



**REPORT TO THE CITY COUNCIL OF THE CITY OF GUADALUPE
Agenda of July 9, 2024**

Jeff van den Eikhof

Todd Bodem

Prepared by:

Jeff van den Eikhof, City Engineer

Approved by:

Todd Bodem, City Administrator

SUBJECT: Initiating proceeding for the annual levy of assessment for the Pasadera Landscaping and Lighting District for Fiscal Year 2024/2025.

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution No. 2024-42, initiating proceedings for the annual levy of assessments for the Pasadera Landscape and Lighting District for Fiscal Year 2024/2025.
2. Adopt Resolution No. 2024-43, approving the Engineer's Report for the Pasadera Landscape and Lighting District and declaring the City Council intent to levy assessments.

BACKGROUND:

The California Streets and Highway Code allows for the creation of Landscape and Lighting Districts ("Districts") to fund the continued operations and maintenance of local parks and landscaping and lighting improvements within the Districts. The formation of Districts allows for the levy and collection of annual assessments on the County tax rolls from property within the District that benefits from the improvements.

Pasadera is a large residential and commercial subdivision located in the southern portion of Guadalupe. Pasadera includes (802) single-family residences, (21.5) acres of commercial development, and a (14.37) acre school site. See Attachment 1 - District Diagram – Pasadera planned Improvements. The subdivision includes drainage basins, parks, street landscaping, and lighting, two (planned) bridges over the railroad tracks, and other amenities.

The City Council held a Public Hearing for establishing the Pasadera Landscaping and Lighting District ("District") per the provisions of the Landscaping and Lighting Act of 1972 on October 10, 2017. Immediately following the hearing, ballots from the landowners were counted for the establishment of the District. Following the owner's approval, the City Council adopted a Resolution approving the formation of the District, confirming the Engineer's Report, the Assessment Diagram, and related assessments.

DISCUSSION:

An Engineer’s Report for the District must be produced prior to each fiscal year to detail the proposed improvements and services to be provided by the District and the levy and collection of annual assessments for the fiscal year. The City hired Willdan Financial Services to produce the Engineer’s Report for Fiscal Year 2024/2025. (See Attachment 3). The annual assessments, which are calculated in the attached Engineer’s Report, will provide funding for the net special benefit costs and expenses that are necessary to service and maintain the local parks, landscaping, and lighting improvements built with the development of properties within the District.

FISCAL IMPACT:

The Engineer’s report calculated the cost to the property owners to operate and maintain the constructed parks, landscaping, and lighting improvements per Equivalent Benefit Unit within the Districts annually as follows:

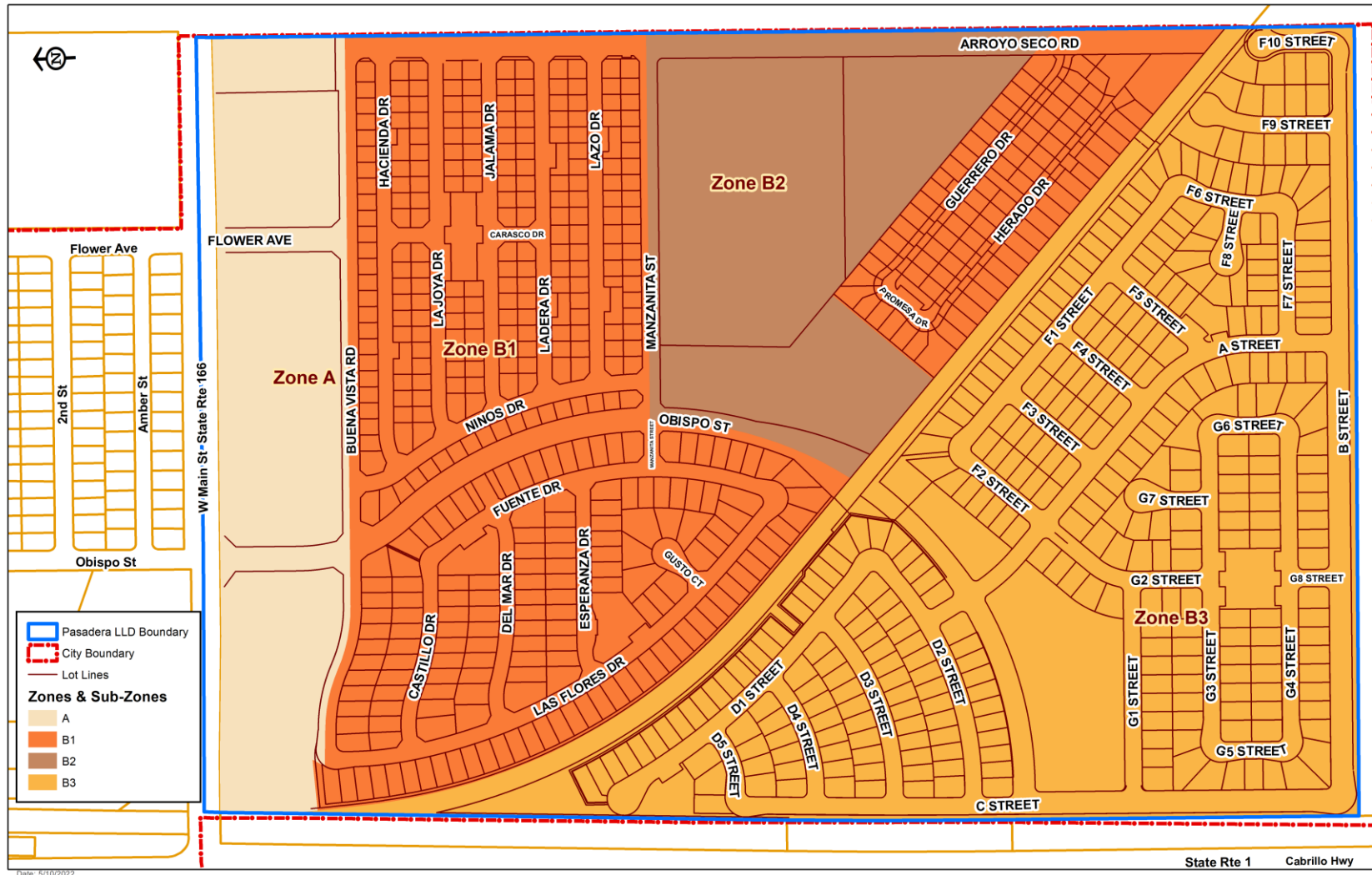
- Zone A (Commercial Property along SR 166, Main Street): \$21.49 (last year was \$21.49)
- Sub-Zone B1 (Subdivided Residential Property): \$444.00 (last year was \$444.00)
- Sub-Zone B2 (Non-Subdivided Residential Property north of Railroad): \$4.79 (last year was \$4.79)
- Sub-Zone B3 (Non-Subdivided Residential Property south of Railroad): \$20.00 (last year was \$20.00)

The annual Engineer’s Report calculates the costs based on the number of lots subdivided and the total cost to operate and maintain the covered improvements in the District. The FY 2024/25 assessments are proposed to remain the same as the previous assessment for FY 23/24.

ATTACHMENTS:

1. District Diagram – Pasadera planned Improvements
2. Resolution No. 2024-42, initiating proceedings for the annual levy of assessments for the Pasadera Landscape and Lighting District for Fiscal Year 2024/2025.
3. Preliminary Engineer’s Report for the Pasadera Landscaping and Lighting District, Fiscal Year 2024/2025
4. Resolution No. 2024-43, approving the Engineer’s Report for the Pasadera Landscape and Lighting District and declaring the City Council intent to levy assessments

District Diagram – Boundary and Zones, Fiscal Year 2024/2025



RESOLUTION NO. 2024-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS FOR THE PASADERA LANDSCAPING AND LIGHTING DISTRICT, FISCAL YEAR 2024/2025

WHEREAS, The City Council of the City of Guadalupe, California, has, by previous Resolutions, formed the Pasadera Landscaping and Lighting District (herein referred to as the “District”) pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the “1972 Act”), that provides for levy and collection of assessments by the County of Santa Barbara for the City of Guadalupe to pay the maintenance and services of landscaping, lighting, appurtenant facilities and operations related thereto; and,

WHEREAS, the City Council has retained Willdan Financial Services for the purpose of assisting with the annual levy of the District, and to prepare and file a report with the City Clerk in accordance with the 1972 Act; and

WHEREAS, there has now been presented to this City Council the Engineer’s Annual Levy Report, which describes the District and improvements and includes the proposed budgets and assessments for Fiscal Year 2024/2025; and,

WHEREAS, the City Council has carefully examined and reviewed the Engineer’s Annual Levy Report as presented and is preliminarily satisfied with the District, each of the budget items and documents as set forth therein, and is satisfied that the proposed assessments contained therein, have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within the District, as set forth in said Report; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Guadalupe as follows:

SECTION 1: The City Council hereby approves the Engineer’s Report on a preliminary basis as submitted or amended by direction of this City Council, and orders said Report to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection, and by reference the Engineer’s Report is made part of this resolution; and

SECTION 2: The City Council hereby orders Willdan Financial Services to file the Engineer’s Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the 1972 Act with the City Clerk of the City of Guadalupe.

