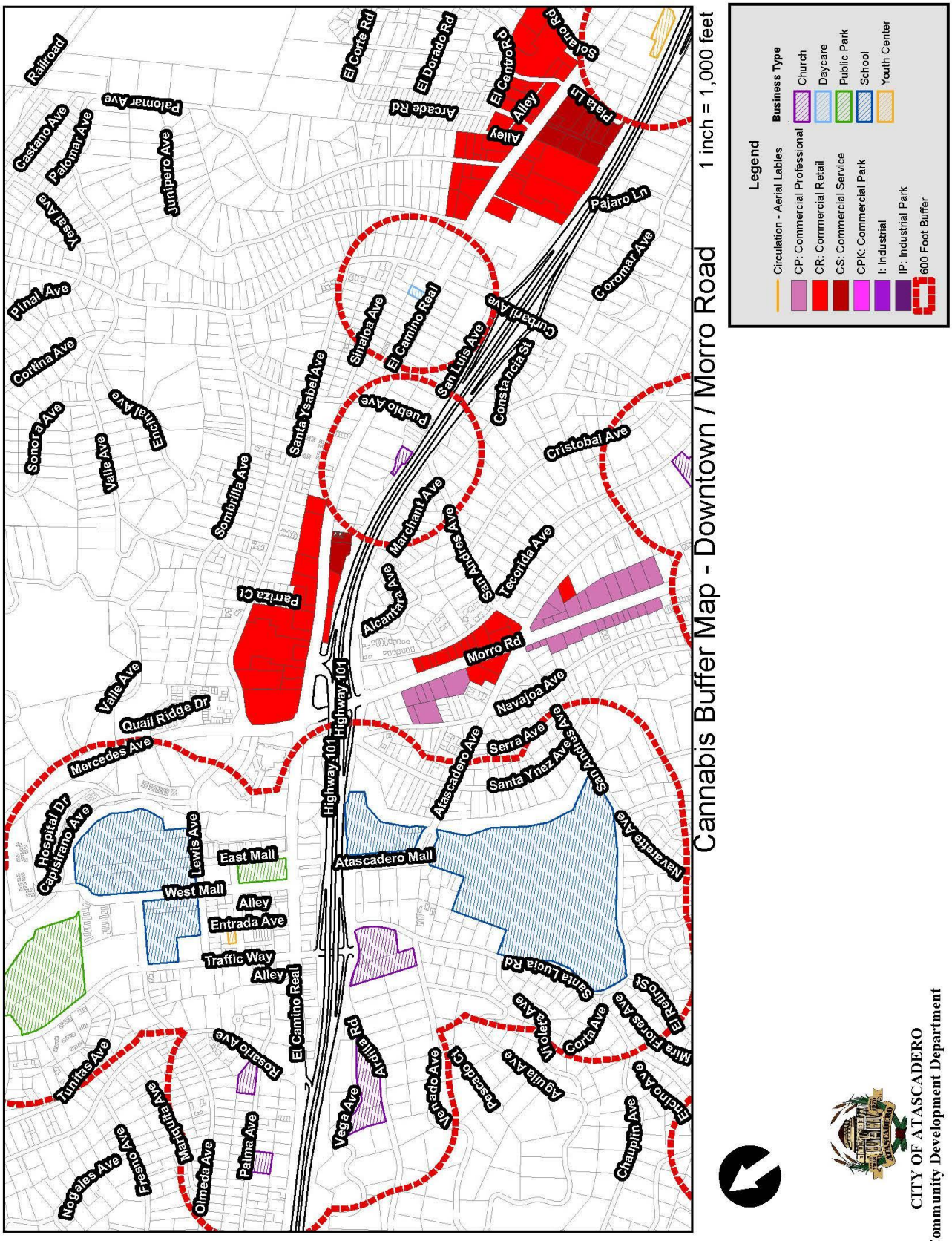
View the mobile version.

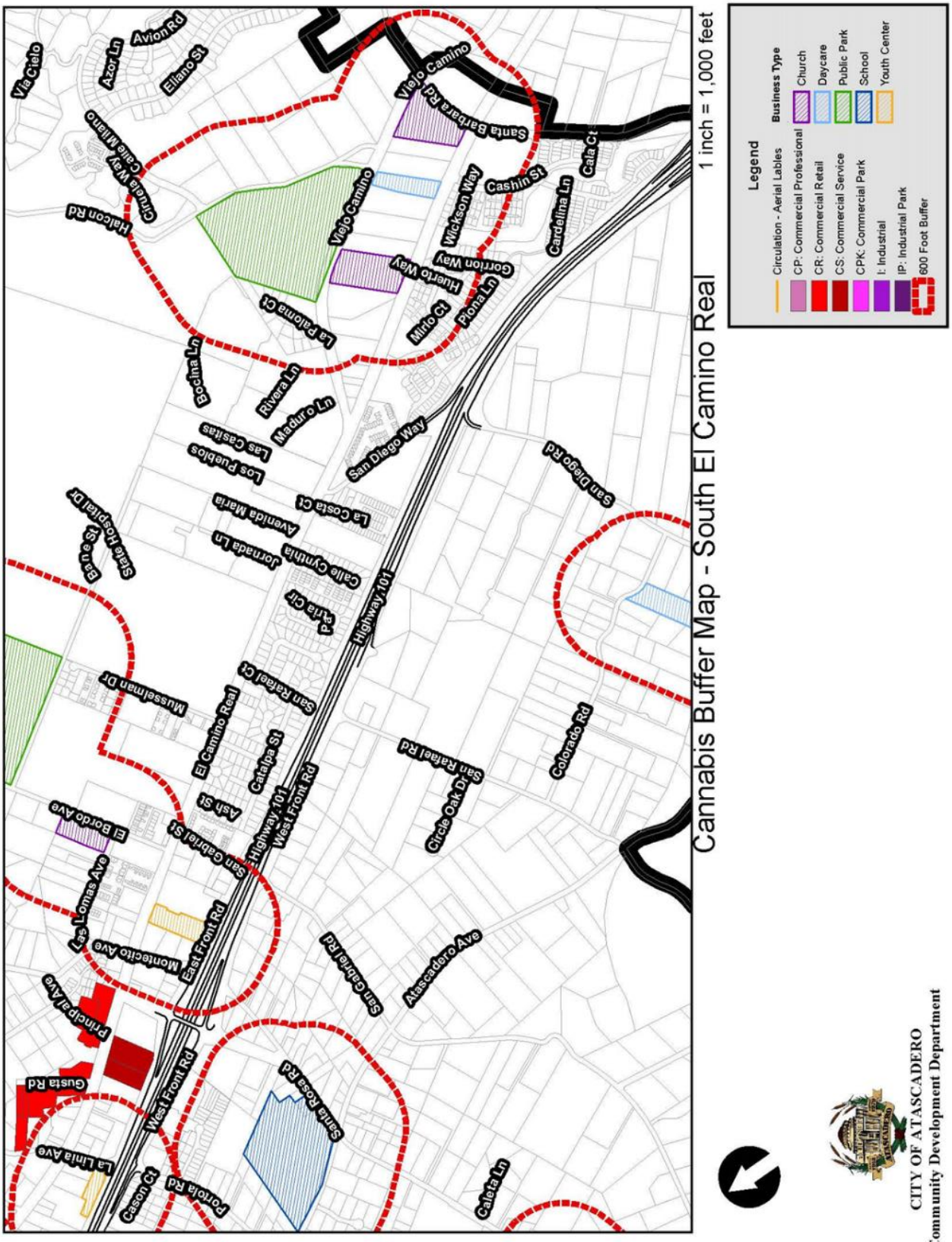
Attachment 2: Proposed Buffer Maps (2017)

