

**Meeting Date:** 5/24/2016

**Report Type:** Consent

**Report ID:** 2016-00222

**Title: Resolution of Intention to Renew and Expand the Oak Park Property and Business Improvement District No. 2016-01**

**Location:** District 5

**Recommendation:** Pass a Resolution of Intention to Renew and Expand the Oak Park Property and Business Improvement District (PBID) No. 2016-01 and set a time and place of Public Hearing for July 12, 2016.

**Contact:** Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Special Districts Manager, (916) 808-8788, Department of Finance

**Presenter:** None

**Department:** Finance

**Division:** Public Improvement Finance

**Dept ID:** 06001321

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution
- 5-Exhibit C (MDP)

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**City Attorney Review**

Approved as to Form  
Michael W. Voss  
5/12/2016 3:11:36 PM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 5/6/2016 11:05:44 AM

## Description/Analysis

**Issue Detail:** The property and business owners within the Oak Park neighborhood and along the Broadway and Martin Luther King, Jr. Blvd corridors have proposed to expand and renew the Oak Park Property and Business Improvement District (PBID) for a ten-year term. Continued participation in the PBID will serve the public interest by providing an enhanced level of maintenance and security, image enhancement, and advocacy/administration. Maintenance and security activities include a crew to remove litter and patrol services with a focus on mitigating nuisance crimes. Advocacy efforts include website development, newsletter publications, and other activities to convey a positive image and attract new business to Oak Park in an effort to increase economic development and revenue.

The existing PBID expires at the end of 2016. The PBID is reforming and expanding the boundary to extend south along Broadway and Martin Luther King, Jr. Blvd corridors and additional properties in the Oak Park area that will benefit from the services provided. McClatchy Park, McGeorge School of Law, and the Police Athletic League building are the three City-owned parcels within the current PBID. The expanded boundary in the renewal will add 30 City parcels and two Redevelopment Agency Successor Agency (RASA) parcels including the Oak Park Community Center, vacant lots, and Fire Station No. 6.

Approval of the Resolution of Intention to renew the PBID will set the time and place for the Public Hearing on the renewal of the District and the proposed assessment and authorize staff to mail notices to all property owners within the District.

**Policy Considerations:** The actions in the recommended Resolution are required by the California Streets and Highways Code Part 7 (beginning with Section 36600) of Division 18. The City will participate as owner of 33 parcels. The City Council delegated the authority to cast ballots to the City Manager in favor of the renewal on April 14, 2016.

**Environmental Considerations:** The renewal of a PBID does not constitute a project under the California Environmental Quality Act and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

**Rationale for Recommendation:** PBID services include economic development services above what the City currently provides. This includes focused marketing, outreach and other activities to convey a positive image, expand existing businesses and attract new businesses to the Oak Park commercial corridor resulting in increased economic activity and revenue.

The PBID de facto serves as a key partner to the City's economic development efforts—particularly in the area of enhancing a clean and safe environment, addressing

homeless issues, and providing increased marketing for new business development. In addition, the PBID has the potential to serve as a critical partner in identifying both business needs and opportunities, as they will in many instances become the first entity to be contacted by local businesses.

To the extent that expanded boundaries include additional business resources, the City's opportunity for greater economic development activity and effectiveness is increased. The actions in the recommended Resolution will allow the City to support the renewal of the PBID and to access the services provided by the PBID.

**Financial Considerations:** Financing will be provided by the levy of assessments upon real property that benefit from improvements and activities of the PBID. The PBID will not issue bonds.

There are 387 parcels in the proposed PBID service area. The total PBID assessment budget for the first year is approximately \$319,895. If the PBID is renewed and expanded, the City will continue to participate as property owners with an increase in parcel participation from 3 to 30 parcels.

The City's current year assessment is \$33,262 for three parcels. If the PBID is renewed and expanded, the City's assessment will increase by \$27,157 to approximately \$60,419 for 33 parcels. The City's assessment will be 19% of the overall PBID assessment. A map of City property in the existing and expanded PBID is provided in the Background section.

Future assessment rates may be subject to further increases of no more than 3% annually based on the proposed Management District Plan that will govern the PBID upon successful renewal and expansion. If the PBID is renewed, the annual budget will be adjusted to reflect the Council approved assessments and expenditure plans.

**Local Business Enterprise (LBE):** Not applicable

## BACKGROUND

The Oak Park PBID was approved by City Council on August 5, 2004, in accordance with the PBID Area Law of 1994, became effective on January 1, 2005, and was renewed on July 14, 2009 for a seven-year term expiring at the end of 2016. The PBID is reforming and expanding the boundary to extend along the Broadway and Martin Luther King Jr. Boulevard corridors and additional properties in the Oak Park area. A map of the expansion area is provided below. The PBID property owners have successfully petitioned to renew the PBID for a ten-year term.

If renewed with the proposed expansion, the PBID will continue to provide funding and the following services in the Oak Park commercial corridor:

- Maintenance, Security, and Infrastructure: litter removal services, security patrols to assist in nuisance crimes and calls, an outreach program to provide a clean and safe environment.
- Image Enhancement: street signage, banners, and marketing efforts to promote economic activity, attract investment, and increase commerce within the PBID.
- Advocacy, Administration, and Contingency: provides the administrative support to sustain the various services including website development, publications, and community meetings. The contingency portion is included as a buffer to account for possible delinquent assessments.

The District's Board of Directors has prepared has prepared the Management District (Plan) and Engineer's Report, which is on file with Public Improvement Financing unit of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts. The Plan is a comprehensive document that describes the process of forming the District and providing the services identified by the property and business owners. The attached resolution will initiate the renewal proceedings of the District.

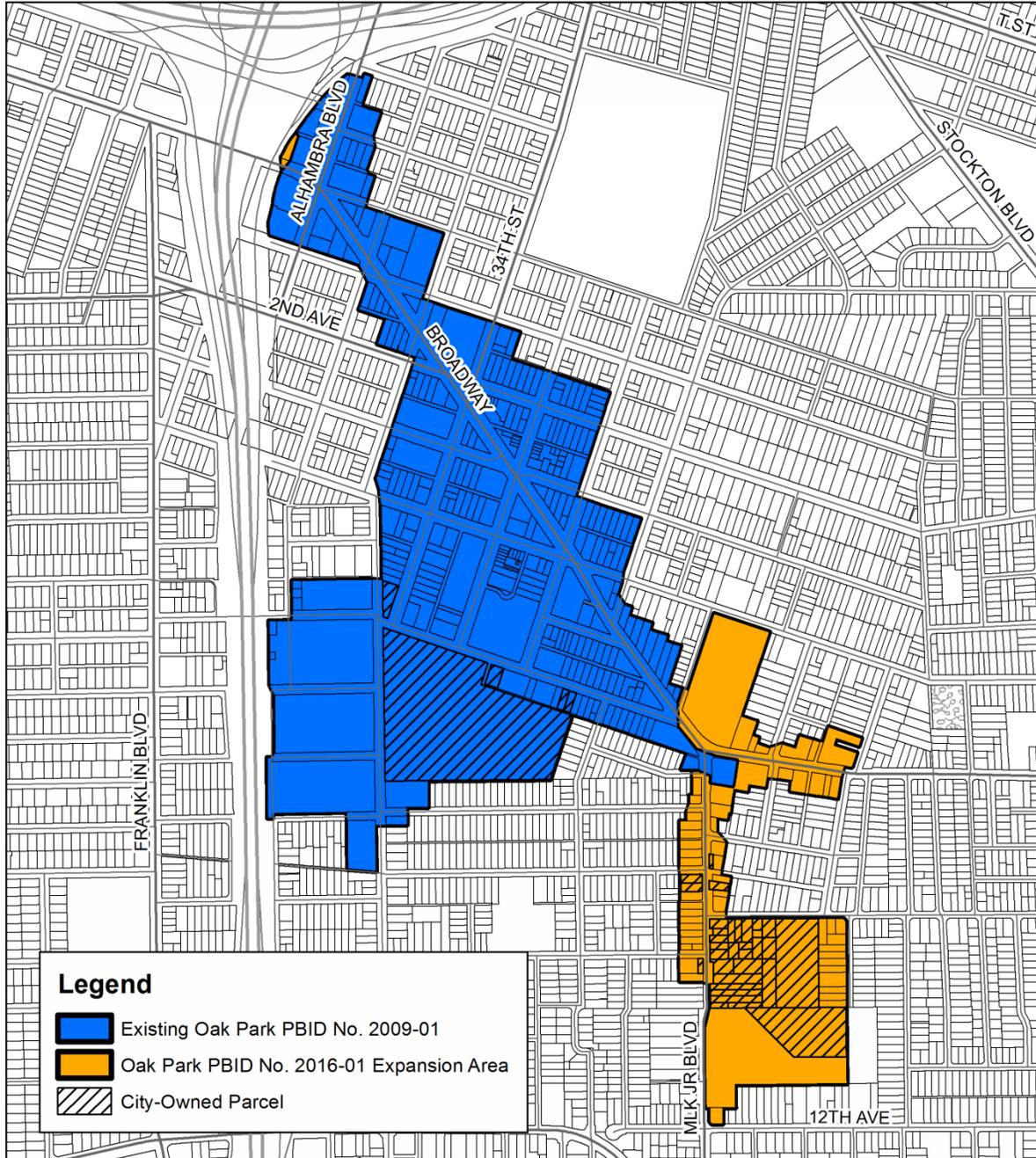
Annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. Assessment rates may be subject to an increase of no more than three 3% per year.