SECTION 3: The improvements within the District may include any improvements, expenses, and services authorized pursuant to the 1972 Act, including, but not limited to, the maintenance, operation, and servicing of local street lighting, parks, and various landscaping improvements established in connection with the development of the properties within the District, and which shall be maintained for the special benefit of those properties. The maintenance and servicing of the improvements generally

include, but are not limited to, the materials, equipment, utilities, labor, and incidental expenses, including administrative expenses, required for annual operation, as well as the performance of periodic repairs and replacement activities as needed to provide for the growth, health, and beauty of the parks and landscaping within specified public areas, rights-of-way and/or dedicated easements, the proper operation and functioning of related amenities including, irrigation and drainage systems, specified fencing, hardscapes; sports courts and fields; playground equipment and structures; sidewalks, ornamental or safety lighting; benches, trash receptacles; drinking fountains, picnic facilities and any other equipment, structures or facilities related to the parks and/or landscape areas; and the proper operation of the public street lights and street lighting system within the public rights-of-way which may include, but is not limited to the furnishing of electric current or other illuminating agent; as needed maintenance, repair, and replacement of worn out electrical components and light fixtures, including bulbs, ballasts, photoelectric cells, meters, electrical cables; repair or replacement of damaged poles, ground wires, and conduits caused by accidents, vandalism, time, and weather; and monitoring of the Underground Service Alert (USA) network to prevent damage by excavation.

SECTION 4: The District as outlined in the Engineer’s Report at the time of formation, incorporates Zones of benefit as authorized in accordance with *Chapter 1, Sections 22568 and 22570* of the 1972 Act, which are designated as:

Zone A

Zone B, including Sub-Zone B1, Sub-Zone B2, and Sub-Zone B3

SECTION 5. The City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the City Clerk shall consult with the City Administrator and City Attorney concerning any changes deemed necessary.

PASSED, APPROVED AND ADOPTED at a regular meeting on the 9th day of July 2024 by the following vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

RECUSED:

I, Amelia M. Villegas, City Clerk of the City of Guadalupe, DO HEREBY CERTIFY that the foregoing Resolution, being **Resolution No. 2024-42**, has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held July 9, 2024, and that same was approved and adopted.

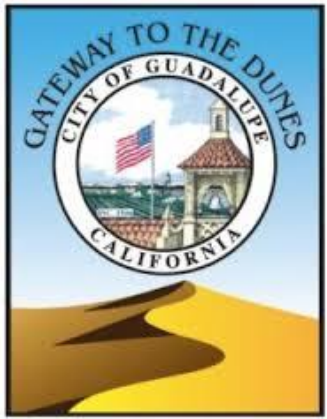
ATTEST:

Amelia M. Villegas, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Philip F. Sinco, City Attorney



CITY OF GUADALUPE

Engineer's Report

Pasadera Landscaping and Lighting District

Engineer's Annual Report
Fiscal Year 2024/2025

Intent Meeting: June 11, 2024
Public Hearing: June 25, 2024

CITY OF GUADALUPE
918 OBISPO STREET
GUADALUPE, CA 93434

MAY 2024

PREPARED BY

WILLDAN FINANCIAL SERVICES



27368 Via Industria
Suite 200
Temecula, CA 92590
T. 951.587.3500 | 800.755.6864
F. 951.587.3510 | 888.326.6864

Property Tax Information Line
T.866.807.6864

www.willdan.com

ENGINEER'S REPORT AFFIDAVIT
City of Guadalupe
Pasadera Landscaping and Lighting District

Annual Levy of Assessments for
Fiscal Year 2024/2025

City of Guadalupe,
County of Santa Barbara, State of California

As part of the Resolution of Intention packet presented for the consideration of the Guadalupe City Council, this Report and the enclosed budgets, diagrams, and descriptions outline the improvements, estimated expenses and annual assessments to be collected on the County tax rolls in fiscal year 2024/2025 for the Pasadera Landscaping and Lighting District, which includes each lot, parcel, and subdivision of land within said District, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Santa Barbara County Assessor's maps for a detailed description of the lines and dimensions of each parcel within the Pasadera Landscaping and Lighting District and incorporates all subsequent subdivisions, lot-line adjustments, or parcel changes therein. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2024.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Guadalupe

By: _____

Jim McGuire
Principal Consultant

By: _____

Tyrone Peter
PE # C 81888

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Introduction

On October 10, 2017, the City Council of the City of Guadalupe, County of Santa Barbara, State of California (the "City"), under the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "1972 Act") and the provisions of the California Constitution Article XIII D (the "Constitution"), formed the City's maintenance assessment district designated as:

Pasadera Landscaping and Lighting District

(hereafter referred to as the "District"), and established the maximum assessments determined to be necessary to support and maintain various landscaping and lighting improvements that will provide special benefits to properties within the District which includes all lots and parcels of land within the planned non-residential and residential development area identified in the DJ Farms Specific Plan and commonly referred to as the Pasadera development (hereafter referred to as the "Pasadera Development") located on the south side of Main Street near Obispo Street and Flower Avenue.

Report Content and Annual Proceedings

This "Engineer's Annual Report Fiscal Year 2024/2025" (the "Report") has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the proposed improvements and services to be provided within the District and the levy and collection of annual assessments related thereto for fiscal year 2024/2025.

This Report outlines the District structure, the improvements, and the proposed assessments to be levied in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements for the fiscal year. The annual assessments to be levied on properties within the District will provide funding for the continued operation and maintenance of the local parks, landscaping and lighting improvements within the District and zones of benefit ("Zones") established herein, which provide special benefits to the properties within the District and each respective Zone.

To adequately provide and fund the parks, landscaping and lighting improvements constructed and installed in connection with the development of properties within the District for fiscal year 2024/2025, the City Council has determined that it is appropriate and in the public's best interest to levy annual assessments on the County tax rolls for the benefit of properties therein to fund the estimated special benefit improvement costs that are considered necessary to maintain and service the improvements. Furthermore, the improvements to be provided and funded in whole or in part by the District assessments are consistent with the development plans and specifications for the Pasadera Development and the overall improvements outlined in the DJ Farms Specific Plan which are on file in the Office of Public Works of the City of Guadalupe and by reference these plans, and specifications are made part of this Report.

Each Zone (incorporating the sub-zones therein) outlined in this Report is a reflection of the various improvements and the types of improvements and services to be provided by the District for the properties that are directly associated with and benefit from those improvements. The net annual cost to provide the improvements in each Zone is based on the various improvements and the types of improvements and services to be provided by the District for the properties that are directly associated with and benefit from those improvements and the net cost of providing those improvements and services are allocated to the benefiting properties within the Zones using a

weighted method of apportionment (refer to Assessment Methodology in “Part II — Method of Apportionment”) that calculates the proportional special benefit and assessment for each parcel as compared to other properties that benefit from the District improvements and services. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the provisions of the California Constitution and the District shall incorporate each parcel that will receive special benefits from those improvements.