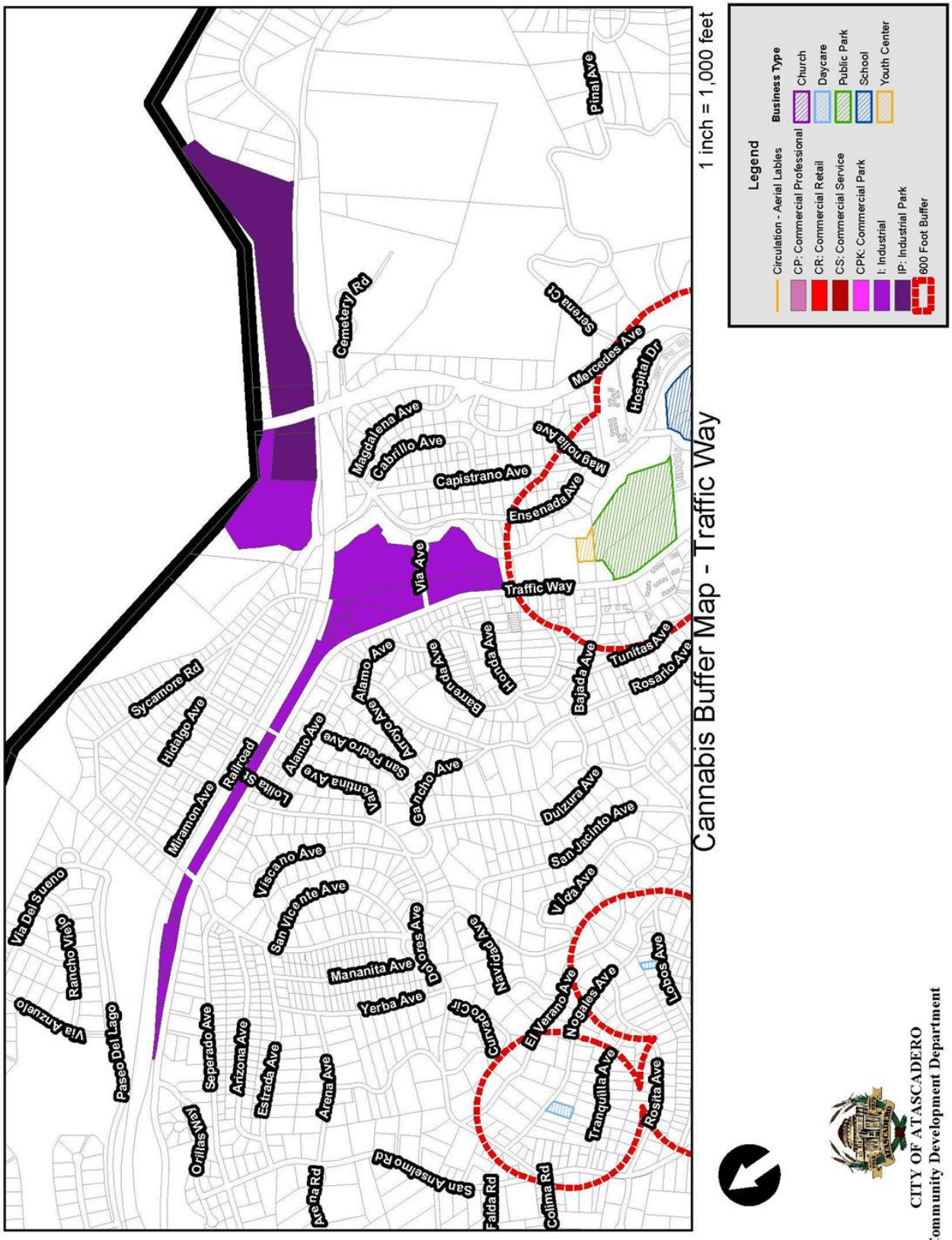



Cannabis Buffer Map - Mid El Camino Real
1 inch = 1,000 feet
Legend
Business Type
Circulation - Aerial Lables
CP: Commercial Professional
CR: Commercial Retail
CS: Commercial Service
CPK: Commercial Park
I: Industrial
IP: Industrial Park
600 Foot Buffer
Church
Daycare
Public Park
School
Youth Center
Rosario Ave
Fresno Ave
Olmeda Ave
Palma Ave
Vega Ave
Aguila Ave
Dulzura Ave
Highway 101
Venado Ave
Chauplin Ave
Vida Ave
San Lucas Ave
Lobos Ln
Nogales Ave
Hermosilla Ave
San Pablo Rd
Legado Ave
Ardilla Rd
El Verano Ave
Lobos Ave
Cayucos Ave
Valdez Ave
San Anselmo Rd
Marlcopa Rd
Tranquilla Ave
Rosita Ave
Monterey Ct
Campbell Ln
Maya Ln
Marco Ln
Colima Rd
Machawk Dr
El Camino Real
Silla Rd
Grayson Creek Rd
La Uva Ln
San Benito Rd
Artiga Ln
Ardilla Rd
Balboa Rd
Madera Pl
Campo Rd
Ramona Rd
Conejo Rd
Monterey Rd
San Ramon Rd
Del Rio Rd
CITY OF ATASCADERO
Community Development Department