**FY2016/17 Budget**

<b>Service</b>	<b>Percent</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Total</b>
Maintenance, Security & Infrastructure	66%	\$139,049.68	\$72,081.08	\$211,130.76
Contingency, Advocacy & Administration	25%	\$52,670.34	\$27,303.44	\$79,973.78
Image Enhancement	9%	\$18,961.32	\$9,829.24	\$28,790.56
<b>Total</b>	<b>100%</b>	<b>\$210,681.34</b>	<b>\$109,213.76</b>	<b>\$319,895.10</b>

# EXPANSION MAP

## Oak Park Property and Business Improvement District



**SCHEDULE OF PROCEEDINGS  
OAK PARK  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT #2016-01**

February 2016	Petition Drive Kick-off
April 14, 2016	City Manager Signature Authority – City Council
May 13, 2016	Receive Signed Petitions

<b>May 24, 2016</b>	<b>City Council Resolution of Intention to Renew</b>
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May 26, 2016	Record Boundary Map Mail Ballot, Publish Notice of Hearing, Management Plan
July 12, 2016	City Council Public Hearing & Ballot Count
July 19, 2016	City Council Ballot Results for Renewal
July 20, 2016	Record Notice of Assessment and Assessment Diagram
August 2016	Assessment Roll to County

## RESOLUTION NO.

Adopted by the Sacramento City Council

### INTENTION TO RENEW AND EXPAND THE OAK PARK PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2016-01

#### BACKGROUND:

A. Owners of properties within the Oak Park Property and Business Improvement District (District) have submitted petitions asking that the City Council renew the District. Included with each petition was a Plan summary and a map showing the boundaries of the District (Proposed District Map). The Proposed District Map is entitled "Oak Park Property and Business Improvement District No. 2016-01." The petitions, the Proposed District Map, and the Plan are on file with the Public Improvement Finance Division (PIF Division) of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts.

B. The City owns the following 33 properties within the proposed District:

013-0141-013-0000	014-0202-024-0000
013-0251-001-0000	014-0202-025-0000
013-0251-002-0000	014-0202-026-0000
013-0251-010-0000	014-0202-028-0000
013-0251-011-0000	014-0202-029-0000
013-0355-008-0000	014-0202-030-0000
014-0174-017-0000	014-0202-031-0000
014-0202-002-0000	014-0202-032-0000
014-0202-003-0000	014-0202-033-0000
014-0202-016-0000	014-0202-034-0000
014-0202-017-0000	014-0202-035-0000
014-0202-018-0000	014-0202-036-0000
014-0202-019-0000	014-0202-037-0000
014-0202-020-0000	014-0202-038-0000
014-0202-021-0000	014-0202-039-0000
014-0202-022-0000	014-0231-043-0000
014-0202-023-0000	

C. The City Council finds that the City has received the petitions signed by the property owners in the proposed District who will pay more than 50% of the proposed total assessment. The City Council thus accepts the petitions and intends to establish the District and to levy an assessment on real property within the District Boundaries in accordance with the Property and Business Improvement District Law of 1994 (PBID Law) and Sacramento City Code Section 3.92.050.

- D. Attached hereto as Exhibit C and incorporated herein by this reference is the Oak Park PBID No. 2016-01 District Management Plan (Plan) and Engineer's Report, which provides for safe and physical enhancement, and economic development with the intent of increasing the commercial activity and overall image of the Oak Park neighborhood.
- E. At the direction of the City Council, the Fiscal Manager of the PIF Division for the proceedings for renewal of this District has filed the Plan with the PIF Division, which was prepared in accordance with the provisions of Streets and Highways Code Section 36622.
- F. The City Council preliminarily finds that the Plan satisfies all of the requirements of Streets and Highways Code Section 36622. The Plan provides for the following improvements and services within the District, all of which are intended to make the District safer, cleaner, and increase the commercial activity: (1) Maintenance, Security and Infrastructure Improvements: security and maintenance program to provide litter removal services, patrols, and liaison with Sacramento Police Department to help decrease crime in the area. Infrastructure improvements may include but are not limited to gateway signs, lighting improvements and future infrastructure projects. (2) Advocacy, Communications, & Administration: advocacy on behalf of PBID stakeholders, regular district communications and publications, and proactive public relations strategy, administration to provide support to sustain the various services. (3) Image Enhancement strategies to conduct marketing and promotional programs to attract potential businesses and new visitors to the area.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1      The City Council finds and determines that the recitals set forth above are true.
- Section 2      The City Manager is authorized to make any necessary budgetary adjustments associated with the approved District budget for FY2016/17.
- Section 3      The City Council finds that the property owners representing over 50 percent of the total assessment amounts signed the petitions requesting the renewal process be undertaken. The City Council thus accepts the petitions and intends to renew the District and to levy an assessment on real property within the District boundaries in accordance with the PBID Law and Sacramento City Code Section 3.92.050. The cost per parcel varies based on benefit zone location, parcel size and parcel type. Assessment rates may be subject to an increase of no more than 3% per year. In the first year of the ten-year term, the proposed total assessment is approximately \$319,895, as shown on Exhibit B.

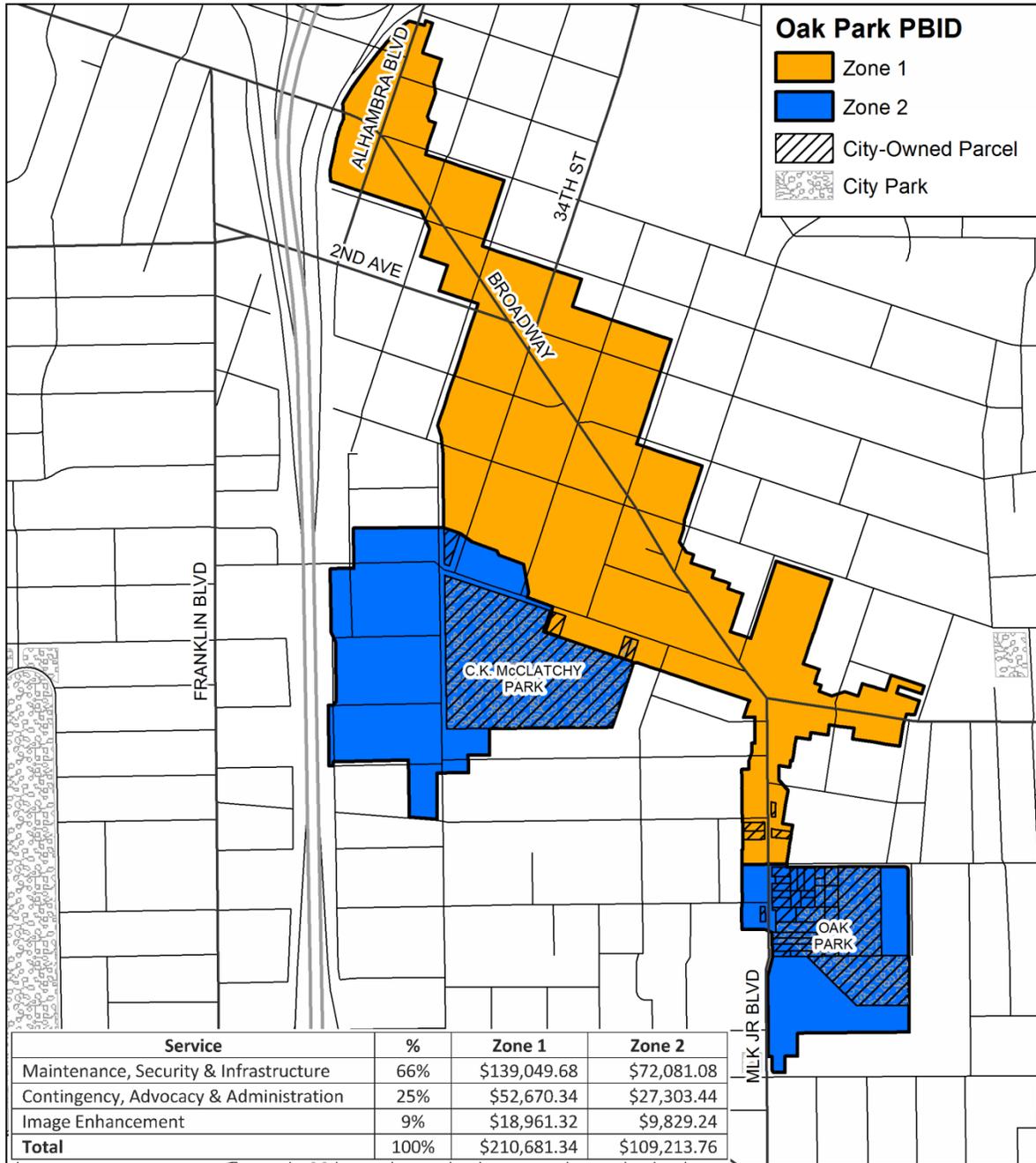
- Section 4 The City Council preliminarily finds that the Plan satisfies all requirements of Streets and Highway Code Sections 36622 and 36660 and preliminarily approves the Engineer's Report contained within the Plan.
- Section 5 The exterior boundaries of the District are shown on the Proposed District Map attached to this resolution as Exhibit A.
- Section 6 No bonds will be issued for the District.
- Section 7 The time and place for the public hearing on the renewal of the District and the proposed assessment is set for July 12, 2016, at 6:00 p.m. in the City Council Chambers, New City Hall, 915 "I" Street (first floor), Sacramento, California. The City Council may continue the public hearing from time to time.
- Section 8 The City Clerk is directed to give notice of the time and place of the public hearing in accordance with Streets and Highways Code Section 36623. The City Clerk is to do this by mailing (or causing to be mailed) written notices and assessment ballots in the time, form, and manner provided by Government Code Section 53753 to all persons who own real property that is within the District and will be subject to the proposed assessment. The forms of the notices and ballots must be approved by the City Attorney. The City Clerk is further directed to file an affidavit with the City Council when all notices and ballots have been mailed, setting forth the time and manner of her compliance with the requirements of law for mailing the notices and ballots.
- Section 9 At the public hearing, the City Council will consider all objections or protests to the proposed assessment, and any interested person will be permitted to present written or oral testimony. At the conclusion of the public hearing, all ballots submitted and not withdrawn will be tabulated in accordance with Government Code Section 53753.

