



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 2008/2009.
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 2008/2009, 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 2008/2009 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 2008/2009.
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 2008/2009.

DISCUSSION:

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.

Muni-Financial, 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 May 27, 2008, at 6:00 p.m., at which time the final resolutions will be presented to the Council for passage.

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 are estimated to be \$3,000. The staff therefore recommends going with the reduced assessment in order to save the costs to the district and to provide property owners with a gradual increase in assessments to maximum for the next few years. Below is a summary of both proposals.

	Staff Recommendation		Proposed Refund	
	08-09 Assessment Amount	Refund Amount	08-09 Assessment Amount	Refund Amount
Single Family Home	\$ 479.64	\$ -	\$ 880.31	\$ 760.50
Senior Housing Units	\$ 299.78	\$ -	\$ 550.20	\$ 475.31
6-30-09 Fund Balance Available for Reduction of Future Levies	\$25,800.00		\$0.00	

FISCAL IMPACT:

Annual assessments for 2008/2009 will total \$35,454 for road/drainage system maintenance and \$30,457 for landscape 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** - 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 2008/2009
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 2008/2009, 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 2008/2009 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 2008/2009 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 2008/2009
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 2008/2009
8. **Engineer's Report**- for the levy and collection of fiscal year 2008/2009 assessments for Landscaping and Lighting District No. 03 (De Anza Estates)