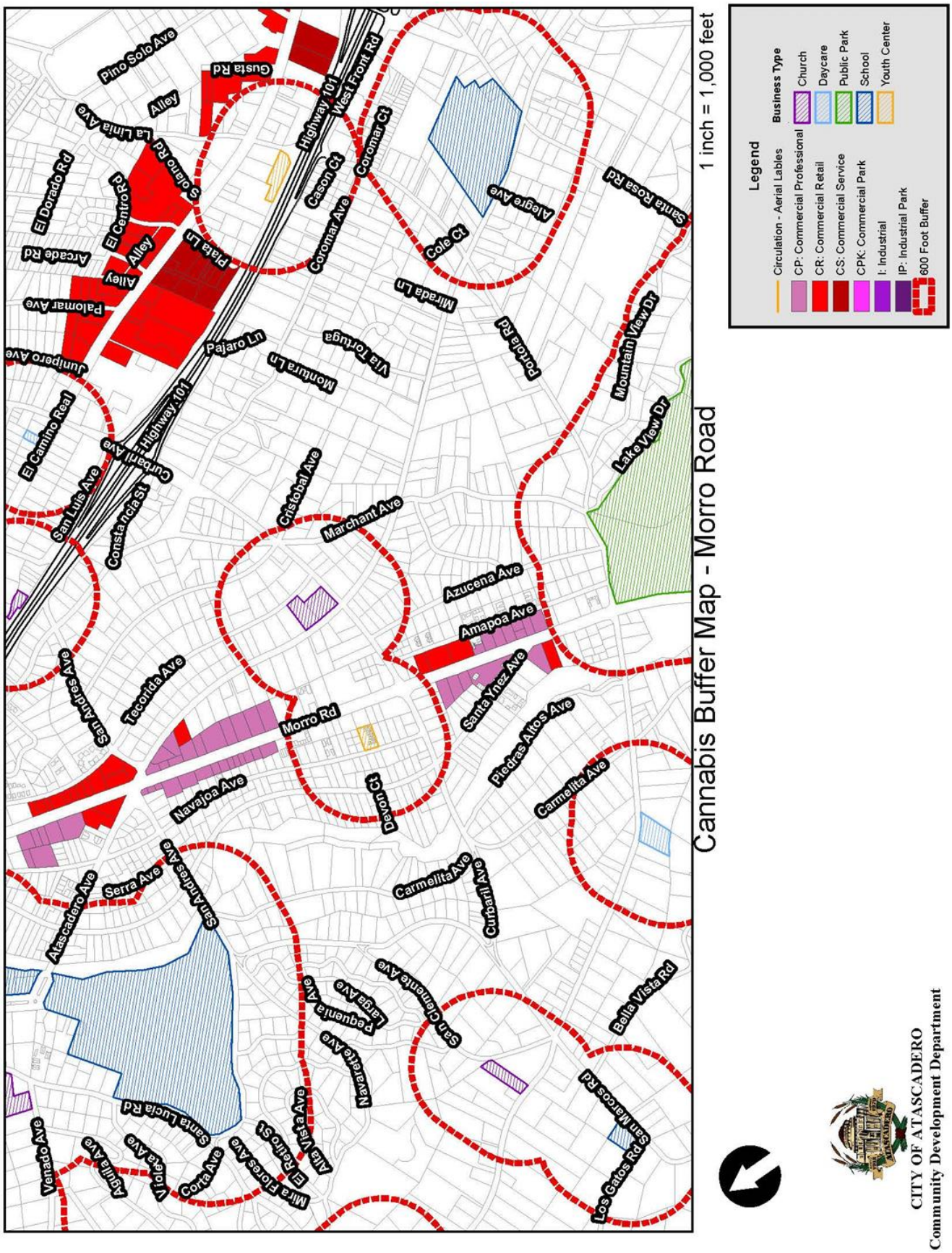
ITEM NUMBER: C-1
DATE: 05/12/20
ATTACHMENT: 2




Cannabis Buffer Map - South El Camino Real
1 inch = 1,000 feet
Legend
Business Type
Circulation - Aerial Lables
CP: Commercial Professional
CR: Commercial Retail
CS: Commercial Service
CPK: Commercial Park
I: Industrial
IP: Industrial Park
600 Foot Buffer
Church
Daycare
Public Park
School
Youth Center
Via Cielo
Azor Ln
Avion Rd
Eliano St
Viejo Camino
Santa Barbara Rd
Cala Ct
Cardelina Ln
Cashin St
Wickson Way
Gorrion Way
Huerto Way
Pichia Ln
Mirlo Ct
Circulo Calle Miano Way
Halcon Rd
La Paloma Ct
Bocina Ln
Rivera Ln
Madero Ln
Las Pueblos
Las Castas
San Diego Way
San Diego Rd
La Costa Ct
Avenida Maria
Jornada Ln
Calle Cynthia
Highway 101
Bane St
State Hospital Dr
Musselman Dr
San Rafael Ct
El Camino Real
Catalpa St
Ash St
West Front Rd
San Rafael Rd
Circle Oak Dr
Colorado Rd
El Bordo Ave
San Gabriel St
Las Lomas Ave
Montecito Ave
East Front Rd
San Gabriel Rd
Atascadero Ave
Principal Ave
Gusta Rd
Santa Rosa Rd
La Linia Ave
Cason Ct
Portola Rd
Caleta Ln
CITY OF ATASCADERO
Community Development Department



CITY OF ATASCADERO
Community Development Department


Cannabis Buffer Map - Morro Road
1 inch = 1,000 feet
Legend
Circulation - Aerial Lables
CP: Commercial Professional
CR: Commercial Retail
CS: Commercial Service
CPK: Commercial Park
I: Industrial
IP: Industrial Park
600 Foot Buffer
Business Type
Church
Daycare
Public Park
School
Youth Center
CITY OF ATASCADERO
Community Development Department

Chapter 18 CANNABIS BUSINESS TAX

3-18.010 Title.