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- Exhibit A: Proposed District Map  
Exhibit B: Proposed Assessment Budget and Parcel Assessment  
Exhibit C: Management District Plan and Engineer's Report

# EXHIBIT A

## Oak Park Property and Business Improvement District No. 2016-01



**EXHIBIT B**  
**OAK PARK (FUND 2216)**  
**PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)**  
**FY2016/17 DISTRICT FUND BUDGET OF THE CITY**  
**& PARCEL ASSESSMENT**

Estimated Beginning Fund Balance	-
Total Assessed to Property (Business) Owners	319,895
Total Resources	\$319,895
PBID Activities	
Estimated Disbursement	317,724
Administrative Costs	
Public Improvement Financing (PIF)	
Administration	1,087
Accounting	
Administration	958
County Billing	126
Total Expenditures	\$319,895
Estimated Ending Fund Balance	-
Year-Over-Year Change in Fund Balance	-

**Parcel Assessment**

The assessment is being increased by 3%. Annual assessment rates are based on special benefit received as defined by the Management District Plan. These special benefits have been calculated based on an allocation of program costs and a calculation per square foot as shown in the table below:

Parcel Type	Zone 1 Rate	Zone 2 Rate
Standard	\$0.145024	\$0.048719
Public Housing	\$0.07000	\$0.070000
Private Tax-Exempt	\$0.03710	\$0.011870

Meadowview Multifamily  
Improvement District  
Management District Plan &  
Engineer's Report

MAY 9, 2016

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Prepared by Civitas  
[www.civitasadvisors.com](http://www.civitasadvisors.com)  
 (800)999-7781

## I. OVERVIEW

Developed by a growing coalition of property owners, the Meadowview Multifamily Improvement District (MMID) is a benefit assessment district whose main goal is to provide improvements and activities which constitute and convey a special benefit to assessed parcels. This approach has been used successfully in other cities throughout the country to provide special benefits to property owners, namely increased sales, attraction of new tenants, increased occupancies, and specifically increased property values. As required by state law, property owners have created this Management District Plan (Plan) to form the MMID.

**Location:** The proposed MMID generally includes parcels in the Meadowview neighborhood of Sacramento, fronting Meadowview Road and 24<sup>th</sup> Street. A detailed description of the MMID boundary and a map are provided in Section IV.

**Purpose:** The purpose of the MMID is to provide activities and improvements which constitute and convey a special benefit to assessed parcels. The MMID will provide security, streetscape improvements, and capital improvements directly and only to assessed parcels within its boundaries.

**Budget:** The MMID annual assessment budget for the initial year of its five (5) year operation is anticipated to be \$196,793.55. The annual budget may be subject to an increase in assessment rates of no more than three percent (3%) per year. The assessment funds will be supplemented by non-assessment funds (such as grants and event income), so that the total budget for the initial year is estimated at \$210,691.05.

**Cost:** The assessment rate (cost to the parcel owner) is based on parcel size and type. The initial annual rate applied to each parcel is shown in the table below. Assessment rates may be subject to an increase of no more than three percent (3%) per year. As used herein the term “commercial” parcel includes multi-family residential parcels with four or more units.

Parcel Type	Initial Parcel Assessment Rate (\$/sqft/yr)
Commercial	\$0.090
Church	\$0.045

**Formation:** MMID formation requires submittal of petitions from property owners representing more than two-thirds of the total assessment. MMID formation also requires a ballot vote in which at least two-thirds of the ballots received, weighted by assessment, be in support of the MMID.

**Duration:** The MMID will have a five (5) year life beginning January 1, 2017 through December 31, 2021. Near the end of the term, the petition, ballot, and City Council hearing processes must be repeated for the MMID to be renewed.

**Management:** The Meadowview Improvement District (MID) will serve as the Owners’ Association for the MMID.

## II. IMPETUS

There are several reasons why now is the time to form the MMID. The most compelling reasons are as follows.

**1. The Need to be Proactive in Determining the Future of Meadowview.**

In order to protect their investment, parcel owners must be partners in the process that determines the level and frequency of services, and how new improvements and development projects are implemented. The MMID will allow these owners to lead and shape future services and improvements through the MMID.

**2. The Need to Attract New Tenants Business and Investment Throughout Meadowview.**

If Meadowview is to compete as a successful multi-family district it must develop its own well-financed, proactive strategy to retain residential and commercial tenants as well as attract new business and investment. The MMID provides the financial resources to develop and implement a focused strategy that will work to prevent and fill residential and commercial vacancies and attract new tenants to the District.

**3. An Opportunity to Create a Private/Public Partnership with a Unified Voice for Meadowview.**

Because parcel owners would be investing financial resources through the MMID, they will be looked upon as a strong partner in negotiations with the City. This partnership will have the ability to leverage the parcel owner's investment with additional public investment in the District.

**4. An Opportunity to Establish Private Sector Management and Accountability.**

A non-profit, private organization formed for the sole purpose of improving the District will manage the services provided and the MMID. Annual MMID work plans and budgets are developed by a board composed of stakeholders that own property in the District. Improvements and activities provided by the MMID are subject to private sector performance standards, controls, and accountability.

### III. BACKGROUND

The International Downtown Association estimates that more than 1,500 Improvement Districts currently operate throughout the United States and Canada. Improvement Districts are a time-tested tool for property owners who wish to come together and obtain collective services which benefit their properties.

MIDs provide supplemental services in addition to those provided by local government. They may also finance physical and capital improvements. These improvements and activities are concentrated within a distinct geographic area and are funded by a special parcel assessment. Services and improvements are only provided to those who pay the assessment.

Although funds are collected by the local government, they are then directed to a private nonprofit. The nonprofit implements services and provides day-to-day oversight. The nonprofit is managed by a Board of Directors representing those who pay the assessment, to help ensure the services meet the needs of property owners and are responsive to changing conditions within the MID.

Improvement Districts all over the globe have been proven to work by providing services that improve the overall viability of commercial and multi-family districts, resulting in higher property values, lease rates, occupancy rates, and sales volumes.

The MMID will be formed pursuant to a state law that took effect in January of 2005. Key provisions of the law include:

- Allows a wide variety of services which are tailored to meet specific needs of assessed properties in each individual MID;
- Requires property owner input and support throughout the formation process;
- Requires written support on both a petition and ballot from property owners paying two-thirds of proposed assessments;
- Allows for a designated private nonprofit corporation to manage funds and implement programs, with oversight from property owners and the City;
- Requires limits for assessment rates to ensure that they do not exceed the amount of benefit received by parcel owners; and
- Requires the MID be renewed after a certain time period, making it accountable to property owners.

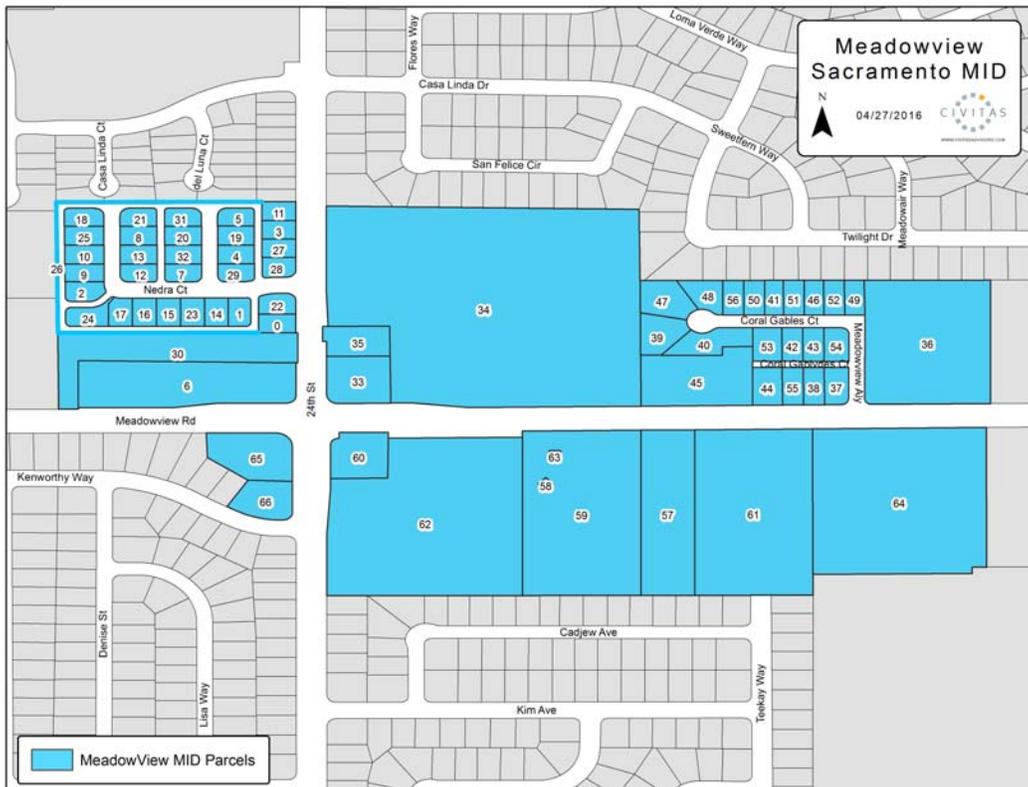
The Multifamily Improvement District Law is provided in Appendix 2 of this document.

## IV. BOUNDARIES

The District generally includes parcels in the Meadowview neighborhood of Sacramento. The MMID boundary overview is illustrated by the map below. The service area includes approximately 66 properties with 38 property owners. A larger map is available on request by calling (916)437-4300 or (800)999-7781.