The estimated cost of the improvements and the proposed annual assessments budgeted and assessed against properties within the District and each respective Zone may include, but are not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; the collection of funds for operational reserves or for periodic maintenance and improvement rehabilitation projects; deficits or surpluses from prior fiscal years; and revenues from other sources as authorized by the 1972 Act. Each parcel is to be assessed proportionately for only those improvements, services, and expenses for which the parcel will receive special benefit. Each fiscal year, the City shall establish the District's assessments based on an estimate of the costs to maintain, operate and service the improvements for that fiscal year and available revenues including fund balances, general benefit contributions, any additional contributions from other revenue sources, and the assessment limits established for the District and Zones.

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

At a noticed annual Public Hearing, the City Council will accept all public comments and written protests regarding the District and the annual levy of assessments. Based on those public comments and written protests, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments the Council will, by Resolution, order the improvements to be made and confirm the levy and collection of assessments for the fiscal year pursuant to the 1972 Act. The fiscal year 2024/2025 assessments as approved will be submitted to the Santa Barbara Auditor/Controller to be included on the property tax roll for each parcel.

As required by the 1972 Act, this Engineer's Report outlines the plans and specifications for the improvements which describes the improvements to be provided, maintained and serviced by the District; an estimate of the costs of the improvements (budget); an assessment of the estimated costs of the improvements which outlines the proportional method of apportioning the estimated annual costs as well as the resulting proposed assessments to be levied upon each assessable lot or parcel within the District for fiscal year 2024/2025; and a diagram for the assessment district, which depicts the boundaries of the District and all parcels receiving special benefit.

If any section, subsection, sentence, clause, phrase, portion, zone, or subzone of this Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, zones, or subzones might subsequently be declared invalid or unconstitutional.

This Report consists of the following five (5) parts.

Part I — Plans and Specifications:

This section provides a general description of the District and the improvements for which parcels are assessed. The assessments outlined in this Report are based on the improvements and appurtenant facilities that provide special benefits to the properties within the District and generally consist of local parks, various landscaping improvements, street lighting, and related appurtenant facilities and operational expenses authorized pursuant to the 1972 Act. The plans and specifications contained in this Report generally describe the nature and extent of the improvements to be provided at build-out of the District, and specifically those improvements that have been installed and may be accepted and maintained for fiscal year 2024/2025. In conjunction with these general descriptions of the improvements, visual depictions of the landscaping and lighting improvements that have been installed and may be accepted for maintenance for fiscal year 2024/2025 as well as the overall improvements anticipated at build-out are provided in "Part V — Assessment Diagrams" of this Report. More detailed information regarding the specific plans and specifications associated with these improvements are on file in the Office of Public Works of the City of Guadalupe and by reference are made part of this Report.

Part II — Method of Apportionment

This section includes a discussion of the general and special benefits associated with the various improvements to be provided within the District (Benefit Analysis), which includes a discussion of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and resulting calculated annual assessment amount. This method of apportionment is consistent with the adopted method of apportionment for the District at the time the District was formed and approved by the property owners of record in a protest ballot proceeding conducted pursuant to the provisions of the California Constitution Article XIII D.

Part III — Estimate of Costs

This section establishes an estimate of the fiscal year 2024/2025 costs to operate, maintain, and service the local parks, landscaping, lighting, and appurtenant facilities that have been installed and may be accepted and maintained for the special benefit of properties within the District. The budget for the District and each Zone therein (including the various sub-zones) incorporates an estimate of the maintenance costs and incidental expenses including, but not limited to labor, materials, utilities, equipment, and administration expenses as well as the collection of other appropriate funding authorized by the 1972 Act and deemed necessary to fully support the improvements. Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution and are excluded from the amount to be assessed as special benefit. The resulting assessment rates (the "Assessment Per EBU") identified in the budget for each Zone establishes the proposed assessments to be levied and collected for fiscal year 2024/2025.

Part IV — Assessment Roll

The assessment amounts to be levied and collected in fiscal year 2024/2025 for each parcel is based on the parcel's calculated proportional special benefit as outlined in "Part II — Method of Apportionment" and the annual assessment rates established by the estimated budgets in "Part III — Estimate of Costs" of this Report. Due to the number of parcels within the District, the Assessment Roll for fiscal year 2024/2025 has been filed electronically with the City Clerk rather than displayed in this Report. The parcels and assessment amounts contained within the electronic Assessment Roll filed with the City Clerk represents the parcels and assessment amounts to be filed with the Santa Barbara County Auditor/Controller and collected on the County Tax Rolls for fiscal year 2024/2025. By reference the listing of the Assessor's Parcel Numbers and the corresponding assessment amounts are made part of this Report.

Part V — District Diagrams

This section of the Report contains various diagram(s) that identify the parcels and improvements within the District including:

- District Diagram – Boundary and Zones, Fiscal Year 2024/2025
- District Diagram – Development and Improvements, Planned at Buildout
- District Diagram – Development and Improvements, Fiscal Year 2024/2025

The lines and dimensions of each lot, parcel, and subdivision of land contained in the "District Diagram – Boundary and Zones, Fiscal Year 2024/2025" is inclusive of all parcels identified in "Part IV – Assessment Roll" of this Report and the corresponding County Assessor's Parcel Maps for said parcels as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Santa Barbara County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part I — Plans and Specifications

Description of the District

The territory within the District consists of the lots or parcels of land within the planned non-residential and residential development area identified in the DJ Farms Specific Plan and commonly referred to as the “Pasadera Development” which is located within the City of Guadalupe on the south side of Main Street near Obispo Street and Flower Avenue. According to the DJ Farms Specific Plan, at build-out, the District is anticipated to incorporate eight hundred and three (803) single-family residential home sites; approximately twenty-one (21.49) acres of non-residential development; a fourteen (14.37) acre school site; and various associated public areas, easements, and rights-of-way that are either part of the District improvements or otherwise considered to receive no special benefit from the improvements being provide. At the time this Report was prepared, the lots and parcels of land within the District are inclusive of the following parcels identified on the Santa Barbara County Assessor’s Parcel Maps as:

- Book 113, Page 01, Parcels 25 and 37;
- Book 113, Page 08, Parcels 34 through 37;
- Book 113, Page 45, Parcels 01 through 03, 06 through 08, and 10;
- Book 113, Page 46, Parcels 01 through 57;
- Book 113, Page 47, Parcels 01 through 61;
- Book 113, Page 48, Parcels 01 through 41;
- Book 113, Page 49, Parcels 01 through 224; and,
- Book 113, Page 50, Parcels 01 through 84.

The Pasadera Landscaping and Lighting District is located along the southern boundary of the City, and the properties immediately west, south, and east of these District parcels (excluding any streets or other rights-of-way) are currently outside City boundaries.

Zones of Benefit

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing various landscaping and lighting improvements, including the acquisition, construction, installation, maintenance, and servicing of those improvements and related facilities. In addition, to ensure an appropriate allocation of the estimated costs to provide various improvements based on proportional special benefits, landscaping, and lighting districts often times include benefit zones (“Zones”) as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

While the California Constitution 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 or the maintenance and operation expenses of a public improvement...”*; it is reasonable to conclude that certain landscaping and/or lighting improvements may benefit the

majority of the parcels within a district if not all properties, while other improvements may only provide special benefits to specific parcels, developments or portions of the district (particularly in larger districts). In addition, some improvements within a district and/or the costs associated with various public improvements are identified as providing some measure of general benefit and because these general benefit costs cannot be assessed, the overall cost of those improvements may be proportionately allocated as both special benefit and general benefit.

In accordance with the 1972 Act, it has been determined that it is appropriate and necessary to establish two overall benefit zones (Zones) within this District to be designated as Zone A and Zone B and sub-zones within Zone B (currently Sub-Zones B1, B2, and B3). The boundaries of each Zone and Sub-Zone is established based on the location, extent and types of improvements or similarities in the types of improvements being maintained through the District assessments as well as the particular and distinct benefits the various developments and properties derive from those improvements based on proximity to those specific improvements and the nexus between the development of the properties that required or facilitated the installation of those improvements. While some improvements may be specifically associated with specific development areas or parcels within the District, many improvements may reasonably be considered shared improvements because the overall development of the properties in the area required or necessitated those improvements. In such cases, the special benefits and cost of providing such improvements are proportionately shared by parcels in each Zone.