The ordinance codified in this chapter is known as the Cannabis Business Tax Ordinance. (Ord. 617 § 1, 2018)

3-18.020 Authority and purpose.

The purpose of this chapter is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon cannabis businesses that engage in business in the City, should they be authorized to do so at some future time. The cannabis business tax is shall be levied based upon business gross receipts and square footage of plant canopy, should cannabis businesses ever be authorized to operate in the City. In addition, cannabis businesses that operate illegally in the City at any time, regardless of the City's cannabis regulations, are subject to the cannabis business tax. It is not a sales and use tax, a tax upon income, or a tax upon real property.

The cannabis business tax is a general tax enacted solely for general governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any legal municipal purpose. (Ord. 617 § 1, 2018)

3-18.030 Intent.

The intent of this chapter is to position the City to levy a tax on all cannabis businesses that operate in the City, regardless of whether such business is operating legally or illegally. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken. (Ord. 617 § 1, 2018)

3-18.040 Definitions.

The following words and phrases shall have the meanings set forth below when used in this chapter:

(a) "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

(b) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code and is not limited to medical cannabis.

(c) "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.

(d) "Canopy" means all areas occupied by any portion of a cannabis plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

(e) "Cannabis business" means any business activity involving cannabis, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, of cannabis products or of ancillary products and accessories, whether or not carried on for gain or profit.

(f) "Cannabis business tax" or "business tax," means the tax due pursuant to this chapter for engaging in cannabis business in the City.

(g) "Commercial cannabis cultivation" means cultivation in the course of conducting a cannabis business.

(h) "City permit" means a permit issued by the City to a person to authorize that person to operate or engage in a cannabis business.

(i) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis and includes, but is not limited to, the operation of a nursery.

(j) "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

(k) "Engaged in business as a cannabis business" means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

(1) Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;

(2) Such person or person's employee owns or leases real property within the City for business purposes;

(3) Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;

(4) Such person or person's employee regularly conducts solicitation of business within the City; or

(5) Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

(l) "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

(m) "Calendar year" means January 1 through December 31 of the following calendar year.

(n) "Gross receipts," except as otherwise specifically provided, means, whether designated a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits and property of any kind or nature) received or payable for sales of goods, wares or merchandise or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from gross receipts:

(1) Cash discounts where allowed and taken on sales;

(2) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

(3) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

(4) Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

(5) Cash value of sales, trades or transactions between departments or units of the same business;

(6) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

(7) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

(8) Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Administrative Services Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

(9) Retail sales of t-shirts, sweaters, hats, stickers, key chains, bags, books, posters or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 3-18.140 shall not be subject to the cannabis business tax under this chapter. However, any retail sales not subject to this chapter as a result of the administrative ruling shall be subject to the appropriate business tax under Chapter 3-5 or any other chapter or title as determined by the Tax Administrator.

(o) “Indoor cultivation” means the cultivation of cannabis within a permanent structure using exclusively artificial light or within any type of structure using artificial light at a rate above twenty-five (25) watts per square foot.

(p) “Lighting” means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

(q) “Nursery” means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

(r) “Outdoor cultivation” means the cultivation of mature cannabis without the use of artificial lighting in the canopy area at any point in time. Artificial lighting is permissible only to maintain immature plants.

(s) “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

(t) “Sale” means and includes any sale, exchange, or barter.

(u) “State” means the State of California.

(v) “State license,” “license,” or “registration” means a State license issued pursuant to California Business and Professions Code Sections 19300, et seq. or other applicable State law.

(w) “Tax Administrator” means the City of Atascadero Director of Administrative Services or his or her designee.

(x) “Testing laboratory” means a cannabis business that: (1) offers or performs tests of cannabis or cannabis products; (2) offers no service other than such tests; (3) sells no products, excepting only testing supplies and materials; (4) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the State; and (5) is registered with the State Department of Public Health. (Ord. 617 § 1, 2018)

3-18.050 Tax imposed.

(a) Beginning January 1, 2019, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax regardless if the business has been issued a permit to operate lawfully in the City or is operating unlawfully.

(b) The initial rate of the cannabis business tax shall be as follows:

(1) For every person who is engaged in commercial cannabis cultivation in the City:

(i) Seven dollars ($7.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses exclusively artificial lighting.

(ii) Four dollars ($4.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses a combination of natural and supplemental artificial lighting.

(iii) Two dollars ($2.00) annually per square foot of canopy space for outdoor cultivation that uses no artificial lighting.

(iv) One dollar ($1.00) annually per square foot of canopy space for any nursery.

For purposes of this subsection (b), the square feet of canopy space for a business shall be rebuttably presumed to be the maximum square footage of canopy allowed by the business's City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage shall be the maximum square footage of canopy for commercial cannabis cultivation allowed by the State license type. Should a City permit be issued to a business which cultivates only for certain months of the year, the City shall prorate the tax as to sufficiently reflect the period in which cultivation is occurring at the business. In no case shall canopy square footage which is authorized by the City commercial cannabis permit but not utilized for cultivation be deducted for the purpose of determining the tax for cultivation, unless the Tax Administrator is informed in writing and authorizes such reduction for the purpose of relief from the tax prior to the period for which the space will not be used, that such space will not be used.

(2) For every person who engages in the operation of a testing laboratory: one percent (1%) of gross receipts.

(3) For every person who engages in the retail sales of cannabis as a retailer (dispensary) or non-store front retailer (delivery) or microbusiness (retail sales): four percent (4%) of gross receipts.

(4) For every person who engages in a cannabis distribution business: two percent (2%) of gross receipts.

(5) For every person who engages in a cannabis manufacturing, processing, or microbusiness (non-retail), or any other type of cannabis business not described in Section (b) (1), (2), (3) or (4): two and one-half percent (2.5%) of gross receipts.

(c) The City Council may, by resolution or ordinance, adjust the rate of the cannabis business tax. However, in no event may the City Council set any adjusted rate that exceeds the maximum rate calculated pursuant to Subdivision (d) of this section for the date on which the adjusted rate will commence.