### Boundary Description:

Beginning at the northwest corner of APN 048-0231-015. South to the south property line of APN 048-0231-024, then east along the north side of Meadowview Road to the west property line of APN 053-0021-008. Then south along the west property line of all those parcels fronting on 24th Street to Kenworthy Way, then east along the north side of Kenworthy Way to the west property line of APN 053-0010-027. Then south along the east side of 24th Street to the south property line of APN 053-0010-027, then east along the south property line of all those parcels fronting on Meadowview Road to the east property line of APN 053-0010-065. Then north across Meadowview Road to the north property line of APN 049-0050-018, then west to the east property line of APN 049-0050-001. Then north to the north property line of APN 049-0050-001, then west across 24th Street along the north property line of APNs 048-0231-016 and APN 048-0231-015 to the point of beginning.



## **V. SERVICE PLAN & BUDGET**

### **A. Establishment**

Property and business owners in Meadowview have been concerned about the need for coordinated supplemental services in the area for several years. City services and efforts in the area have been welcomed, but limited resources have not allowed for a more comprehensive approach to managing the area.

A service plan to provide special benefits to assessed properties was developed through a series of property owner meetings and an analysis of current property conditions and needs were all conducted. The primary needs identified were improved safety, cleanliness, and attractiveness to attract and retain tenants. To meet those needs, the MMID will provide security, streetscape improvements, and capital improvements to assessed parcels within its boundaries.

### **B. Improvements and Activities**

The MMID will provide supplemental improvements and activities that are above and beyond those provided by the City and other government agencies. None of the services to be provided by the MMID are provided by the City or other government agencies. The improvements and activities will be provided directly and only to assessed parcels; they will not be provided to parcels that are not assessed. Each and every service is unique to the MMID, thus the benefits provided are particular and distinct to each assessed parcel.

#### **1. Security**

The security program will focus on making the District a safer place to live and do business. The security program will include regular private security patrols throughout the District, coordination with law enforcement, and tenant screening and background checks for occupants of assessed parcels. These efforts are intended to reduce criminal and nuisance behaviors on assessed parcels that are detrimental to commercial activity on the parcel.

#### **2. Streetscape and Capital Improvement**

The streetscape and capital improvement program will provide installation and maintenance of additional/new trash cans, benches, signage and banners, and decorative lighting. Further, MMID efforts will seek to leverage funds to attract additional investments in capital improvements, such as grants from government agencies and private foundations. These efforts are intended to make the District safer, more attractive, and more functional for tenants and property owners.

#### **3. Administration**

The administration portion of the budget will be utilized for administrative costs associated with providing the services. Those costs may include rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses.

#### **4. Contingency/Reserve**

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for program, administration, or renewal costs at the discretion of the Owners' Association. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and

expenditure of monies from the reserve fund shall be set by the Board of Directors of the Owners' Association.

### **C. Annual Budget**

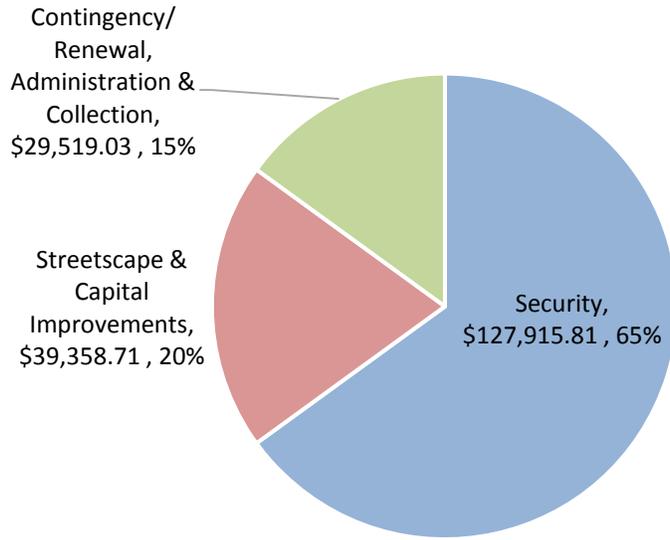
A projected five (5) year budget for the MMID is provided below. The overall budget shall remain consistent with this Plan. In the event of a legal challenge, assessment funds may be used to defend the MMID. The annual budget is based on the following assumptions and guidelines:

1. The cost of providing improvements and activities may vary depending upon the market cost for those improvements and activities. Expenditures may require adjustment up or down to continue the intended level of improvements and activities. The MID shall annually have the ability to re-allocate up to fifteen percent (15%) of the budget by line item within the budgeted categories. Any change will be approved by the MID and submitted with the Annual Report.
2. Funds not spent in any given year may be rolled over to the next year.
3. The assessment rate may be subject to annual increases that will not exceed three percent (3%) per year. Increases will be determined by the MID and will vary each year. The projections below illustrate the maximum annual three percent (3%) increase for all budget items.
4. Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the security budget includes the cost of staff time dedicated to overseeing and implementing the program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the MID on an as-needed basis.
5. In the initial year of operation, the costs of creating the MMID, not to exceed \$75,000, will be paid by reducing each budget category proportionally.

### **D. Assessment Budget**

The total improvement and activity budget for 2017 that is funded by property assessments is \$196,793.55.

## 2017 Assessment Budget



### E. Annual Maximum Assessment Budget

The budget below assumes the maximum annual increase of three percent (3%) is enacted and that there are no changes to the categorical budget allocations.

Year	Security	Streetscape & Capital Improvements	Contingency/Renewal, Administration & Collection	Total
2017	\$127,915.81	\$39,358.71	\$29,519.03	<b>\$196,793.55</b>
2018	\$131,753.28	\$40,539.47	\$30,404.60	<b>\$202,697.36</b>
2019	\$135,705.88	\$41,755.66	\$31,316.74	<b>\$208,778.28</b>
2020	\$139,777.06	\$43,008.33	\$32,256.24	<b>\$215,041.63</b>
2021	\$143,970.37	\$44,298.57	\$33,223.93	<b>\$221,492.87</b>
<b>Total</b>	<b>\$679,122.39</b>	<b>\$208,960.74</b>	<b>\$156,720.55</b>	<b>\$1,044,803.68</b>

## **VI. GOVERNANCE**

### **A. Owners' Association**

The District shall be governed by the Meadowview Improvement District (MID), with oversight from the Sacramento City Council. The MID shall serve as the Owners' Association described in Streets and Highways Code §36705(j). The Board of Directors of MID and its staff are charged with the day-to-day operations of the MMID.

A majority of the Board of Directors of Meadowview Improvement District must be parcel owners paying the assessment. In addition, the Board of Directors must represent a variety of interests within the MMID and respond to the needs of all properties within the MMID.

### **B. Brown Act & Public Records Act Compliance**

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MID Board of Directors and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

### **C. Annual Report**

The MID shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36741 (see Appendix 2). The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the MMID or classification of property within the district;
2. The improvements and activities to be provided for that fiscal year;
3. An estimate of the cost of providing the improvements and the activities for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

## VII. ENGINEER'S REPORT

The District's parcel assessments will be imposed in accordance with the provisions of Article XIID of the California Constitution. Article XIID provides that "only special benefits are assessable,"<sup>1</sup> and requires the City "separate the general benefits from the special benefits conferred on a parcel."<sup>2</sup> Special benefits are a "particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public-at-large."<sup>3</sup> Conversely, a general benefit is "conferred on real property located in the district or to the public-at-large."<sup>4</sup> Assessment law also mandates that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."<sup>5</sup>

The Engineer determined the total cost of the improvements and services based upon the linear front footage of the parcels being serviced because all of the services are being supplied to the street frontage. The engineer also quantified the general benefit accruing to the public-at-large and parcels adjacent to and within the District, and separated that amount from the special benefit accruing to the assessed parcels. Then, the Engineer determined the proportionate special benefit derived by each parcel and allocated the cost of the improvements and services. The Engineer's determinations and detailed calculations are summarized in this report.

### A. Separation of General and Special Benefits

Each of the improvements and activities, and the associated costs and assessments within the District, were reviewed, identified, and allocated based on special and general benefits pursuant to Article XIID of the California Constitution. The assessment has been apportioned based on the proportional special benefits conferred to the assessed parcels located within the District boundaries as determined below.

#### 1. General Benefits

Unlike special benefits, which are conferred directly and only upon assessed parcels, a general benefit is conferred on the general public or non-assessed parcels. Existing City and other public services, which are provided to every person and parcel everywhere within the City, are an example of a general benefit. Although the District's boundaries have been narrowly drawn and programs have been carefully designed to provide special benefits, and activities and improvements will only be provided directly to assessed parcels, it is acknowledged that there will be general benefits as a result of the District's activities and improvements.

The California Constitution mandates that "only special benefits are assessable, and an agency shall separate the general benefits from the special benefits."<sup>6</sup> "Generally, this separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits."<sup>7</sup> The first step that must be undertaken to separate general and special benefits provided by the District's activities and improvements is to identify and quantify the general benefits. There are two bodies who can receive general benefits: the public-at-large within the District, and non-assessed parcels within and surrounding the District.