The net annual cost to provide the improvements for each Zone and/or Sub-Zone are allocated to the benefiting properties within that Zone using a weighted method of apportionment (refer to Assessment Methodology in "Part II — Method of Apportionment") that calculates the proportional special benefit and assessment for each parcel as compared to other properties that benefit from the District improvements and services. The following is a brief description and summary of the Zones and improvements associated within each Zone. A visual depiction of the location and extent of the improvements and Zone boundaries are provided in the District Diagrams provided in Part V of this Report.

Zone A Parcels and Improvements

Zone A Parcels

Zone A comprises that portion of the parcels within the District located on the south side of Main Street and north of Buena Vista Road. The properties in this Zone are primarily identified as non-residential properties, but also incorporates a drainage basin and pump station in the northeast corner of the District for which the landscaping will be maintained by the District and proportionately shared by parcels in both Zone A and Zone B. Refer to the "District Diagram – Boundary and Zones, Fiscal Year 2024/2025" in "Part V — District Diagrams" of this Report for a visual depiction of the properties within Zone A. In that same section, the "District Diagram – Development and Improvements, Planned at Buildout" provides a visual depiction of the drainage basin location within Zone A.

Zone A Improvements

The parcels within Zone A will ultimately receive special benefits and will be proportionately assessed in whole or in part for improvements that include, but are not limited to the following:

- **Shared Improvements (Improvements at buildout that may be proportionately shared by parcels in Zone A and Zone B)**
 - Street lights on Flower Avenue between Main Street and Buena Vista Road;
 - Street lights on Buena Vista Road adjacent to both Zone A and Zone B;

- Street lights on Obispo Street between Main Street and Buena Vista Road; and,
- Landscaping improvements associated with the drainage basin site located at the northeast corner of the District.
- **Zone Specific Improvements (Improvements at buildout that may be proportionately shared by parcels in Zone A only)**
 - Street lights on the south side of Main Street adjacent to Zone A.

Zone B Parcels and Improvements

Zone B Parcels

Zone B comprises that portion of the parcels within the District located south of Buena Vista Road. The properties in this Zone are primarily identified as residential properties (single family residential parcels and planned residential developments), but also includes a future public school site, various park and recreational areas, and various landscape improvements to be maintained by the District. Refer to the “District Diagram – Boundary and Zones, Fiscal Year 2024/2025” in “Part V — District Diagrams” of this Report for a visual depiction of the properties within Zone B. In that same section, the “District Diagram –Development and Improvements, Planned at Buildout” provides an overall visual depiction of the planned landscaping and lighting improvements throughout the District and Zone B.

Zone B Improvements

The parcels within Zone B will ultimately receive special benefits and will be proportionately assessed in whole or in part for improvements that include, but are not limited to the following:

- **Shared Improvements (Improvements at buildout that may be proportionately shared by parcels in Zone A and Zone B)**
 - Street lights on Flower Avenue between Main Street and Buena Vista Road;
 - Street lights on Buena Vista Road located between Zone A and Zone B;
 - Street lights on Obispo Street between Main Street and Buena Vista Road; and,
 - Landscaping improvements associated with the drainage basin site located at the northeast corner of the District.
- **Zone Specific Improvements (Improvements at buildout that may be proportionately shared by parcels in Zone B only)**
 - Street lights on Obispo Street between Buena Vista Road and “C” Street, which is the end of Obispo Street (proportionately shared by parcels in Zone B only);
 - Remaining street lights (The estimated 194 street lights not identified above) within the planned residential developments;
 - Landscaping improvements on both sides of Obispo Street between Buena Vista Road and “C” Street;
 - Landscaping improvements on both sides of Del Mar Drive between Obispo Street and Fuente Drive;
 - Landscaping improvements on the west side of Arroyo Seco Road between Buena Vista Road and Manzanita Street;
 - Landscaping improvements on the west side of Arroyo Seco Road between the park site and the end of Arroyo Seco Road (cul-de-sac);

- Landscaping and trail improvements on the east side of Arroyo Seco Road between Buena Vista Road and the end of Arroyo Seco Road (cul-de-sac);
- Landscaping improvements on the north side of "B" Street between "C" Street and "F10" Street;
- Landscaping and trail improvements on the south side of "B" Street between "C" Street and "F10" Street;
- Landscaping and trail improvements on the east side of "F10" Street from "B" Street up to the end of the cu-de-sac on "F10" Street;
- Landscaping improvements on the east side of "C" Street between Obispo Street and "B" Street;
- Landscaping and trail improvements on the west side of "C" Street between "B" Street and "D5" Street;
- Paseo (pathway and landscaping) located between the homes on the southwest side of the intersection of "E2" Street and "E3" Street, connecting these streets with the park site near the northeast side of the railroad right-of-way adjacent to the park site;
- Landscape buffer/trail on the northeast/east side of the railroad right-of-way extending from Buena Vista Road south to Obispo Street;
- Landscape buffer/trail on the southwest side of the railroad right-of-way between Obispo Street and the designated well-site located at the northern end of "D1" Street and the paseo (pathway and landscaping) connecting "D1" Street with the landscape buffer/trail area;
- Landscape buffer/trail on the southwest side of the railroad right-of-way between Obispo Street and "F10" Street and the paseo (pathway and landscaping) connecting "F1" Street and "F2" Street with the landscape buffer/trail area;
- Habitat Area on the south/southeast side of Obispo Street between the railroad rights-of-way and "A" Street and between "A" Street and "C" Street;
- Natural/minimal-maintenance landscaping improvements at the water tank site located north of the cul-de-sac on "D1" Street, between the railroad rights-of-way and the western boundary of the District; and,
- Park/recreational area improvements located within sixteen (16) planned parks and recreational areas located throughout the residential developments within the District boundaries.

Zone B Sub-Zones

Only a portion of the properties within the District have been fully subdivided and/or developed, and only a portion of the improvements have been installed. Therefore, for administrative purposes and to ensure an equitable apportionment of the annual maintenance and operation expenses, the residential development areas within the District identified as Zone B have been established and grouped into Sub-Zones to reflect the current and anticipated development of the properties and the installation of improvements within Zone B. The three (3) Sub-zones which are

illustrated on the “District Diagram – Boundary and Zones, Fiscal Year 2024/2025” in “Part V — District Diagrams” of this Report are generally described in the following:

- **Sub-Zone B1** incorporates the residential developments that have already been subdivided into single family residential lots and are in proximity and associated with local parks, landscaping and/or street lighting improvements that are anticipated to be installed and maintained by the District for fiscal year 2024/2025. Based on available Santa Barbara County Assessor's data and development within the District, for fiscal year 2024/2025, this Sub-Zone will incorporate four hundred forty-four (444) single family residential parcels and the parks and proposed improvement areas within Tract 29,061, Tract 29,062, and Tract 29,064. These parcels are identified on the Assessor's Parcel Maps, Book 113, Pages 46, 47, 48, 49, and 50.
- **Sub-Zone B2** incorporates the planned development area generally located south of Manzanita Street, west of Arroyo Seco Road, east of Obispo Street, and northeast of the railroad right-of-way, which has not been subdivided and identified as part of Zone B1. The properties included in this Sub-Zone are currently identified by the County Assessor's Office as Vacant property which has not been fully subdivided and/or developed. The parcels within this Sub-Zone are currently identified as Assessor's Parcel Maps, Book 113, Page 45, Parcels 06 through 08.
- **Sub-Zone B3** incorporates the planned residential development area within the District located southwest of the railroad right-of-way. The properties included in this Sub-Zone are currently identified by the County Assessor's Office as Vacant property which has not been fully subdivided or developed. The parcels within this Sub-Zone are currently identified Assessor's Parcel Maps, Book 113, Page 01, Parcels 25 and 37; and Book 113, Page 08, Parcels 34 through 37.

Application of Sub-Zones in Zone B

By utilizing a Zone and Sub-Zone structure, similar properties with similar types of improvements will be assessed a proportional amount for the total annual expenses related to the maintenance, operation and servicing of the improvements provided by the District and for which the properties receive special benefits. The use of Sub-Zones allows for each development and the parcels therein to be assessed for the improvements provided as development occurs and/or improvements are installed.