(d) The maximum rate shall be calculated as follows:

(1) For every person who is engaged in commercial cannabis cultivation in the City:

(i) Through January 1, 2021, the maximum rate shall be:

a. Ten dollars ($10.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses exclusively artificial lighting.

b. Seven dollars ($7.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses a combination of natural and supplemental artificial lighting. c. Four dollars ($4.00) annually per square foot of canopy space for outdoor cultivation that uses no artificial lighting.

d. Two dollars ($2.00) annually per square foot of canopy space for any nursery.

(ii) On January 1, 2022 and on each January 1 thereafter, the maximum annual tax rate per square foot of each type of canopy space shall increase by the percentage change between January of the calendar year prior to such increase and January of the calendar year of the increase in the Consumer Price Index ("CPI") for all urban consumers in the Los Angeles-Long Beach-Anaheim area as published by the United States Government Bureau of Labor Statistics (BLS). In the event the BLS modifies the Los Angeles-Long Beach-Anaheim Index, then its successor or equivalent shall apply. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

(2) For every person who engages in the operation of a testing laboratory, the maximum tax rate shall not exceed two and one-half percent (2.5%) of gross receipts.

(3) For every person who engages in the retail sales of cannabis as a retailer (dispensary) or non-store front retailer (delivery business), or microbusiness (retail sales activity) the maximum tax rate shall not exceed six percent (6%) of gross receipts.

(4) For every person who engages in a cannabis distribution business, the maximum tax rate shall not exceed three percent (3%) of gross receipts.

(5) For every person who engages in a cannabis manufacturing, processing, or microbusiness (non-retail activity) or any other type of cannabis business not described in Section (d) (1), (2), (3) or (4), the maximum tax rate shall not exceed four percent (4%) of gross receipts. (Ord. 617 § 1, 2018)

3-18.060 Reporting and remittance of tax.

(a) The cannabis business tax imposed by this chapter shall be paid, in arrears, on a quarterly basis. For commercial cannabis cultivation, the tax due for each calendar quarter shall be based on the square footage of the business's canopy space during the quarter and the rate shall be twenty-five percent (25%) of the applicable annual rate. For all other cannabis businesses activities, the tax due for each calendar quarter shall be based on the gross receipts for the quarter.

(b) Each person owing cannabis business tax for a calendar quarter shall, no later than the last day of the month following the close of the calendar quarter, file with the Tax Administrator a statement of the tax owed for that calendar quarter and the basis for calculating that tax. The Tax Administrator may require that the statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar quarter shall be due and payable on that same date as the statement for the calendar quarter is due.

(c) Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar quarters up to the calendar quarter during which cessation occurred.

(d) The Tax Administrator may, at his or her discretion, establish shorter report and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure collection of the tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar quarter, be made by a taxpayer at the beginning of that calendar quarter. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar quarter. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

(e) For purposes of this section, the square feet of canopy space for a business shall be rebuttably presumed to be no less than the maximum square footage of canopy allowed by the business's City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage shall be the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case shall canopy square footage which is authorized by the permit or license but not utilized for cultivation be excluded from taxation unless the Tax Administrator is informed in writing, prior to the period for which the space will not be used, that such space will not be used. (Ord. 617 § 1, 2018)

3-18.070 Payments and communications—Timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday, the due date shall be the next regular business day on which the City is open to the public. (Ord. 617 § 1, 2018)

3-18.080 Payment—When taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 3-18.060 and 3-18.070. (Ord. 617 § 1, 2018)

3-18.090 Notice not required by the City.

The City may as a courtesy send a tax notice to the business. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter. (Ord. 617 § 1, 2018)

3-18.100 Penalties and interest.

(a) Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

(1) A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1.0%) per month.

(2) If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1.0%) per month on the unpaid tax and on the unpaid penalties.

(3) Interest shall be applied at the rate of one percent (1.0%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

(b) Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this section, and any other amount allowed under State law. (Ord. 617 § 1, 2018)

3-18.110 Refunds and credits.

(a) No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 3-18.120.

(b) No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business. (Ord. 617 § 1, 2018)

3-18.120 Refunds and procedures.

(a) Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due and payable.

(b) The Tax Administrator, his or her designee or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant’s books and business records after request by the Tax Administrator to do so.

(c) In the event that the cannabis business tax was erroneously paid, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid up to one (1) year from when the error was identified. If an error is attributable to the claimant, the City may retain an amount established by resolution of the City Council from time to time in an amount sufficient to recover the City's cost to process the claim and refund the balance. (Ord. 617 § 1, 2018)

3-18.130 Personal cultivation not taxed.

The provisions of this chapter shall not apply to personal cannabis cultivation as defined in the "Medicinal and Adult Use Cannabis Regulation and Safety Act". This chapter shall not apply to personal use of cannabis that is specifically exempted from State licensing requirements, that meets the definition of personal use or equivalent terminology under State law, and for which the individual receives no compensation whatsoever related to that personal use. (Ord. 617 § 1, 2018)

3-18.140 Administration of the tax.

(a) It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this chapter.

(b) For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

(c) The Tax Administrator may take such administrative actions as needed to administer the tax, including, but not limited to:

(1) Provide to all cannabis business taxpayers forms for the reporting of the tax;

(2) Provide information to any taxpayer concerning the provisions of this chapter;

(3) Receive and record all taxes remitted to the City as provided in this chapter;

(4) Maintain records of taxpayer reports and taxes collected pursuant to this chapter;

(5) Assess penalties and interest to taxpayers pursuant to this chapter;

(6) Determine amounts owed and enforce collection pursuant to this chapter;

(7) Take such other reasonable steps as he or she deems necessary and appropriate to enforce this chapter. (Ord. 617 § 1, 2018)

3-18.150 Appeal procedure.

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this chapter may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) days of the serving or mailing of the determination of tax due. The City Clerk, or his or her designee, shall fix a time and place for hearing such appeal, and the City Clerk, or his or her designee, shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by this chapter for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice. (Ord. 617 § 1, 2018)

3-18.160 Enforcement—Action to collect.