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<sup>1</sup> Cal. Const., art. XIII D, §4(a)

<sup>2</sup> Cal. Const., art. XIII D, §4(a)

<sup>3</sup> Id., §2(i)

<sup>4</sup> Cal. Const., art. XIII D, §2(i)

<sup>5</sup> Cal. Const., art. XIII D, §4(a)

<sup>6</sup> Cal. Const., art. XIII D, §4(a)

<sup>7</sup> Golden Hill Neighborhood Association v. City of San Diego (2011) 199 Cal.App.4th 416

### General Benefit to the Public-at-Large

Although the programs are narrowly designed and carefully implemented to benefit the assessed parcels, and only provided directly to assessed parcels, they will generate a general benefit to the public-at-large within the District. Surveys conducted in other districts have found that approximately 97.3% of pedestrian traffic within their boundaries is engaged in business on assessed parcels within the District, while 2.7% is simply passing through<sup>8</sup>. For purposes of this evaluation, it is appropriate to assume 1-3% of traffic passing through does not have any connection to the assessed parcels, and therefore does not represent a special benefit to the assessed parcels. The 1-3% will, however, receive a derivative and indirect general benefit as a result of the activities and improvements being provided in the District that they are passing through. For purposes of this analysis, to ensure that the parcel assessment only funds benefits to the assessed parcels, the highest general benefit to the public in similar districts (3%) will be used. Therefore, it is estimated that 3% of the benefit created by the District's services is provided to the public-at-large. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of activities and improvements will be paid for with funds not obtained through assessments. Using the 3% figure, based on the initial year budget, the value of this general benefit to the public-at-large is \$6,320.74 (\$210,691.05 \*0.03).

### *Total General Benefit to the Public at Large*

To ensure that the assessment dollars do not fund general benefits to the public at large, that portion of the cost of activities and improvements attributable to general benefit to the public will be paid for with funds not obtained through assessments.

### General Benefit to Non-Assessed Parcels

Although they are only provided directly to the assessed parcels, the District's activities and improvements may confer general benefits upon non-assessed parcels within and surrounding the District. One study examining property values in improvement districts found "no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID's boundaries;"<sup>9</sup> however, the California Court of Appeal has stated that "services specifically intended for assessed parcels concomitantly confer collateral general benefits to surrounding properties."<sup>10</sup> It is reasonable to conclude that increased security and new streetscape and capital improvements within the District will have an impact on non-assessed parcels immediately adjacent to or within the District boundaries. Because the District's services are generally provided on the street frontage, for the purpose of calculating general benefits the impacts on each parcel are best determined by considering the amount of front footage of the parcels. The California Court of Appeal has noted that "the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement...or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement." Those derivative and indirect impacts are considered general benefits and will be quantified and separated.<sup>11</sup> In this Engineer's opinion, because activities and improvements are provided only within the District and on its perimeter, parcels separated from the District by at least one intervening parcel or by a physical barrier that isolates and restricts connection to the district (such as a sound wall) will not receive spill over benefits. Parcels separated by at least one intervening parcel or a physical barrier will not benefit because they are physically removed or isolated from the actual location of services provided, and do not face serviced parcels.

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<sup>8</sup> Surveys conducted in: North Park, San Diego (January 2015); and Mack Road, Sacramento (July 2014)

<sup>9</sup> Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4

<sup>10</sup> Beutz v. Riverside (2010) 184 Cal.App.4th 1516

<sup>11</sup> Tiburon v. Bonander (2009) 180 Cal.App.4th 1057, 1077

The total District service budget for the first year is \$210,691.05. After reducing the budget by the general benefit to the public (\$6,320.74), the remaining benefit to parcels is \$204,370.31. All parcels within and adjacent to the District have been assigned a benefit factor to mathematically represent the proportional special and general benefit and quantify the value of each. Since all assessed parcels within the District benefit from and receive all of the District's services, they have been assigned a benefit factor of 1.0. Parcels adjacent to the District have been assigned benefit factors as described in detail below. Because the activities and improvements are provided along streets within the district, street front footage is an appropriate measure of the relative general benefit received by adjacent parcels and will be used in the below calculations by category for all parcels.

The Engineer determined that parcel front footage was the appropriate basis to determine the amount of general benefit because the parcel types surrounding the District and the type of services being delivered are reasonably associated with each parcel's front footage.

There is one (1) parcel within the District boundaries that is not assessed. Non-assessed parcels are described in Section B, paragraph 5. This parcel has been assigned a benefit factor as defined in each category below.

*Security*

Security services will be provided directly and only to assessed parcels. Within the District boundaries, services will be provided along both sides of each street, with parcels along each side receiving 50% of the benefit provided by the service. Along the District perimeter, services will only be provided to the side of the street that fronts assessed parcels within the District boundaries. It is, however, reasonable to conclude that parcels abutting the non-serviced side of the street will receive spill-over benefits.

Since parcels along each side of the street receive 50% of the benefit provided by the service, and the non-assessed side of the street will not be serviced, it is our professional estimation that parcels adjacent to the District will receive one-half of the standard benefit, or one-quarter of the total benefit provided to similarly-zoned inside parcels (50% x 50% = 25%). Based on this calculation, adjacent parcels would have a benefit factor of 0.25 (1.00 x 25%).

The following table calculates the amount of benefit provided to parcels by the District security program and separates that benefit value between special benefits provided to the assessed parcels and general benefits indirectly received by adjacent parcels.

**Security**

<b>Location &amp; Use</b>	<b>Parcel Front Footage<sup>1</sup></b>	<b>Benefit Factor<sup>2</sup></b>	<b>Benefit Units<sup>3</sup></b>	<b>Benefit Percent<sup>4</sup></b>	<b>Benefit Value<sup>5</sup></b>	<b>Special Benefit</b>	<b>General Benefit</b>
Inside Commercial	12,458	1.00	12,458.00	91.50%	\$121,554.16	\$121,554.16	\$0.00
Inside Church	652	1.00	652.00	4.79%	\$6,361.64	\$6,361.64	\$0.00
Inside Non-Assessed	70	0.25	17.50	0.13%	\$170.75	\$0.00	\$170.75
Adjacent Commercial	1,080	0.25	270.00	1.98%	\$2,634.42	\$0.00	\$2,634.42
Adjacent Church	410	0.25	102.50	0.75%	\$1,000.10	\$0.00	\$1,000.10
Adjacent Non-Assessed	459	0.25	114.75	0.84%	\$1,119.63	\$0.00	\$1,119.63
<b>Subtotal</b>	<b>15,129</b>		<b>13,614.75</b>	<b>100.00%</b>	<b>\$132,840.70</b>	<b>\$127,915.80</b>	<b>\$4,924.90</b>

<sup>1</sup> Parcel Front Footage = the total street front footage for each parcel location & use.

<sup>2</sup> Benefit Factor = The benefit ratio described in the paragraph above for each parcel location & use

<sup>3</sup> Benefit Units = The linear feet multiplied by the benefit factor for each parcel location & use

<sup>4</sup> Benefit Percentage = The benefit units for each parcel location & use divided by the total benefit units for the District

<sup>5</sup> Benefit Value = The total Clean and Safe Enhancements budget less General Benefit to the Public-at-Large multiplied by the benefit percentage for each parcel location & use

*Streetscape and Capital Improvements*

Streetscape and capital improvements will be provided directly and only to assessed parcels. Within the District boundaries, services will be provided and improvements installed along both sides of each street, with parcels along each side receiving 50% of the benefit provided. Along the District perimeter, services and improvements will only be provided to the side of the street that fronts assessed parcels within the District boundaries. It is, however, reasonable to conclude that parcels abutting the non-serviced side of the street will receive spill-over benefits.

Since parcels along each side of the street receive 50% of the benefit provided, and the non-assessed side of the street will not be serviced, it is our professional estimation that parcels adjacent to the District will receive one-half of the standard benefit, or one-quarter of the total benefit provided to similarly-zoned inside parcels (50% x 50% = 25%). Based on this calculation, adjacent parcels would have a benefit factor of 0.25 (1.00 x 25%).

The following table calculates the amount of benefit provided to parcels by the District streetscape and capital improvements and separates that benefit value between special benefits provided to the assessed parcels and general benefits indirectly received by non-assessed parcels.

**Streetscape & Capital Improvements**

<b><u>Location &amp; Use</u></b>	<b><u>Parcel Front Footage<sup>1</sup></u></b>	<b><u>Benefit Factor<sup>2</sup></u></b>	<b><u>Benefit Units<sup>3</sup></u></b>	<b><u>Benefit Percent<sup>4</sup></u></b>	<b><u>Benefit Value<sup>5</sup></u></b>	<b><u>Special Benefit</u></b>	<b><u>General Benefit</u></b>
Inside Commercial	12,458	1.00	12,458.00	91.50%	\$37,401.28	\$37,401.28	\$0.00
Inside Church	652	1.00	652.00	4.79%	\$1,957.43	\$1,957.43	\$0.00
Inside Non-Assessed	70	0.25	17.50	0.13%	\$52.54	\$0.00	\$52.54
Adjacent Commercial	1,080	0.25	270.00	1.98%	\$810.59	\$0.00	\$810.59
Adjacent Church	410	0.25	102.50	0.75%	\$307.72	\$0.00	\$307.72
Adjacent Non-Assessed	459	0.25	114.75	0.84%	\$344.50	\$0.00	\$344.50
<b>Subtotal</b>	<b>15,129</b>		<b>13,614.75</b>	<b>100.00%</b>	<b>\$40,874.06</b>	<b>\$39,358.71</b>	<b>\$1,515.35</b>

*Contingency/Renewal, Administration and Collection*

The contingency/renewal, administration and collection budget item relates to the activities and improvements to be provided. These costs have been allocated proportionally based upon the special and general benefit provided by each category, as detailed in the table below.

**Contingency / Renewal, Administration & Collection**

<b><u>Service Provided</u></b>	<b><u>Special Benefit Value to Parcels</u></b>	<b><u>General Benefit Value to Parcels</u></b>	<b><u>Total Benefit to Parcels</u></b>
Security	\$127,915.80	\$4,924.90	\$132,840.70

Streetscape & Capital Improvements	\$39,358.71	\$1,515.35	\$40,874.06
<b>TOTAL</b>	<b>\$167,274.51</b>	<b>\$6,440.25</b>	<b>\$173,714.76</b>
% of Benefit to Parcels	96.29%	3.7074%	100.00%
<b>TOTAL</b>	<b>\$29,519.04</b>	<b>\$1,136.51</b>	<b>\$30,655.55</b>

*Total General Benefit to Parcels*

Based upon the above evaluations, the total value of the general benefit provided to non-assessed parcels adjacent to and within the District is shown below.