For purposes of establishing the annual assessments for Zone B, the parcels are assigned a proportional benefit and land use designation that reflects the current development of each property and relationship (proximity) to the improvements to be provided and maintained. For the calculation of the fiscal year 2024/2025 annual assessments:

- Parcels in Sub-Zone B1 are identified as fully subdivided single family residential parcels (with and without structures) and some parcels identified as Exempt Properties within Tract 29,061, Tract 29,062, and Tract 29,064 for which the District anticipates maintaining all or a portion of the improvements installed in connection with these subdivisions. The parcels that comprise Tract 29,062 and Tract 29,064 were not subdivided when the District was formed and were included in Sub-Zone B2 at that time. In fiscal year 2019/2020 Tract 29,062 became fully subdivided residential lots and the Sub-Zone designation for the associated parcels was changed from B2 to B1. For fiscal year 2022/2023 Tract 29,064 became fully subdivided residential lots and the Sub-Zone designation for the associated parcels changed from B2 to B1.

- Parcels in Sub-Zone B2 and Sub-Zone B3 are identified as either Vacant Undeveloped Property, Undeveloped Residential Property, or Exempt Property and assessed in accordance with the method of apportionment described in "Part II — Method of Apportionment" of this Report. However, in future fiscal years as these parcels are subdivided or developed, and/or as additional improvements for Zone B are accepted for maintenance, at the discretion of the Assessment Engineer and/or City Engineer, the land use designation or Sub-Zone designation for the affected properties may be reclassified.

Description of the District Improvements

As authorized by the 1972 Act, the improvements to be provided by the District and associated with each Zone therein incorporate local street lighting, parks, and various landscaping improvements that are to be maintained and serviced for the benefit of real property within the District. The various improvements to be maintained by the District have been or will be installed in direct connection with the development of properties for the benefit of those properties and are considered necessary for the development of those properties to their full and best use. The work to be performed within the District may include, but is not limited to (as applicable), the personnel; materials; equipment; electricity; water; contract services; repair and rehabilitation of the improvements; and incidental expenses required to operate the District and provide the improvements and services. The annual assessments to be levied on properties within the District provide a source of funding to support the continued operation and maintenance of these improvements that provide a particular and distinct benefit (special benefit) to those properties. Each parcel shall be assessed proportionately for only those improvements, services, and expenses for which the parcel receives a special benefit. The improvement plans and specifications for the District are on file in the Office of Public Works of the City of Guadalupe and by reference these plans and specifications are made part of this Report. The District improvements anticipated to be installed and constructed at build-out generally include but are not limited to:

Proposed Improvements at Build-out

Landscape Improvements

The landscape improvements to be funded by the District assessments may include, but are not limited to, turf, ground cover, shrubs and plants; areas of natural vegetation; trees; irrigation and drainage systems; masonry walls, retaining walls, or other fencing; monuments; hardscapes; concrete or decomposed granite trail/pathways; and other related appurtenant facilities within the District that will be dedicated to the City for maintenance or which the City has an easement to maintain such improvements including but are not limited to:

- Designated parkway side-panels adjacent to the streets and properties within the District, including parkways, entryways, and trails;
- Various non-street landscaping and/or vegetation management areas including a drainage basin, dedicated Habitat/Open Space areas, a water tank site, and buffer/greenbelt/trail areas along the railroad right-of way; and
- The planned local park sites and/or recreational areas within the District.

The following provides a summary description of the landscape improvements anticipated to be constructed as part of the development of properties within the District and ultimately maintained through the District at build-out. For reference purposes, in conjunction with these descriptions of the improvements a visual depiction of the landscape improvement areas is provided on the

diagrams contained in Part V of this Report. At build-out, it is anticipated that the District's landscape improvements will generally include, but is not limited to approximately:

➤ **Obispo Street**

- 41,785 square feet of irrigated landscape improvements, located on both sides of Obispo Street between Buena Vista Road and the railroad rights-of-way.
- 20,465 square feet of irrigated landscape improvements, located on both sides of Obispo Street between the railroad rights-of-way and "C" Street.

➤ **Del Mar Drive**

- 5,190 square feet of irrigated landscape improvements, located on both sides of Del Mar Drive between Obispo Street and Fuente Drive.

➤ **Arroyo Seco Road**

- 68,660 square feet of maintained improvements, located on the east side of Arroyo Seco Road between Buena Vista Road and the end of Arroyo Seco Road (cul-de-sac). These maintained improvements incorporate 45,700 square feet of irrigated landscaping and 22,960 square feet of trail/pathway improvements.
- 4,720 square feet of irrigated landscape improvements, located on the west side of Arroyo Seco Road between Buena Vista Road and Manzanita Street.
- 3,195 square feet of irrigated landscape improvements, located on the west side of Arroyo Seco Road between the southern end of the park site (just north of "E1" Street) and the end of Arroyo Seco Road (cul-de-sac).

➤ **"B" Street**

- 33,625 square feet of irrigated landscape improvements, located on the north side of "B" Street between "C" Street and "F10" Street.
- 60,495 square feet of maintained improvements, located on the south side of "B" Street between "C" Street and "F10" Street. These maintained improvements incorporate 40,345 square feet of irrigated landscaping and 20,150 square feet of trail/pathway improvements.

➤ **"F10" Street**

- 6,815 square feet of maintained improvements, located on the east side of "F10" Street from "B" Street up to the end of the cu-de-sac on "F10" Street. These maintained improvements incorporate 4,830 square feet of irrigated landscaping and 1,985 square feet of trail/pathway improvements.

➤ **"C" Street**

- 8,045 square feet of irrigated landscape improvements, located on the east side of "C" Street between Obispo Street and "B" Street.
- 33,350 square feet of maintained improvements, located on the west side of "C" Street between "B" Street and "D5" Street. These maintained improvements incorporate 24,930 square feet of irrigated landscaping and 8,420 square feet of trail/pathway improvements.

➤ **Non-Streetscape Areas**

- 2,275 square feet of non-streetscape trail/pathway improvements, located between the homes on the southwest side of the intersection of "E2" Street and "E3" Street, connecting these streets with the park site near the northeast side of the railroad right-of-way adjacent to the park.

- 22,850 square feet of improvement area (landscape buffer/trail), located on the northeast/east side of the railroad right-of-way behind the homes on the west and southwest side of Las Flores Drive extending from Buena Vista Road south to Obispo Street. It is anticipated that much of this improvement area will be irrigated landscaping, but all or a portion of the area may ultimately be installed with minimal/modified irrigation or no irrigation.
- 15,775 square feet of improvement area (landscape buffer/trail), located on the southwest side of the railroad right-of-way behind the homes on the northeast side of "D1" Street between Obispo Street and the designated well-site located at the northern end of "D1" Street. This square footage includes the estimated 2,145 square feet of paseo (pathway) connecting "D1" Street with the landscape buffer/trail area. It is anticipated that much of this improvement area will be irrigated landscaping, but all or a portion of the area may ultimately be installed with minimal/modified irrigation or no irrigation.
- 39,435 square feet of improvement area (landscape buffer/trail), located on the southwest side of the railroad right-of-way behind the homes on the northeast side of "F1" Street and at the cul-de-sacs of "F9" Street and "F10" Street, between Obispo Street and "F10" Street. This square footage includes the estimated 2,205 square feet of paseo (pathway) connecting "F1" Street and "F2" Street with this landscape buffer/trail area. It is anticipated that much of this improvement area will be irrigated landscaping, but all or a portion of the area may ultimately be installed with minimal/modified irrigation or no irrigation.
- 280,770 square feet of natural/minimal maintenance landscape improvements (Habitat Area), located on the south/southeast side of Obispo Street between the railroad rights-of-way and "A" Street and between "A" Street and "C" Street.
- 37,245 square feet of natural/minimal maintenance landscape improvements (open space water tank site), located north of the cul-de-sac on "D1" Street, between the railroad rights-of-way and the western boundary of the District.
- 67,385 square feet of maintained improvements (open space drainage basin site), located at the northeast corner of the Zone, east of Flower Avenue between Main Street and Buena Vista Road. These maintained improvements incorporate 30,840 square feet of irrigated landscaping and 36,545 square feet of non-irrigated natural/minimal-maintenance landscaped area.

➤ **Parks**

- 660,895 square feet of park and recreational area improvements, located within sixteen (16) planned park sites, paseos, or recreational areas located throughout the residential development area within the District boundaries. While it is anticipated that much of this improvement area will be irrigated landscaping (mostly turf), this overall square footage also incorporates the non-landscaped areas within the parks including play areas, sports courts, sidewalks, and other hardscape areas, but does not include any parking areas associated with these park/recreational areas.

