

CITY OF ATASCADERO

Fiscal Year 2023/24 Engineer's Report For:

Landscaping and Lighting District

No. 03 (De Anza Estates)

May 2023

Prepared by:



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

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1. ENGINEER’S LETTER

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

WHEREAS, on May 9, 2023, 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 2023/24:

FY 2023/24 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$12,010	(\$708)	\$11,302			
Special Projects	7,500	0	7,500			
Administration	7,150	0	7,150			
Capital Reserve	(886)	(500)	(1,386)			
Collections/(Use)	(9,899)	1,208	(8,691)			
Levy Adjustments						
Total	\$15,875	\$0	\$15,875	63.50	\$1,583.66	\$250.00

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

City Engineer



2. EXECUTIVE SUMMARY

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

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

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for Fiscal Year 2023/24, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

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

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

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

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

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on August 9, 2005 to consider public testimonies, comments and written protests

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

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

3. PLANS AND SPECIFICATIONS

3.1 Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the De Anza Estates, Tract 2498, which encompasses an area of land totaling approximately seventy-six acres (75.84 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 rights-of-way 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 rights-of-way 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;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provided by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner's Association or similar entity.
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas;
- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City;

improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

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

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 rights-of-way. Specifically the landscape improvement areas for this District are identified as:

- Approximately 43,560 square feet of streetscape (parkway embankment) landscaping within the public rights-of-way 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.

3.3.2 PUBLIC LIGHTING IMPROVEMENTS

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

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	2023/24 Assessment
DIRECT COSTS			
Annual Costs			
Landscape Services	\$6,500	(\$708)	\$5,792
Landscape Supplies	600	0	600
Landscape Utilities	1,400	0	1,400
City Landscape Services	3,460	0	3,460
Other Maintenance Services	50	0	50
Total Annual Direct Costs	\$12,010	(\$708)	\$11,110
CAPITAL EXPENDITURES			
Special Projects	\$7,500	\$0	\$7,500
Total Annual Special Projects	\$7,500	\$0	\$7,500
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,270	\$0	\$2,270
Engineer's Report & Services	4,530	0	4,530
Public Noticing	350	0	350
Total Administration	\$7,150	\$0	\$7,150
TOTAL DIRECT & ADMINISTRATION COSTS	\$26,660	(\$708)	\$25,760
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$762	\$0	\$762
Trail and Pathway Rehabilitation/Replacement	1,000	(500)	500
Park and Open Space Rehabilitation/Replacement	707	0	707
Tree Rehabilitation/Replacement	(6,293)	0	(6,293)
Park Rehabilitation/Replacement	2,938	0	2,938
Total Annual Capital Reserve Collections/(Uses)	(\$886)	(\$500)	(\$1,386)
LEVY ADJUSTMENTS			
Interest Income - Improvement Fund	(\$3,022)	\$0	(\$3,022)
Interest Income - Operating Reserve Fund	(398)	0	(398)
Contribution from Other Sources	(1,208)	(1,208)	0
Reserve Collection/(Use)	(5,271)	0	(5,271)
Total Levy Adjustments	(9,899)	(\$1,208)	(\$8,691)
BALANCE TO LEVY	\$15,875	\$0	\$15,875
DISTRICT STATISTICS			
Total Parcels			89
Parcels Levied			86
Total EBU ⁽¹⁾			63.50
Levy per EBU			\$250.00
Maximum Levy per EBU			\$1,583.66
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$11,633
Operational Reserve Interest			398
Surplus Transfer from Improvement Fund			9,398
Operational Reserve Collection/(Use)			(8,691)
Estimated Ending Operating Reserve Balance			\$ 12,738
Beginning Improvement Fund Balance			\$105,430
Improvement Fund Interest			3,022
Surplus Transfer to Operations Fund			(9,398)
Improvement Fund Collection/(Use)			(\$886)
Estimated Ending Improvement Fund Balance			\$98,168

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

5. METHOD OF ASSESSMENT

5.1 General

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

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

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

5.2 Benefit Analysis

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

5.2.1 SPECIAL BENEFIT

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

The special benefits associated with landscape improvements are specifically:

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

space and landscaping.