<b>Service Provided</b>	<b>General Benefit to Parcels</b>
Security	\$4,924.90
Streetscape & Capital Improvements	\$1,515.35
Contingency / Renewal, Administration & Collection	\$1,136.51
<b>TOTAL</b>	<b>\$7,576.76</b>

Total General Benefit

Based upon the previous evaluations, in this Engineer’s professional estimation, the total value of the general benefit provided to the public-at-large, adjacent parcels, and non-assessed parcels within the District is shown below.

<b>Service Provided</b>	<b>General Benefit to Public</b>	<b>General Benefit to Parcels</b>	<b>Total General Benefit</b>
Security	\$4,108.48	\$4,924.90	\$9,033.38
Streetscape & Capital Improvements	\$1,264.15	\$1,515.35	\$2,779.50
Contingency / Renewal, Administration & Collection	\$948.11	\$1,136.51	\$2,084.62
<b>TOTAL</b>	<b>\$6,320.74</b>	<b>\$7,576.76</b>	<b>\$13,897.50</b>

Non-Assessment Funding

The programs funded by the District will receive additional non-assessment funding in the form of grants, corporate sponsorships, event income, and other assorted funds. These funding sources are anticipated to equal or exceed the amount of general benefit conferred annually by the District’s activities and improvements, \$13,897.50. These non-assessment funds will be used to pay for the general benefit provided by the District’s activities and improvements, ensuring that parcel assessments will only be used to provide special benefits and any additional costs of providing general benefits are not included in the amounts assessed.

**2. Special Benefit**

The activities and improvements to be provided by the District constitute and convey special benefits directly to the assessed parcels. Assessment law requires that “the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public

improvement, or the cost of the property related service being provided.”<sup>12</sup> Further, “no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”<sup>13</sup>

To determine the total special benefit value to be conveyed to the assessed parcels, we deduct the general benefit value (\$13,897.50) from the total value of the activities and improvements (\$210,691.05). The remaining \$196,793.55 is considered the special benefit to assessed parcels (the “Total Assessment”). The Total Assessment represents the total value of the special benefit to be provided by the activities and improvements. The Total Assessment has been proportionally divided among the assessed parcels so that no assessment exceeds the reasonable cost of the proportional special benefit conferred on a parcel. The assessment rate has been designed to ensure that “properties that receive the same proportionate special benefit pay the same assessment.”<sup>14</sup>

The Engineer determined the proportionate special benefit derived by each parcel and allocated the cost of the improvements and services accordingly based on parcel square footage. Square footage was used for the cost allocation because each parcel benefits as a whole from District services and the size of a parcel determines the level of services provided to that parcel.

Service Provided	Total Benefit Value	Benefit Value Applied to Public Benefit	Benefit Factor	General Benefit Value to Public	Benefit Value to Parcels (Special & General)	Special Benefit to Parcels
Security	\$136,949.18	\$136,949.18	0.030	\$4,108.48	\$132,840.70	\$127,915.80
Streetscape & Capital Improvements	\$42,138.21	\$42,138.21	0.030	\$1,264.15	\$40,874.06	\$39,358.71
Contingency / Renewal, Administration & Collection	\$31,603.66	\$31,603.66	0.030	\$948.11	\$30,655.55	\$29,519.04
<b>TOTAL</b>	<b>\$210,691.05</b>	<b>\$210,691.05</b>		<b>\$6,320.74</b>	<b>\$204,370.31</b>	<b>\$196,793.55</b>

## B. Assessment Methodology

### 1. Base Formula

Each parcel will be assessed based on proportional special benefits received. The variables used for the annual assessment formula are parcel type and parcel size. Parcel type and parcel size are both appropriate measures of the proportional special benefit because the need for services, level of services, and quantity of services are relative to these variables; thus the special benefit provided to each parcel by the services can be proportionally measured using parcel type and parcel size.

#### Determination of Assessment Rates

“Because not all parcels in the district are identical in size...some will receive more special benefit than others.”<sup>15</sup> Each of the variables used relates directly to the service level and special benefit provided to each parcel. Parcel square footage is the size of the parcel, measured in square feet. Size is an appropriate measure of proportional special benefit because it relates directly to the quantity of services provided to the parcel, the highest and best use of a parcel, and reflects the long-term value implications of the District. The larger a parcel, the more services and benefit the parcel will receive.

<sup>12</sup> Cal. Const., art XIII D §4(a)

<sup>13</sup> *Ibid*

<sup>14</sup> *Tiburón v. Bonander* (2009) 180 Cal.App.4th 1057

<sup>15</sup> *Dahms v. Downtown Pomona* (2009) 174 Cal.App.4th 708

Because not all parcels in the District are identical in use, some will receive more special benefit than others. For example, a church parcel will benefit to a lesser degree than a commercial parcel, because it will not enjoy the benefits of increased occupancy and commerce resulting from the services. Further detail on the benefit to each parcel type is in the following pages. To determine the assessment rates, the assessed parcels were classified by the estimated benefit each type of parcel receives, the estimated special benefit value of the services provided to each type was determined based on approximate cost of service provision, and an assessment rate that is proportional to the estimated benefit received by each parcel type was determined.

To determine the assessment rates, the estimated special benefit value for each parcel type was divided by the total assessable parcel square footage and parcel type, as shown in the tables below.

*Parcel Type*

Parcel types were determined based on the typical amount of activity on the various parcels. Parcels with heavy traffic, such as commercial and multi-family parcels, will receive the highest level of services. Parcels with low traffic, such as church parcels, will receive the lowest level of services. The approximate cost of services by parcel type was determined. Then, the cost of services by type was divided by the square footage of those parcels to determine the assessment rates.

*Lot Size*

The assessment rates were determined by dividing the total value of the service to each parcel type by the total square footage for each parcel type.

<b>Parcel Group</b>	<b>Initial Parcel Size Budget</b>	<b>Parcel Square Footage</b>	<b>Initial Parcel Assessment Rate (\$/sqft/yr)</b>
Commercial	\$190,050.48 ÷	2,111.672 =	\$0.090
Church	\$6,743.07 ÷	149,846 =	\$0.045

Summary of Assessment Rates

Therefore, for the initial year, the maximum annual assessment rates to parcels are as shown below. Maximum annual assessment rates may be subject to an increase of no more than three (3%) percent per year as shown in Appendix 1. If you would like more information about parcel assessments, please call Civitas at (916)437-4300 or (800)999-7781.

<b>Initial Parcel Assessment Rate</b>	
<b>Parcel Type</b>	<b>Parcel Size (sq. ft.)</b>
Commercial	\$0.090
Church	\$0.045

**2. Church**

Because they do not have a commercial component, church parcels as shown on the County Assessor’s records, will be assessed at a reduced rate commensurate to the benefits received as shown in the table above. These parcels will benefit in that they will be safer and cleaner, but they benefit to a lesser degree than parcels used for commercial and multi-family purposes because they do not have a commercial component.

**3. Public Parcels**

The California Constitution, in Article XIII D, provides that “Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.” No public agency that owns parcels within the District has made such a demonstration. Publicly owned parcels within the District will receive and benefit from all of the District’s services, therefore they will be assessed at the commercial rate.

There are 8 publicly owned parcels within the District.

- APN 05300100430000: This parcel is occupied by a community center, which includes public meeting and event facilities, a public swimming pool, and a baseball field. This parcel will receive and benefit from all of the District’s services. It has a high amount of visitor and foot traffic and is frequently occupied. It will benefit from the District’s security services in that it will be safer and more accessible for patrons and suffer from fewer nuisance activities. Streetscape and capital improvements will also benefit this parcel, in that it will be cleaner and more inviting for community members using the center, and easier for patrons and staff to access.
- APN 05300100410000: Although it has a separate APN, this parcel is part of the community center. It consists of a landscaped area appurtenant to the parking lot, which holds a welcome sign for the community center and a bus station. This parcel will benefit from increased security which will reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcel and have a high remediation cost and potential associated liability for the City. Streetscape and capital improvements will also benefit this parcel, in that they will make it cleaner and easier to access.
- APN 05300100630000: Although it has a separate APN, this parcel is surrounded by and essentially a part of the community center. It is surrounded by a cement wall, which is a prime target for graffiti. It also invites illegal dumping over the wall. This parcel will benefit from the District’s security services in that it will be better protected from detrimental activities such as graffiti and illegal dumping. It will also benefit from the streetscape services which will include installation of garbage cans to help reduce illegal dumping.
- APNs 05300100260000 & 05300100640000: These parcels comprise a public baseball field with unfettered access. These parcels will receive and benefit from all of the District’s services. The District’s security services will make the parcel safer for patrons using the baseball fields. They will also reduce the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcels and have a high remediation cost and potential associated liability for the City. The streetscape and capital improvement program will benefit these parcels as they will be cleaner, more inviting to and accessible for patrons, and safer due to increased lighting.
- APN 05300100620000: This parcel is occupied by a utility pole; however it is centrally located in the baseball field parcels and is indistinguishable from the field. There is no restriction on public access to this parcel. This parcel will receive and benefit from the District’s security services which will reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcel and have a high remediation cost and potential associated liability for the City. Streetscape and capital improvements will also benefit this parcel, in that they will make it cleaner and easier to access.
- APN 05300100270000: This parcel is occupied by a City-used fueling station, a small storage area, and significant vacant space. Although the fuel station is not used by the public, it is

publicly accessible. There is no fence, gate, or other restriction on access to the majority of parcel. There is a small fenced off area for storage; however the two gates are not locked and the fence is only 6' tall, allowing easy access to the "fenced off" portion of the parcel. This parcel will benefit from increased security that will deter and reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcel and have a high remediation cost and potential associated liability for the cCity. Streetscape and capital improvements will also benefit this parcel, in that they will make it cleaner by reducing the amount of litter strewn about the parcel.