(a) Any taxes, penalties and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this section shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

(b) In addition to any other remedies available under Federal, State, or local law, if any amount required to be paid to the City under this chapter is not paid when due, the Tax Administrator may, within three (3) years after the amount is due record a certificate of lien specifying the amount of taxes, fees and penalties due, and the name and address of the individual or business as it appears on the records of Tax Administrator. The lien shall also specify that the Tax Administrator has complied with all provisions of this chapter in the determination of the amount required to be paid. From the time of the filing for record, the amount required to be paid, together with penalties thereon, constitutes a lien upon all real property in the City owned by the individual or business, or subsequently acquired by the individual or business before the lien expires. The lien has the force, effect, and priority of a judgment lien and shall continue for ten (10) years from filing of the certificate unless sooner released or otherwise discharged.

(c) At any time within three (3) years after any individual or business is delinquent in the payment of any amount herein required to be paid or within three (3) years after the last recording of a certificate of lien under subsection (b) of this section, the Tax Administrator may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the City under this chapter. The warrant shall be directed to the sheriff and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution. The Tax Administrator may pay or advance to the sheriff, the same fees, commissions and expenses for service provided by law for similar services pursuant to a writ of execution. The Tax Administrator shall approve the fees for publication in the newspaper.

(d) At any time within three (3) years after recording a lien against any individual or business, if the lien is not discharged and released in full, the Tax Administrator may forthwith seize any asset or property, real or personal (including bank account), of the operator and sell at public auction the asset or property, or a sufficient part of it to pay the amount due together with any penalties and interest imposed for the delinquency and any cost incurred on account of the seizure and sale. Assets or property of the business subject to seizure and sale subject to this chapter shall not include any asset or property which is exempt from execution under the provisions of Code of Civil Procedure. (Ord. 617 § 1, 2018)

3-18.170 Apportionment.

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or State law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary. (Ord. 617 § 1, 2018)

3-18.180 Constitutionality and legality.

(a) This tax is intended to be applied in a manner consistent with the United States and California Constitutions and State law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or State law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

(b) The taxes imposed under this chapter are excises on the privilege of engaging in business as a cannabis business in the City. It is not a sales or use tax and shall not be calculated or assessed as such. Nevertheless, at the option of a cannabis business, the tax may be separately identified on invoices, receipts and other

evidences of transactions.

(c) Pursuant to California Constitution, Article XIII B, the appropriation limit for the City is hereby increased to the maximum extent over the maximum period of time allowed under law by the amount of the revenues generated by the tax. (Ord. 617 § 1, 2018)

3-18.190 Audit and examination of premises and records.

(a) For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis cultivation occurs and to audit and examine all books and records (including, but not limited to, bookkeeping records, State and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the Tax Administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

(b) It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his or her designee shall have the right to inspect at all reasonable times. (Ord. 617 § 1, 2018)

3-18.200 Other licenses, permits, taxes, fees or charges.

(a) Nothing contained in this chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any permit or license required by, under or by virtue of any provision of any other chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other chapter of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other chapter of this code.

(b) Notwithstanding subsection (a) of this section, a cannabis business shall not be required to pay the license fee required by Chapter 3-5 of Title 3 of this code so long as all of business' activities within the City that would require payment of a license fee are activities subject to the cannabis business tax.

(c) The Tax Administrator may revoke or refuse to renew the license required by Chapter 3-5 of Title 3 of this code for any business that is delinquent in the payment of any tax due pursuant to this chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 3-18.060. (Ord. 617 § 1, 2018)

3-18.210 Payment of tax does not authorize unlawful business.

(a) The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable State laws.

(b) No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or State law. (Ord. 617 § 1, 2018)

3-18.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 3-18.240. (Ord. 617 § 1, 2018)

3-18.230 Failure to report—Nonpayment, fraud.

(a) Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

(1) If the person has not filed a complete statement required under the provisions of this chapter;

(2) If the person has not paid the tax due under the provisions of this chapter;

(3) If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or

(4) If the Tax Administrator determines that the nonpayment of any business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter and any other penalties allowed by law.

(b) The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment. (Ord. 617 § 1, 2018)

3-18.240 Tax assessment—Notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail. (Ord. 617 § 1, 2018)

3-18.250 Tax assessment—Hearing, application and determination.

Within thirty (30) days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five (5) days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax

Administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 3-18.240 for giving notice of assessment. (Ord. 617 § 1, 2018)

3-18.260 Relief from taxes—Disaster relief.

(a) If a business is unable to comply with any tax requirement due to a disaster, the business may notify the Tax Administrator of this inability to comply and request relief from the tax requirement;

(b) The Tax Administrator, in its sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax liability does not exceed five thousand ($5,000.00) dollars. If such tax liability is five thousand one ($5,001.00) dollars or more than such relief shall only be approved by the City Council;

(c) Temporary relief from the cannabis tax may be relieved for a reasonable amount of time as determined by the Tax Administrator in order to allow the cannabis business time to recover from the disaster;

(d) The Tax Administrator may require that certain conditions be followed in order for a cannabis business to receive temporary relief from the cannabis business tax requirement;

(e) A cannabis business shall not be subject to an enforcement action for a violation of a cannabis business requirement in which the licensee has received temporary relief from the Tax Administrator;

(f) For purposes of this section, “disaster” means fire, flood, storm, tidal wave, earthquake, or similar public calamity, whether or not resulting from natural causes.

(1) The cannabis business must notify the Tax Administrator in writing a request for temporary relief from imposition of the tax requirement pursuant to subsection (a) of this section of such disaster clearly indicates why relief is requested from, the time period for which the relief is requested, and the reasons relief is needed for the specified amount of time;

(2) The cannabis business agrees to grant the Tax Administrator or his or her designee access to the location where the cannabis business has been impacted due to a disaster. (Ord. 617 § 1, 2018)

3-18.270 Conviction for violation—Taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any State law requiring the payment of all taxes. (Ord. 617 § 1, 2018)

3-18.280 Violation deemed misdemeanor.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor. (Ord. 617 § 1, 2018)

3-18.290 Severability.

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person

or circumstance and, to that end, the provisions hereof are severable. (Ord. 617 § 1, 2018)

3-18.300 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of the Atascadero Municipal Code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter. (Ord. 617 § 1, 2018)

3-18.310 Amendment or repeal.