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

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

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

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

5.2.2 GENERAL BENEFIT

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, rights-of-way and other amenities available or visible to the public at large, the landscaped areas, trails, detention basin as well as the need to increase maintenance activities within the open space areas resulted solely from the development of properties within the District and would otherwise not have been required nor necessarily desired by any properties or developments outside the District and any public access or use of the improvements by others is incidental. Therefore, it has been determined that these improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large. However, while this development has facilitated a need for increased maintenance of the open space area associated with Tract 2498, it is also recognized that land conservation and ensuring adequate open space areas within the City does have some indirect, but not quantifiable, benefit to the community at large. Therefore, while the entire cost to maintain the open space area as well as the Horse Arena facility have been incorporated into the District budget, the annual cost to maintain the arena and a portion of the

open space area are not included in the proposed special benefit assessments. Should the City require maintenance of these areas, the associated costs will be funded by other revenue sources available to the City.

5.3 Assessment Methodology

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

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

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

5.3.1 EQUIVALENT BENEFIT UNITS:

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

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

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.

- (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
Modified Housing/Senior Housing Units	0.625	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

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

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

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

5.4 Assessment Range Formula

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

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

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

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for Fiscal Year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 5.3024% for Fiscal Year 2023/24.

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

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

special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

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

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 03 De Anza Estates consist of the lots, parcels and subdivisions of land located in the planned residential development known as De Anza Estates, Tract 2498. The District covers approximately seventy-six acres (75.84 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.



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, rights-of-way, 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 assessor's parcel has a status change in development, other land use change, or subdivides into multiple assessor's parcels, the assessment amounts applied to each of the new assessor's 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 amount.

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APN	Address	Land Use	Benefit Units	Max Assessment	Levy Amount
049-044-002	755 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-003	765 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-004	805 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-005	905 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-006	955 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-007	1025 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-008	1055 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-009	1155 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-010	1255 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-011	1305 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-012	1355 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-013	1200 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-014	1100 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-015	1000 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-016	950 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-017	860 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-018	850 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-019	870 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-020	880 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-044-021	705 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-022	725 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-023	750 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-024	740 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-025	720 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-026	700 DE ANZA CT	Single Family Residential	1.00	1,583.67	250.00
049-044-033	655 N FERROCARRIL RD	Single Family Residential	1.00	1,583.67	250.00
049-046-002	503 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-003	505 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-004	507 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-005	509 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25

Slight variances may occur due to rounding

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APN	Address	Land Use	Benefit Units	Max Assessment	Levy Amount
049-046-006	511 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-007	513 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-008	515 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-009	517 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-010	519 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-011	521 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-012	524 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-013	526 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-014	528 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-015	530 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-016	532 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-017	534 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-018	536 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-019	538 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-020	540 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-021	542 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-022	572 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-023	574 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-024	576 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-025	578 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-026	580 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-027	582 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-028	584 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-029	586 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-030	588 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-031	590 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-032	592 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-033	551 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-034	553 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-035	555 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-036	557 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-037	559 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-038	561 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-039	563 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-040	565 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-041	567 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-042	595 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-043	597 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-044	599 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-045	603 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-046	605 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-047	601 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25

Slight variances may occur due to rounding

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Landscaping & Lighting Maint Dist No. 3
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APN	Address	Land Use	Benefit Units	Max Assessment	Levy Amount
049-046-048	609 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-049	607 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-050	610 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-051	612 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-052	614 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-053	616 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-054	618 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-055	620 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-056	622 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-057	624 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-058	626 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-059	628 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-060	630 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
049-046-061	501 N FERROCARRIL RD	Senior Housing Units	0.63	989.79	156.25
86 Accounts			63.50	100,562.97	15,875.00
86 Total Accounts			63.50	100,562.97	\$15,875.00

Slight variances may occur due to rounding