Park Facilities

In addition to the landscape improvements within the park/recreational areas, the improvements and facilities to be funded may include, but are not limited to maintenance and servicing of the sports courts and fields; playground equipment and structures; sidewalks; ornamental or safety lighting; benches; trash receptacles; drinking fountains; picnic facilities; and any other equipment, structures or facilities related to the foregoing.

Lighting Improvements

Lighting improvements to be funded by the District assessments may include, but are not limited to, electrical energy, lighting fixtures, poles, meters, conduits, electrical cable, and appurtenant facilities associated with the street lights, traffic signals, and lighting within public areas within the District. Maintenance, operation, and servicing of these lighting improvements may include, but is not limited to the furnishing of electric current or other illuminating agent as needed; the maintenance, repair, and replacement of worn out electrical components and light fixtures, including bulbs, ballasts, photoelectric cells, meters, and electrical cables; repair or replacement of damaged poles, ground wires, and conduits caused by accidents, vandalism, time, and weather; and monitoring of the Underground Service Alert (USA) network to prevent damage by excavation. At build-out, it is anticipated that the District's lighting improvements will generally include, but is not limited to:

- Thirteen (13) street lights located on the south side of Main Street adjacent to the proposed non-residential development area within the District;
- Two (2) street lights on Flower Avenue between Main Street and Buena Vista Road;
- Fourteen (14) street lights on the north side of Buena Vista Road which is between the proposed residential developments and the proposed non-residential development area;
- Twenty (20) street lights on Obispo Street;
 - Five (5) street lights located between Main Street and Buena Vista Road;
 - Ten (10) street lights located between Buena Vista Road and the railroad right-of-way;
 - Five (5) street lights located between the railroad right-of-way and "C" Street;
- One hundred ninety-four (194) street lights within the planned residential developments;
- The safety/security lights, recreational lights (fields and courts) and/or ornamental lighting associated with the park/recreational areas; and
- Any other public lighting facilities including future traffic signals that may be deemed necessary or desired for the safe ingress or egress to the properties within the District.

Excluded Improvements

Improvements that are not a part of the District improvements include privately owned street lights and landscaping improvements located on private property and/or areas designated as Homeowner Association or Business Association properties or easements. Such improvements and facilities including street trees shall be provided and maintained by the individual property owners, property management group or association established in connection with the development of properties within the District.

Fiscal Year 2024/2025 Improvements

The following improvements are currently maintained or installed by the developer and may be accepted by the City for maintenance during fiscal year 2024/2025 and may be funded in whole or in part by the annual assessments:

Improvements Allocated to All Benefiting Properties

The following improvements provide special benefits and are proportionately shared and allocated to all properties within the District:

- Five (5) street lights on Obispo Street between Main Street and Buena Vista Road.

Improvements Allocated to All Properties in Zone B Only

The following improvements provide special benefits and are proportionately shared and allocated to all properties within Zone B (Sub-Zones B1, B2, and B3):

- Approximately 36,335 square feet of irrigated landscape improvements, located on both sides of Obispo Street between Buena Vista Road and Manzanita Street. This is approximately 75% of the 41,785 square feet of planned irrigated landscape improvements located on both sides of Obispo Street between Buena Vista Road and the railroad rights-of-way; and,
- Six (6) street lights on Obispo Street between Buena Vista Road and Manzanita Street.

Improvements Allocated to Properties in Zone A and Sub-Zone B1

The following improvements provide special benefits and are proportionately shared and allocated to the properties within Zone A as well as those properties within Sub-Zone B1:

- Fourteen (14) street lights on Buena Vista Road which are situated between the residential developments of Zone B1 and the planned non-residential development properties in Zone A.
 - Five (5) street lights on Buena Vista Road, west of Obispo Street (between Obispo Street and Las Flores Drive); and,
 - Nine (9) street lights on Buena Vista Road, east of Obispo Street (between Obispo Street and Arroyo Seco Road).

Improvements Allocated to Properties in Sub-Zone B1 and Sub-Zone B2

The following improvements provide special benefits and are proportionately shared and allocated to the properties within Sub-Zone B1 as well as those properties within Sub-Zone B2:

- Approximately 20,600 square feet of landscaping improvements located on the east side of Arroyo Seco Road between Buena Vista Road and Manzanita Street (13,710 square feet of irrigated landscaping and 6,890 square feet of trail/pathway improvements) is currently being maintained. An additional 41,195 square feet of landscaping improvements on the east side of Arroyo Seco Road between Manzanita Street and Guerrero Drive (27,420 square feet of irrigated landscaping and 13,775 square feet of trail/pathway improvements) has been installed and may be accepted for maintenance by the end of the fiscal year. Collectively, these 61,795 square feet of improvements represent approximately 90% of the 68,660 square feet of planned improvements for the east side of Arroyo Seco Road between Buena Vista Road and the end of Arroyo Seco Road at the railroad right-of-way.
- Twelve (12) street lights that are adjacent to and benefit both properties in Sub-Zone B1 (Tracts 29,062 and 29,064) and Sub-Zone B2 parcels (school and community park sites):
 - Six (6) street lights located on Manzanita Street between Obispo Street and Arroyo Seco Road, adjacent to Tract 29,062 (Sub-Zone B1) and the future school site (Sub-Zone B2).

- Six (6) street lights on Arroyo Seco Road between Buena Vista Road and Manzanita Street adjacent to Tract 29,062. These six (6) streets lights are a portion of the eighteen (18) total planned street lights on Arroyo Seco.

Improvements Allocated to Properties in Sub-Zone B1 Only

The following improvements provide special benefits and are proportionately shared and allocated to all the residential properties within Zone B1 only:

- Approximately 5,190 square feet of irrigated landscape improvements, located on both sides of Del Mar Drive between Obispo Street and Fuente Drive (entryway to Tract 29,061).
- Approximately 4,720 square feet of irrigated landscaping improvements, located on the west side of Arroyo Seco Road between Buena Vista Road and Manzanita Street.
- Approximately 46,905 square feet of park and recreational area improvements, located within the two (2) neighborhood park sites and recreational areas located within Tract 29,061. The majority of the site improvements incorporate irrigated landscaping (mostly turf), but this overall square footage also includes some non-landscaped areas including play areas, sports courts, sidewalks, and other hardscape areas.
- Approximately 53,145 square feet of park and recreational area improvements, located within the seven (7) neighborhood park sites or recreational areas located within Tract 29,062. The majority of the site improvements incorporate irrigated landscaping (mostly turf), but this overall square footage also includes some non-landscaped areas including play areas, sports courts, sidewalks, and other hardscape areas.
- Approximately 23,085 square feet of park and recreational area improvements, located within the neighborhood park sites, basins, and/or recreational areas located within Tract 29,064. The majority of the site improvements incorporate irrigated landscaping (mostly turf), but this overall square footage also includes some non-landscaped areas including play areas, sports courts, sidewalks, and other hardscape areas.
- Sixty-five (65) street lights within Sub- Zone B1 residential development areas, including:
 - Twenty-five (25) street lights within Tract 29,061, located on Fuente Drives, Castillo Drive, Las Flores Drive, Del Mar Drive, Esperanza Drive, and Gusto Court.
 - Forty (40) street lights within Tract 29,062 including lights located on Ninos Drive, Hacienda Drive, La Joya Drive, Jalama Drive, Ladera Drive, and Lazo Drive.

Part II — Method of Apportionment

Legislative Authority and Provisions

1972 Act

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscaping and lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

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

Section 22574 provides for zones as follows:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

The formulas used for calculating assessments and the designation of Zones and Sub-Zones as established herein reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Article XIII D of the California Constitution (Proposition 218).

California Constitution

The costs to operate and maintain the District improvements are identified and allocated to properties within each Zone and/or Sub-Zone within the District based on special benefit. The improvements provided and for which properties are to be assessed are identified as local landscaping and lighting improvements and related amenities that were installed in connection with the development of the properties and/or would otherwise be required for the development of properties within each respective Zone and/or Sub-Zone. The District assessments and method of apportionment are based on the premise that these improvements would otherwise not have been required without the development or planned development of those parcels.