- APN 05300100650000: This parcel is occupied by a portion of the City-used fueling station, a road, and an unused office building. This parcel is partially fenced, however it can be easily accessed as there is no gate and several gaps in the fence. This parcel will benefit from increased security that will reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcel and have a high remediation cost and potential associated liability for the City. Streetscape and capital improvements will also benefit this parcel, in that they will make it cleaner by reducing the amount of litter strewn about the parcel.

The public parcels will all benefit from the District's security services, which will reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcel and have a high remediation cost for the owner. The public parcels also have a high amount of visitor and foot traffic and are frequently occupied. They will benefit from all District services in that they will be safer and more accessible for patrons. Streetscape and capital improvements will also benefit all of the public parcels, in that they will make them cleaner and easier to access.

#### **4. Non-Assessed Parcels**

There is one (1) parcel within the District that will not be assessed. This parcel is neither a commercial or church parcel and will not specially benefit from or directly receive the District's services and improvements. This parcels is accounted for in the analysis of general benefit provided to non-assessed parcels within the District. This parcel is entirely occupied by a sound wall that runs between the District and non-assessed parcels; because it is entirely occupied by a wall this parcel cannot be serviced and therefore will not benefit or be assessed.

#### **5. Changes in Data**

It is the intent of this Plan and Engineer's Report that each parcel included in the District can be clearly identified. Every effort has been made to ensure that all parcels included in the District are consistent in the boundary description, the boundary map, and the assessment calculation table. However, if inconsistencies arise, the order of precedence shall be: 1) the assessment calculation table, 2) the boundary map, and 3) the boundary description.

If the parcel size or type change during the term of this District, the assessment calculation may be modified accordingly.

#### **C. Assessment Notice**

During the hearing process, an Assessment Ballot will be sent to owners of each parcel in the MMID. The Assessment Ballot provides an estimated assessment. The final individual assessment for any particular parcel may change, up or down, if the parcel square footage or use differ from those used to calculate the amount shown on the notice, which can be found in Appendix 3.

**D. Time and Manner for Collecting Assessments**

As provided by State Law, the MMID assessment will appear as a separate line item on annual property tax bills prepared by the County of Sacramento. Parcels which do not receive a property tax bill may be invoiced by the City of Sacramento. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Sacramento shall distribute funds collected to the MID. Existing laws for enforcement and appeal of property taxes, including penalties and interest, apply to the MMID assessments.

**E. Engineer’s Certification**

I hereby certify, to the best of my knowledge and experience, that each of the identified assessed parcels located within the Meadowview Multifamily Improvement District will receive a special benefit over and above the general benefits conferred and that the amount of the assessment is no greater than the proportional special benefits conferred on each parcel, as described in this Engineer’s Report.

Review of this Meadowview Multifamily Improvement District Management District Plan and preparation of the Engineer’s Report was completed by:

\_\_\_\_\_  
Orin Bennett  
State of California

\_\_\_\_\_  
Date

*This Engineer’s Report is intended to be distributed as part of the Management District Plan in its entirety, including the Boundary Description (Section IV), the Assessment Calculation Table (Appendix 3), and the Boundary Map. Reproduction and distribution of only Section VII of this Management District Plan violates the intent of this stamp and signature.*

## APPENDIX 1 – MAXIMUM ANNUAL ASSESSMENT RATES

<b>Year</b>		<b>Commercial</b>	<b>Church</b>
2017		\$0.0900	\$0.0450
2018		\$0.0927	\$0.0464
2019		\$0.0955	\$0.0477
2020		\$0.0983	\$0.0492
2021		\$0.1013	\$0.0506

Appendix 2 – Assessments by Parcel

Map Key	APN	Lot Size (SF)	Rate (\$/SF)	Assessment (\$)	EXEMPT
0	04802310020000	6,098	0.0900	\$548.82	
1	04802310030000	5,663	0.0900	\$509.67	
2	04802310100000	6,970	0.0900	\$627.30	
3	04802310170000	6,098	0.0900	\$548.82	
4	04802310210000	6,098	0.0900	\$548.82	
5	04802310230000	5,663	0.0900	\$509.67	
6	04802310250000	76,230	0.0900	\$6,860.70	
7	04802320040000	5,663	0.0900	\$509.67	
8	04802320070000	6,098	0.0900	\$548.82	
9	04802310110000	6,098	0.0900	\$548.82	
10	04802310120000	6,098	0.0900	\$548.82	
11	04802310160000	6,098	0.0900	\$548.82	
12	04802320050000	5,663	0.0900	\$509.67	
13	04802320060000	6,098	0.0900	\$548.82	
14	04802310040000	6,098	0.0900	\$548.82	
15	04802310060000	6,098	0.0900	\$548.82	
16	04802310070000	6,098	0.0900	\$548.82	
17	04802310080000	5,227	0.0900	\$470.43	
18	04802310140000	5,663	0.0900	\$509.67	
19	04802310220000	6,098	0.0900	\$548.82	
20	04802320020000	6,098	0.0900	\$548.82	
21	04802320080000	5,663	0.0900	\$509.67	
22	04802310010000	7,405	0.0900	\$666.45	
23	04802310050000	6,098	0.0900	\$548.82	
24	04802310090000	6,970	0.0900	\$627.30	
25	04802310130000	6,098	0.0900	\$548.82	
26	04802310150000	1,496	0.0000	\$0.00	1
27	04802310180000	6,098	0.0900	\$548.82	
28	04802310190000	6,098	0.0900	\$548.82	
29	04802310200000	5,663	0.0900	\$509.67	
30	04802310240000	71,874	0.0900	\$6,468.66	
31	04802320010000	5,663	0.0900	\$509.67	
32	04802320030000	6,098	0.0900	\$548.82	
33	04900500090000	25,064	0.0900	\$2,255.76	
34	04900500110000	559,746	0.0900	\$50,377.14	
35	04900500120000	16,400	0.0900	\$1,476.00	
36	04900500180000	149,846	0.0450	\$6,743.07	2

37	04902500230000	6,534	0.0900	\$588.06	
38	04902500240000	6,098	0.0900	\$548.82	
39	04902500270000	13,100	0.0900	\$1,179.00	
40	04902500330000	16,791	0.0900	\$1,511.19	
41	04902500390000	6,095	0.0900	\$548.55	
42	04902500200000	6,098	0.0900	\$548.82	
43	04902500210000	6,098	0.0900	\$548.82	
44	04902500260000	8,712	0.0900	\$784.08	
45	04902500340000	46,174	0.0900	\$4,155.66	
46	04902500410000	6,095	0.0900	\$548.55	
47	04902500280000	15,246	0.0900	\$1,372.14	
48	04902500350000	9,583	0.0900	\$862.47	
49	04902500370000	6,095	0.0900	\$548.55	
50	04902500380000	6,095	0.0900	\$548.55	
51	04902500400000	6,095	0.0900	\$548.55	
52	04902500420000	6,095	0.0900	\$548.55	
53	04902500190000	8,712	0.0900	\$784.08	
54	04902500220000	6,534	0.0900	\$588.06	
55	04902500250000	6,098	0.0900	\$548.82	
56	04902500360000	6,098	0.0900	\$548.82	
57	05300100260000	87,120	0.0900	\$7,840.80	
58	05300100620000	300	0.0900	\$27.00	
59	05300100640000	173,804	0.0900	\$15,642.36	
60	05300100410000	26,964	0.0900	\$2,426.76	
61	05300100270000	171,626	0.0900	\$15,446.34	
62	05300100430000	250,470	0.0900	\$22,542.30	
63	05300100630000	300	0.0900	\$27.00	
64	05300100650000	221,720	0.0900	\$19,954.80	
65	05300210080000	30,868	0.0900	\$2,778.12	
66	05300210090000	19,100	0.0900	\$1,719.00	
				<b>\$196,793.55</b>	

1 = Parcels for a project delineation wall will not be assessed  
2 = Church parcels will be assessed at one half of the assessment rate

## APPENDIX 2 – MID LAW

### STREETS AND HIGHWAYS CODE - SHC DIVISION 18. PARKING [31500 - 36745] PART 8. MULTIFAMILY IMPROVEMENT DISTRICTS [36700 - 36745]

#### CHAPTER 1. General Provisions [36700 - 36705]

##### **36700.**

This part shall be known and may be cited as the "Multifamily Improvement District Law."

##### **36701.**

The Legislature finds and declares all of the following:

- (a) Many businesses that operate multifamily residential properties and commercial properties within predominantly multifamily neighborhoods of California's communities are economically disadvantaged, are underutilized, and are unable to attract tenants because of inadequate facilities, services, and activities in those neighborhoods.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of the multifamily residential neighborhoods to create jobs, attract new businesses, and prevent the erosion of the multifamily residential neighborhoods.
- (c) It is of particular local benefit to allow cities to fund business related improvements and activities through the levy of assessments upon the businesses or real property that benefit from those improvements.
- (d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities that confer special benefits upon the real property or businesses for which the improvements and activities are provided.

##### **36702.**

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)) and the Property and Business Improvement District Law of 1994 (Part 7 (commencing with Section 36600)). This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

##### **36703.**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

**36704.**

- (a) Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part.
- (b) A multifamily improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).
- (c) Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.
- (d) This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect.
- (e) Assessments levied under this part are not special taxes.
- (f) Consistent with Article XIII C of the California Constitution, no assessment shall be imposed under this part on any property which exceeds the reasonable cost of the proportional special benefit conferred on that property. Only special benefits are assessable, and a city shall separate the general benefits from the special benefits conferred on any property.