This chapter may be repealed or amended by the City Council without a vote of the people to the extent allowed by law. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this chapter. The people of the City of Atascadero affirm that the following actions shall not constitute an increase of the rate of a tax:

(a) The restoration of the rate of the tax to a rate that is no higher than that set by this chapter, if the City Council has acted to reduce the rate of the tax;

(b) An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this chapter; or

(c) The collection of the tax imposed by this chapter even if the City had, for some period of time, failed to collect the tax. (Ord. 617 § 1, 2018)

Atascadero City Council

Staff Report - City Manager's Office

Council Norms and Procedures
Consideration of Amendments

RECOMMENDATION:

Council review and approve an amendment to the Council Norms and Procedures.

DISCUSSION:

The Council Norms and Procedures is a document originally created by the City Council as a guide relating to Council Member behavior. The document was last amended by the City Council in 2019.

At the April 28, 2020 City Council meeting, the City Council directed staff to draft a potential amendment to the City Council Norms that would clearly authorize the Mayor to sign letters and other communications advocating for the City regarding Council established policies, positions, or other expressed opinions of the Council. The attached Draft Council Norms and Procedures includes draft language outlining the authorization.

ALTERNATIVE:

The Council may amend the draft language, consider other changes to the City Council Norms, or may chose not to amend the City Council Norms.

FISCAL IMPACT:

None.

ATTACHMENT:

Draft Council Norms and Procedures (2019)

CITY OF ATASCADERO

COUNCIL NORMS AND PROCEDURES (~~2019~~2020)

GENERAL

- Council should primarily focus on vision, mission and policy. Staff should primarily focus on implementation and keeping the Council informed.
- To take courageous action when necessary to keep the City of Atascadero a well-run, well managed innovative City.
- Council provides leadership and participates in regional, state and national programs and meetings.
- Council looks to Commissions and Committees for independent advice.
- Other community leaders are consulted in the decision making process when appropriate.
- Council will encourage citizen participation on City programs and documents.
- Serving the City of Atascadero is the City Council's top priority.
- It is expected that each Council Member will represent the City of Atascadero as a member of various boards and committees, and will be participate in meetings as feasible.
- We stress training for staff, Council, and Commission members.
- Council Members will inform the City Manager's Administrative Assistant when they will be out of town as early as possible and it will be put on the Council Calendar.
- Council Members get the same information as much as possible: citizen complaints, letters, background, etc.
- Council Members will determine which specific Commission packets they want to receive.
- Use technology to improve information flow and communications.

- Individual Council Members may use the City letterhead as long as they clarify in the document that any opinions expressed are their own.

COUNCIL VALUES

- The Council and City Manager are a participatory team.
- The Council values high energy, open mindedness, and achievement.
- Council Members will care and have respect for each other as individuals.
- Council Members will be straightforward; with no hidden agendas.
- The City Council values humor.

COUNCIL INTERACTION AND COMMUNICATION

- Individuals are responsible to initiate resolution of problems A.S.A.P. and not let them fester.
- City Council will not direct cheap shots at each other during public meetings, in the press, or any other place/time.
- Relationships are informal, but not casual in public [beware of impact on, and perception of, public].
- Council Members will be flexible in covering responsibilities for each other.
- Council Members that are the Complainant on an issue before the Council must declare their involvement in the issue before the item is reviewed by the Council.
- Council Committees:
    - Committee areas belong to the whole Council; they are not seen as territorial.
    - Committees are responsible to keep rest of Council informed, and other members are responsible for letting committee know if they want more information or to give input.
    - Before committees start moving in new direction, they will get direction from the rest of Council.
    - Committee reports will be made under Council Reports, when appropriate.
    - Committee summaries will be sent on an interim basis to update other Council Members on:
        - Issues being discussed

  - Options being considered
  - Progress

- Council and committees will give clear and focused direction as early as possible.

COUNCIL INTERACTION AND COMMUNICATION WITH STAFF

City Manager

- Council Members are encouraged to discuss City business with the City Manager.

- When a Council Member is unhappy about a department, he/she should always talk it over with the City Manager and/or her designee - not the department head.

- Concerns about a department head must be taken to the City Manager only.

- Critical information will be passed to all City Council Members by appropriate personnel.

- Requests by Council Members for information that will take more than one hour of staff time must be approved by a majority of the City Council at a Council meeting.

- Documents generated by Council Member requests for information, will be passed to all City Council Members by appropriate personnel.

- The Council will provide ongoing feedback, information, and perceptions to the City Manager, including some response to written communications requesting feedback.

- The City Manager or the Deputy City Manager deals with issues that cross department boundaries.

- Avoid giving direction individually to the City Manager; the majority of the Council should give the City Manager direction as a formal body.

- The Council and staff will not blind side each other in public (if there is an issue or a question a Council Member has on an agenda item, that member will contact the City Manager prior to the meeting).

Staff in General

- Council should work through the City Manager if asking for information, assistance or follow up as it pertains to an item on the upcoming Council agenda.

If needed, the City Manager may arrange for Council Members to meet with a department head.

- Individual Council Members can talk directly with appropriate staff members when they have routine individual business dealings with the City of Atascadero. Council Members should inform the City Manager in advance of any individual business requiring staff discretion, other City business dealings that may put staff in awkward position, or any staff contacts that may give the perception of favorable treatment.

- Council will always be informed by staff when an unusual event occurs that the public would be concerned about, i.e., anyone wounded by gunfire, area cordoned off by police or fire, etc.

- Department heads will generally attend every Council meeting; other staff attendance at Council meetings is at the City Manager's discretion.

- City Clerk will proactively inform the City Council of new or relevant information related to matters concerning the City Clerk's Office, such as meeting notifications, changes to laws regarding the Brown Act, FPPC requirements and ethics and harassment training.

- Individual Council Members may reach out directly to the City Clerk for clarification and advice on matters concerning the City Clerk's Office.

City Attorney

- Contract Attorney will routinely forward relevant new legislation to the City Council.

- City Attorney shall be pro-active with Council, Manager and Staff when and where appropriate.

- City Attorney shall regularly consult with Council on items of concern on an upcoming agenda at the earliest time possible.

- City Attorney will track Commissions' actions, agenda of City Council and committees for needed input.

- City Attorney to pro-actively inform and protect City Council Members from and Council Members to contact and inform the City Attorney of potential violations and conflicts.