Article XIII D Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service,”

Article XIII D Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIII D Section 4a defines Proportional Special Benefit Assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. 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. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Benefit Analysis

The improvements provided by this District and for which properties will be assessed have been identified as necessary, desired and/or required for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City's General Plan.

Special Benefits

The ongoing maintenance of landscaped areas within the District will provide aesthetic benefits to the properties within the District and each respective Zone and/or Sub-Zone therein and are intended to provide a more pleasant environment to walk, drive, live, and work. The primary function of these improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements are constructed and installed and/or are facilitated by the development or potential development of properties within the District. These improvements are an integral part of the physical environment associated with the parcels in the District and while some of these improvements may in part be visible to properties outside the District and/or the respective Zones and Sub-Zones, collectively if these improvements are not properly maintained, it is the parcels within the District and/or the respective Zones and Sub-Zones that would be aesthetically burdened. Additionally, many of the landscape improvements include parks, green spaces, and trails that provide visually pleasing open space areas that serve as an extension of the physical attributes of the parcels assessed, such as their front or rear yards and may also provide a greater opportunity for recreation as well as serving as a physical buffer and/or sound reduction buffer between the roadways and the properties in the District. Thus, the maintenance of these landscape improvements provides particular and distinct benefits to the properties and developments associated with those improvements.

Likewise, street lighting in the District is primarily useful for illuminating the streets that provide access to the properties in the District as well as the sidewalks and parking lanes associated with those properties. While it is recognized that street lights and traffic signals serve in part to enhance traffic safety, installation and construction of these improvements are for the most part, required by the development of properties within the district and these improvements provide three main special benefits to those properties: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway access benefit. Furthermore, because traffic circulation in the City is largely the result of local traffic to and from these properties by the property owners and guests, it is reasonable to assume that these properties derive a particular and distinct benefit from the street lighting that support the safe access to the properties and essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with the assessed properties. As a result, the maintenance of these lighting improvements is a particular and distinct benefit to the properties and developments within the District and the Zones and Sub-Zones therein.

Collectively these landscaping and lighting improvements and related assessments enhance the security, overall use, presentation, and marketability of the properties, and ensure the long-term cost-efficiency of services that is obtained through the City provided maintenance (economy of scale), and the regulatory restrictions on future cost increases.

General Benefit

Landscaping General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements have been or will be installed as part of the development of properties within the District or are improvements that would otherwise be shared by and required for development of those properties. Although the District improvements are located on public streets or public areas that are typically visible and/or accessible to the general public, it is evident that the ongoing maintenance of these improvements are only necessary for the appearance and advantage of the properties within the District that are directly associated with those improvements and these improvements (particularly the level of maintenance and servicing) are not required nor necessarily desired by any properties outside the District and/or the respective Zones and/or Sub-Zones associated with those various improvements. It is also evident that the maintenance these improvements and the level of maintenance provided has a direct and particular impact (special benefit) only on those properties in proximity to those improvements and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has limited (if any) indirect or incidental benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Zone, the City's maintenance of these improvements would for the most part, be limited to tree management, weed abatement, rodent control, and erosion control services for the various landscape areas. This basic or baseline level of service would typically provide for periodic servicing of these areas on an as-needed basis. This baseline level of service would provide for public safety and essential property protection to avoid negative impacts on adjacent roadways and vehicles traveling on those roadways and potential property damage, but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the regular landscape maintenance that can be provided through the District assessments.

On average, the cost to provide this baseline level of service for the District's planned landscape areas is estimated to be approximately \$0.012626 per square foot (approximately \$550 per acre) which includes a five percent (5%) cost factor for City overhead and administration. This baseline service cost per square foot represents approximately five percent (5%) of the overall cost per square foot for the annual operation and maintenance of the landscape areas.

Other Landscaping General Benefits

In addition to the general benefit identified above, it is recognized that there are indirect or incidental general benefits to properties within the District as well as the general public that are associated with regular landscape maintenance services, including:

- Minimization of dust and debris; and
- Decreased potential water runoff from both properties and the landscaped areas.

Although these types of benefits might best be characterized as indirect consequences of the special benefit of the landscape maintenance provided to parcels served by the District, for the

purposes of calculating proportional benefits, we assume these types of benefits to be general benefits, albeit general benefits that are extremely difficult to quantify. We estimate that the costs associated with these indirect benefits do not exceed one percent (1%) of the annual maintenance expenditure for the landscaping improvements.

The baseline general benefit costs and the indirect/incidental general benefit costs identified above shall be excluded from the special benefit assessment funding and not assessed to the parcels within the District. The total calculated general benefit cost for the landscaping improvements associated with each Zone and/or Sub-Zone is summarized in the table at the end of this section and is also identified in the budgets contained in Part III of this Report.

Lighting General Benefit

In reviewing the location and extent of the specific lighting improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, like the landscaping improvements it is evident these improvements are being installed as a direct result of the development of the properties within the District or are lighting improvements that would otherwise be shared by and required for the development of those properties. It is also evident that the maintenance and servicing of these improvements has a direct and particular impact (special benefit) on those properties in proximity to those street lighting improvements and these street lighting improvements are for the most part, lighting improvements that exceed what would otherwise be required for traffic circulation or to ensure the safety and protection of the general public and property in general.

Because these District lighting improvements are directly associated with the development or anticipated development of the properties within each respective District Zone and clearly provide a special benefit to those properties that is not shared by all properties in the City, it is certainly reasonable to conclude that the maintenance and operation of these improvements is largely, if not entirely, a special benefit to those properties to be assessed. Based on the special benefits previously identified for street lights, it is apparent that within residential developments (Zone B, which is comprised initially as Sub-Zones B1, B2, and B3), the internal residential development street lights are installed solely for the use and benefit of those residential properties and there is no quantifiable general benefit to other properties or to the public at large.

In addition to the internal residential street lights within the various developments in Zone B, the properties in Zone B (both the residential parcels and the school site) are accessed from and/or are adjacent to Obispo Street and/or Flower Avenue and Buena Vista Road and the street lights on these secondary/collector streets are collectively and proportionately shared by the properties in Zone B as well as the non-residential properties in Zone A which are adjacent to these streets and associated street lights. Collectively, these secondary/collector street lights represent approximately fifteen percent (15%) of the total street lights to be installed within the District. While these secondary/collector lights are clearly the result of the development of properties within the District, it is also reasonable to conclude that these types of streets are often accessed by the general public (possibly in route to the school or parks) and to some extent the street lighting on these streets may also enhance general nighttime traffic safety and circulation for other properties and the public at large. Based on various traffic circulation studies and related data, it is estimated that less than forty percent (40%) of these secondary/collector street lights would be required for similar streets in less concentrated development areas. Therefore, it has been determined that the general benefit related to the overall operation and maintenance of these shared street lights is no more than six percent (6%) of the street light operating costs for these particular street lights. However, to ensure that no parcel is assessed for more than its proportional special benefit for these shared street lights, the City will contribute for general benefit an amount equal to ten percent (10%) of the budgeted regular annual maintenance expenditures (maintenance and

energy costs). These general benefit costs shall be excluded from the special benefit assessment funding and not assessed to the parcels within the District.

In addition to the internal residential street lights and secondary/collector street lights discussed above, the non-residential properties within Zone A will directly benefit from the street lights to be installed on Main Street (a primary/arterial street) adjacent to those properties. Similar to the lights on secondary/collector streets, it is certainly reasonable to recognize that the street lights on this primary/arterial street provides a measure of general benefit to the public and to properties in general resulting from nighttime traffic safety and circulation. The American National Standard Practice for Roadway Lighting and various related traffic and street lighting studies suggest that over ninety percent (90%) of the street lights installed on primary/arterial streets in urban areas are directly the result of property development (both residential and non-residential development). In turn these developments increase traffic circulation and ultimately dictate the type of lighting, spacing and number of lights required and without such development, both the need and quantity of those lights would be dramatically reduced, which is reflected by the limited lighting that currently exists in this area on Main Street. Therefore, like the secondary/collector street lights associated with this District, it has been determined that the general benefit related to the operation and maintenance of the street lights on Main Street is ten percent (10%) of the regular annual maintenance expenditures (maintenance and energy costs). These general benefit costs shall be excluded from the special benefit assessment funding and not assessed to the parcels within Zone A of the District.