**36705.**

As used in this part:

- (a) "Activities" means, but is not limited to, all of the following:
  - (1) Providing security services supplemental to those normally provided by the city.
  - (2) Maintaining, including irrigating, landscaping.
  - (3) Providing sanitation, graffiti removal, street and sidewalk cleaning, and other public services supplemental to those normally provided by the city.
  - (4) Marketing, advertising, and promoting economic development, including the retention and recruitment of businesses and tenants.
  - (5) Providing managerial services for multifamily residential businesses.
  - (6) Providing building inspection and code enforcement services for multifamily residential businesses supplemental to those normally provided by the city.

(b) "Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a multifamily improvement district.

(c) "Business" means all types of businesses, including, but not limited to, the operation of multifamily residential properties, retail stores, commercial properties, financial institutions, and professional offices.

(d) "City" means a city, county, city and county, or an agency or entity created pursuant to the Joint Exercise of Powers Act, Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county.

(e) "City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

(f) "Clerk" means clerk of the legislative body.

(g) "Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more, including, but not limited to:

- (1) Parking facilities.
- (2) Benches, booths, kiosks, display cases, pedestrian shelters, signs, and entry monuments.
- (3) Trash receptacles.
- (4) Street lighting.
- (5) Street decorations.
- (6) Parks.
- (7) Fountains.
- (8) Planting areas.
- (9) Closing, opening, widening, or narrowing of existing streets.
- (10) Facilities or equipment, or both, to enhance the security of persons and property within the district.
- (11) Ramps, sidewalks, plazas, and pedestrian malls.
- (12) Rehabilitation or removal of existing structures.

(h) "Management district plan" or "plan" means a proposal as described in Section 36713.

(i) "Multifamily improvement district," or "district," means a multifamily improvement district established pursuant to this part.

(j) "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not

be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.

(k) "Property" means real property situated within a multifamily improvement district.

(l) "Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

(m) "Tenant" means an occupant pursuant to a lease or a rental agreement of commercial space or a dwelling unit, other than an owner.

## **CHAPTER 2. Formation [36710 - 36722]**

### **36710.**

(a) A multifamily improvement district may be established pursuant to this chapter.

(b) A city may not form a multifamily improvement district on or after January 1, 2022, unless a later statute which is enacted on or before January 1, 2022, deletes or extends that date.

### **36711.**

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

### **36712.**

(a) Upon the submission of a written petition, signed by either property owners paying more than two-thirds of the proposed assessment or by business owners paying more than two-thirds of the proposed assessment, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

(b) The petition of the property owners or the business owners required pursuant to subdivision (a) shall include all of the following:

(1) A map showing the general boundaries of the proposed district.

- (2) A general description of the proposed activities and improvements to be carried out by the district.
  - (3) A general description of how the proposed district will be financed, and whether bonds are proposed to be issued.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
- (1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or on businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.
  - (2) Order the preparation of a management district plan by a registered professional engineer certified by the state.

**36713.**

The management district plan shall contain all of the following:

- (a) A map of the proposed district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the proposed district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. Under no circumstances shall the boundaries of a proposed district overlap with the boundaries of another existing district created pursuant to this part. Nothing in this part prohibits the boundaries of a district created pursuant to this part to overlap with other assessment districts.
- (d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.
- (e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.
- (f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property owner or each business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan shall also state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding those time limitations, a district that finances improvements with bonds may levy assessments until the maximum maturity of those bonds, not to exceed 20 years. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or the businesses to be assessed, including the assessor's parcel numbers for any properties to be assessed, and a statement of the method or upon benefited real property or businesses, in proportion to the benefit received by the property or the business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(l) Any other item or matter required to be incorporated therein by the city council.

**36714.**

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedures shall comply with Section 53753 of the Government Code. Notwithstanding subdivision (e) of Section 53753 of the Government Code, the city may not establish the district or levy assessments if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed one-third of the total assessment ballots submitted, and not withdrawn, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed.

**36715.**

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed

assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36718.

**36716.**

(a) If the city council, following the public hearing, decides to establish the proposed district, the city council shall adopt a resolution of formation that shall contain all of the following:

- (1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.
- (2) The number, date of adoption, and title of the resolution of intention.
- (3) The time and place where the public hearing was held concerning the establishment of the district.
- (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed one-third of the total assessment ballots submitted, and not withdrawn, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.
- (5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.
- (6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.
- (7) A finding that the property or the businesses within the area of the district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36718 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

**36717.**

If the city council, following the public hearing, desires to establish the proposed district, and the city council has not made changes pursuant to Section 36715, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (a) of Section 36716, but need not contain information about the preliminary resolution if none has been adopted.

**36718.**

Following the adoption of the resolution establishing the district pursuant to Section 36716 or 36717, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses, within the area of the district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

**36719.**

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose different assessments within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose different assessments or rates of assessment on each category of business, or on each category of business within each zone.

**36720.**

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

**36721.**

All provisions of this part applicable to the establishment, modification, or disestablishment of a district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a district.

**36722.**

If a district expires due to the time limit set pursuant to subdivision (h) of Section 36713, a new management district plan may be created and a new district established pursuant to this part.

**CHAPTER 3. Assessments [36730 - 36737]**

**36730.**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36713. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

**36731.**

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties used for single-family residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

**36732.**

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution

levying the assessment is adopted pursuant to Section 36717. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

**36733.**

The city council may execute baseline service contracts that would establish levels of city services that would continue after a district has been formed.

**36734.**

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

**36735.**

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36714. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

- (1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.
- (2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

**36736.**

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36718.

**36737.**

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36716, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Improvement Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36716, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 20 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

#### **CHAPTER 4. Governance [36740 - 36745]**

##### **36740.**

Notwithstanding any other provision of this part, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all documents relating to activities of the district.

##### **36741.**

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the district

or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36734 and 36735.

(d) The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

**36742.**

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

**36743.**

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be

transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or the businesses in the prior district. If the renewed district does not include parcels or the businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

**36744.**

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been a misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall give notice of the public hearing on the proposed disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the district. The notice of the hearing on the proposed disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

**36745.**

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

### APPENDIX 3 – PARCEL ASSESSMENT CALCULATIONS

Map Key	APN	Lot Size	Assessment	EXEMPT
0	04802310020000	6,098	\$548.82	
1	04802310030000	5,663	\$509.67	
2	04802310100000	6,970	\$627.30	
3	04802310170000	6,098	\$548.82	
4	04802310210000	6,098	\$548.82	
5	04802310230000	5,663	\$509.67	
6	04802310250000	76,230	\$6,860.70	
7	04802320040000	5,663	\$509.67	
8	04802320070000	6,098	\$548.82	
9	04802310110000	6,098	\$548.82	
10	04802310120000	6,098	\$548.82	
11	04802310160000	6,098	\$548.82	
12	04802320050000	5,663	\$509.67	
13	04802320060000	6,098	\$548.82	
14	04802310040000	6,098	\$548.82	
15	04802310060000	6,098	\$548.82	
16	04802310070000	6,098	\$548.82	
17	04802310080000	5,227	\$470.43	
18	04802310140000	5,663	\$509.67	
19	04802310220000	6,098	\$548.82	
20	04802320020000	6,098	\$548.82	
21	04802320080000	5,663	\$509.67	
22	04802310010000	7,405	\$666.45	
23	04802310050000	6,098	\$548.82	
24	04802310090000	6,970	\$627.30	
25	04802310130000	6,098	\$548.82	
26	04802310150000	1,496	\$0.00	<b>1</b>
27	04802310180000	6,098	\$548.82	
28	04802310190000	6,098	\$548.82	
29	04802310200000	5,663	\$509.67	
30	04802310240000	71,874	\$6,468.66	
31	04802320010000	5,663	\$509.67	
32	04802320030000	6,098	\$548.82	
33	04900500090000	25,064	\$2,255.76	
34	04900500110000	559,746	\$50,377.14	

35	04900500120000	16,400	\$1,476.00	
36	04900500180000	149,846	\$6,743.07	<b>2</b>
37	04902500230000	6,534	\$588.06	
38	04902500240000	6,098	\$548.82	
39	04902500270000	13,100	\$1,179.00	
40	04902500330000	16,791	\$1,511.19	
41	04902500390000	6,095	\$548.55	
42	04902500200000	6,098	\$548.82	
43	04902500210000	6,098	\$548.82	
44	04902500260000	8,712	\$784.08	
45	04902500340000	46,174	\$4,155.66	
46	04902500410000	6,095	\$548.55	
47	04902500280000	15,246	\$1,372.14	
48	04902500350000	9,583	\$862.47	
49	04902500370000	6,095	\$548.55	
50	04902500380000	6,095	\$548.55	
51	04902500400000	6,095	\$548.55	
52	04902500420000	6,095	\$548.55	
53	04902500190000	8,712	\$784.08	
54	04902500220000	6,534	\$588.06	
55	04902500250000	6,098	\$548.82	
56	04902500360000	6,098	\$548.82	
57	05300100260000	87,120	\$7,840.80	
58	05300100620000	300	\$27.00	
59	05300100640000	173,804	\$15,642.36	
60	05300100410000	26,964	\$2,426.76	
61	05300100270000	171,626	\$15,446.34	
62	05300100430000	250,470	\$22,542.30	
63	05300100630000	300	\$27.00	
64	05300100650000	221,720	\$19,954.80	
65	05300210080000	30,868	\$2,778.12	
66	05300210090000	19,100	\$1,719.00	
			<b>\$196,793.55</b>	

1 = Irregular sized parcels, MSMALA, will be exempt

2 = Church parcels will be assessed at 4.5 cents