Atascadero City Council

Staff Report – Administrative Services Department

De Anza Estates Assessment Districts

RECOMMENDATIONS:

Council:


DISCUSSION:

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

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No. 03 – De Anza Estates in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscaping and lighting improvements within the De Anza Estates subdivision.
Muni-Financial, an independent financial consultant, was hired to prepare the Engineer’s Reports for the two districts. The Engineer’s Reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the Engineer’s Reports were preliminarily approved, proceedings were initiated for the levy, and the date of tonight’s public hearing was established. The resolutions that are before you tonight are for the final approval of the Engineer’s Reports and for the approval of the annual levies.

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% this year, though the actual assessments for the Street and Storm Drain District remain slightly less than the maximum.

Levies for the Landscape and Lighting District have been collected since fiscal year 2005. However, the City did not accept the improvements until fiscal year 2007, therefore, a surplus fund balance exists in the district. City staff held a neighborhood meeting to receive input from the property owners as to the preference on how to treat the surplus. Options included a continued reduced assessment in future years or a one-time refund. Most of the owners that attended the meeting preferred reduced assessments in future years. However, the majority property owner preferred to pay full levies going forward with a one-time refund be issued for the excess. The costs to the District to process the refund were estimated to be $3,000. At the April 22, 2008 meeting, Council voted to go forward with the reduced assessments.

**FISCAL IMPACT:**

Annual assessments for 2008/2009 will total $35,454 for road/drainage system maintenance and $30,457 for landscaping and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. There is no fiscal impact to general residents within the City.

**ATTACHMENTS:**

1. Draft Resolution A - approving the final Engineer’s Report regarding the Street and Storm Drain Maintenance District No. 03 – De Anza Estates, and the levy and collection of annual assessments related thereto for fiscal year 2008/2009
2. Draft Resolution B - ordering the levy and collection of assessments for fiscal year 2008/2009 for Street and Storm Drain Maintenance District No. 03 – De Anza Estates
3. Engineer’s Annual Levy Report - for the levy and collection of fiscal year 2008/2009 assessments for Street and Storm Drain Maintenance District No. 03 – De Anza Estates
4. **Draft Resolution C** - approving the final Engineer’s Report regarding the Landscaping and Lighting District No. 03 – De Anza Estates, and the levy and collection of annual assessments related thereto in fiscal year 2008/2009

5. **Draft Resolution D** - ordering the levy and collection of assessments for fiscal year 2008/2009 for Landscaping and Lighting District No. 03 – De Anza Estates