- Where an individual Council Member requests guidance or research from the City Attorney, and it will require more than one hour of time, three Council Members must agree to the request.

COUNCIL ELECTRONIC COMMUNICATIONS

- Think carefully before responding to any e-mail; never reply when angry or in a bad mood. Do not make derogatory personal comments.

- Do not reply to an e-mail if the reply will be directed to a majority of the Council.

- Do not take a position or make a commitment on matters yet to be decided by the Council. Remember, even if you don't do it, your e-mail can be forwarded by others to a majority of the Council.

- Do not give instructions via email or otherwise to Staff under the managerial control of the City Manager.

- If e-mailing the entire Council, do so only to provide information, and do not solicit a response.

- City business will be conducted through your City email account. If an e-mail is received on an account other than your City email account, you should forward that email to your City email account and/or request that the person reaching out send their message through your City email account.

- If a Council Member will have a social media presence, they should meet with the City Clerk and/or City Attorney to discuss.

COUNCIL OPTIONS FOR KEEPING INFORMED

- Read Commission Minutes in order to find out what is being worked on.

- Read documents on Planning items.

- City Manager will discuss future Agenda topics with Council Members.

- Council Members will do their homework.

- Regularly meet with City Manager

- Council Members who are appointed to regional Boards will keep other Council Members informed by communicating updates to the City Manager to be shared with the entire City Council.

MAYOR'S ROLE

- Each Mayor is unique; the role is defined by the person, based on that person's style.

- The Mayor is the spokesperson for the City.

- The Mayor is authorized in certain instances, on behalf of the City, to submit advocacy communications that are consistent with City position. At the discretion of the Mayor, the communication may be prepared and sent if it is time-sensitive and meets one or more of the following criteria:
  - In support of any policy issue previously agreed upon by the Council, or
  - In support of a consistently or emphatically expressed Council majority position, or
  - In support of and consistent with any Council Strategic Priority, or
  - In support of the fiscal health of the City or local-control, or
  - At the written request of the City Manager, to advocate a League of California Cities' position on bills that would have a substantial positive or negative effect on City operations.

  A copy of the letter will be provided to the Council at the same time it is transmitted to the addressee. Any Member of the Council can request an item to be placed on an upcoming agenda to discuss that communication. If the requested communication does not meet at least one of the above criteria, the Mayor may submit the requested communication, but must clearly indicate therein that the Mayor is acting as an individual, speaking on their own behalf, and not on behalf of the City Council.

- The Mayor will inform the Council of any informal correspondence sent out to anyone in relation to City business - use e-mail whenever possible.

- The Mayor communicates with commission chairs.

- The Mayor will appoint Councilmembers to committees, allowing Councilmembers a chance to discuss the appointments at a meeting and the opportunity to vote confirming all of the appointments.

- The Mayor may appoint an ad hoc committee or a liaison for a specific purpose.

- The Mayor will work with the City Manager's Office to determine Proclamations and Certificates of Recognition for presentation at a City Council meeting. Any Council Member is welcome to write letters of recognition.

CITIZEN COMPLAINTS

- All citizen complaints will be sent by Council to the City Manager's Office for official response. Council may respond to acknowledge receipt of complaint.

- Staff will inform Council of staff responses to citizen complaints received by the Council.

- By City Manager discretion, Council will be informed of significant, urgent and repetitive complaints.

- Staff will draft a response for Council's use for responding to the public.

- Council may respond but should not attempt to fix Citizens' problems on their own; it will be referred to the City Manager.

- Responses to citizens are customized.

- If a Council Member wants action based on a citizen's complaint, they should go through the City Manager's office to ensure it gets into the tracking system.

- The level of detail in written responses will be selective.

- Generally, communications are acknowledged with discretion.

PUBLIC MEETINGS

- City Manager sets the Agenda for regular City Council meetings – per the Ordinance
- Public comment shall be received on all action items.

- Any Council Member may place an item on the agenda under Individual Determination.

- City Council Members will treat everyone equally and with courtesy.

- Corrections to minutes are passed to the City Clerk before the meeting.

- Each member may share his/her views about the issue and the reasons for his/her vote.

- When feasible, audio or video tape all public City Council meetings.

- Public Comment

  - Procedure will include: Staff Report, questions from Council, applicant report, public comment, close Public Hearing, any staff response, and bring item back to Council for discussion.

  - Once public comment is closed, further public input will not be allowed unless re-opened by Mayor.

  - Applicant's comments shall be limited to a reasonable time.

  - Public comments shall be limited to 3 minutes per speaker; per Municipal Code.

- It is acceptable to ask questions of a speaker for clarification.
- Each speaker will be thanked.
- Council will not respond until all public comment has been reviewed.
- Mayor normally allows other members to speak first and then gives his/her views and summarizes.
- Keep Community Forum to 30 minutes with additional time to be given at the Mayor's discretion.

- Consent Calendar
  - The Consent Calendar will be used for items such as minutes, routine City business, and things already approved in the budget.
  - If a Council Member has a question on a Consent Calendar item for their information only, they are to ask staff ahead of time, rather than having it pulled off for discussion during the meeting.
  - Staff is prepared to report on every agenda item.
- Voting
  - Everyone has an opportunity to speak before a motion.
  - Attempts will be made to get consensus on significant policy issues.
  - Council Member discussions will not be redundant if they concur with what has already been said.
- Closed Session
  - Council will get written reports for Closed Session items when necessary; these reports are to be turned in at the end of the meeting.
  - City Manager will ask for pre-meeting closed sessions if it will save the City money (due to consultant fees, etc.); to be held no earlier than 5:00 p.m.
  - No violation of Closed Session confidentiality.
- Special Meetings
  - Special meetings may be called by Mayor, or a majority of the Council, pursuant to the Brown Act.

COMMISSIONS

Council shall consider holding a joint session with each Commission at least once every two years.

- Commission needs:
  - To know Council vision, community vision, and General Plan 2025
  - Understanding of their roles and authority.
  - To know annual prioritized goals of the City Council.
  - All commissioners receive an annual training.

- Criteria for commissioner for re-appointment (and in extreme cases, removal) shall include:
  - Issues of conflicts of interest.
  - Attendance (missing two meetings without excuse).
  - Support of General Plan.
  - Respect for staff/public.
  - Working for community versus personal purposes.