Utilizing the general benefit service costs outlined above and the improvements proposed at build-out, the following table summarizes the estimated general benefit costs calculated for each Zone and Sub-Zone within District:

Estimated General Benefit for Street Lighting, Landscaping, and Parks

| Zone | Sub-Zone | Street Lighting General Benefit | Landscaping and Parks General Benefit | Total ⁽¹⁾ General Benefit |
|---------------|------------------------|------------------------------------|---|---|
| Zone A | | (\$24) | \$0 | (\$24) |
| | Sub-Zone B1 | (\$972) | (\$5,696) | (\$6,668) |
| | Sub-Zone B2 | (\$7) | (\$28) | (\$35) |
| | Sub-Zone B3 | (\$14) | (\$70) | (\$84) |
| Zone B | Zone B Total | (\$992) | (\$5,795) | (\$6,786) |
| Total | General Benefit | (\$1,015) | (\$5,795) | (\$6,810) |

⁽¹⁾ As with most maintenance costs, the General Benefit Costs shown above have been adjusted for inflation and in subsequent fiscal years the General Benefit Cost will likely continue to be impacted and adjusted for inflation.

Assessment Methodology

To calculate and identify the proportional special benefit received by each parcel and ultimately each parcel's proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District.

Article XIII D Section 4a reads in part:

"...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 or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Landscaping and lighting improvements like most public improvements, provide varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, and the location of the improvements in relationship to properties associated with those improvements. To establish the proportional special benefit and ultimately the assessment obligation for each parcel, these factors need to be addressed and formulated in the method of apportionment by the use of benefit zones that reflect the extent and location of the improvements in relationship to the properties, as well as the specific use of the property and characteristics that reflects each parcel's proportional special benefit as compared to other properties that benefit from those same improvements.

The method of apportionment (method of assessment) developed for this District is based on the premise that each property to be assessed receives a particular and distinct benefit (special benefit) from the improvements, services and facilities to be financed by the District assessments and to assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The Equivalent Benefit Unit (EBU) method of assessment apportionment is utilized in this District and establishes a basic unit of benefit (base value) and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. This EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of comparable property characteristics. The base value and assessment formula utilized in each Zone may be different, but is established for each Zone to reflect the improvements and properties that benefit from those improvements utilizing property characteristics that may include but is not limited to the type of development (property land use), property's development status, and size of the property (acreage or units).

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the various Zone improvements by a single family residential parcel. The single family residential parcel has been selected as the basic value for calculation of assessments since at build-out this land use will represent over ninety-eight percent (98%) of the parcels in the District and over seventy percent (70%) of the total acreage developed. Thus, the "benchmark" property (the single family residential parcel) derives one (1) EBU of benefit and is assigned 1.00 Equivalent Benefit Unit.

The following outlines the land use classifications that are associated with or may be associated with the parcels in the District and the proportional Equivalent Benefit Units established for those land use classifications.

Land Use Classifications

Single-Family Residential – This land use classification is defined as a fully subdivided residential home site with or without a structure. This land use may include, but is not limited to subdivided residential tract lots, condominiums, or other individual residential units or subdivided lots assigned an Assessor's Parcel Number. As previously noted, the single family residential parcel has been selected as the basic value for calculation of assessments and each is assigned 1.00 Equivalent Benefit Unit.

Multi-Family Residential – This land use classification is defined as properties that are primarily used for residential purposes, but contain more than a single residential unit on the parcel (parcels with more than one dwelling) including apartments, duplexes, or other multi-unit structures. Due in part to the development and population densities associated with these types of dwelling units (reduced unit size compared to the typical density and size of single-family properties), studies have consistently shown that the average apartment unit impacts infrastructure approximately eighty percent (80%) as much as a single-family residence. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991.) Therefore, it is reasonable to conclude that the proportional special benefit these properties receive from the public improvements funded by the District assessments has a similar proportionality and these parcels shall be assigned a weighted proportional special benefit of 0.80 EBU per unit.

Developed Non-Residential – This land use is defined as a parcel and/or development (group of parcels) that has been developed primarily with a non-residential use including, but not limited to (both publicly owned and privately owned) commercial retail or service, office or professional service, hotel or motel, manufacturing, warehousing, parking lot, and/or institutional facilities including hospitals or other medical facilities, private schools or education centers, churches or other non-profit organizations. Based on the planned residential development within this District, it has been determined that these planned single-family residential developments will yield approximately five (5) dwelling units per acre of land. The actual residential development density is 5.43 units per acre. Therefore, since the single family residential parcel (the base value for calculation of assessments) is assigned 1.0 Equivalent Benefit Unit it is reasonable and appropriate to assign the developed non-residential properties a weighted special benefit that reflects a similar and proportional development density. Therefore, the EBU assigned to each developed non-residential property is established by multiplying the parcel's applied acreage by 5.0 EBU per acre (e.g., a developed non-residential parcel of 4.25 acres would be assigned 21.25 EBU, $4.25 \text{ acres} \times 5.0 \text{ EBU/acre} = 21.25 \text{ EBU}$).

Public School Property – This classification includes the parcel currently identified specifically as a public school site. On average, approximately 1/3rd (33.33%) of the total school site acreage is developed with structures and parking facilities, which is similar to what is commonly associated with non-residential developments. The remaining parcel acreage (approximately 66.67%) is generally playground areas and/or sports fields which is similar to the District's park improvements. Recognizing the overall development of this parcel as compared to other properties in the District and the improvements in proximity to this property, it has been determined that the proportional special benefit EBU calculated for this parcel is accurately reflected by treating that portion of the parcel with structures and parking facilities (1/3rd of the parcel's acreage) similar to the EBU calculated for Developed Non-Residential properties (33.33% of acreage x 5.0 EBU/acre), with the remaining 2/3rd of the parcel's acreage being excluded (treated similar to the District's park facility, although this area is not part of the improvements being maintained by the District). Therefore, this 14.37 acre school site parcel shall be assigned 11.98 EBU for balloting purposes to establish the property's maximum assessment

and proportional special benefit ($[14.37 \text{ acres} \times 33.33\% = 4.79 \text{ applied acre}] \times 5.00 \text{ EBU/acre} = 11.98 \text{ EBU}$).

However, for calculation of the annual assessments each fiscal year, the Assessment Engineer shall apply to this parcel an EBU that best reflects the property's development status and proportional special benefit from the exiting improvements and/or new improvements to be installed and accepted during the fiscal year. The Assessment Engineer may treat the parcel as a Vacant Undeveloped Property (assigned 1.00 EBU per acre or 4.79 EBU) or any proportional EBU up to the parcel's maximum EBU described above (11.98 EBU).

Based on the current development of this property and the location and timing of the improvements to be accepted by the City for maintenance, this parcel shall be assigned a weighted special benefit per applied acre applicable to Vacant Undeveloped Property.

Planned Residential Development – This land use classification is defined as a parcel or group of parcels that may currently be identified as vacant undeveloped property or undeveloped residential property, zoned for residential use, and the number of residential units to be developed on the property has been determined or identified as part of a Tentative Development Plan, Tentative Tract Map or Specific Plan.

For balloting purposes to establish each property's maximum assessment and proportional special benefit, these parcels were assigned an EBU that reflected the total EBU's planned for that parcel at build-out (1.00 EBU per single-family residential lot and 0.80 per multi-family residential unit).

However, for calculation of the annual assessments each fiscal year, the Assessment Engineer shall apply to such parcels an EBU that best reflects that parcel's proportional special benefit from the improvements and services provided as compared to other properties in the District, Zone and Sub-Zone based on the type and location of the improvements to be maintained, the proximity of the property to those improvements, and the development status of the property. Because these factors can vary from year to year and from parcel to parcel, the calculated EBU for each parcel originally balloted as a Planned Residential Development parcel may be different utilizing either the acreage of the parcel or number of planned units. The Assessment Engineer may identify the parcel and treat the parcel as a Vacant Undeveloped Property (assigned 1.00 EBU per applied acre up to a maximum of 5.0 EBU); as an Undeveloped Residential Property (assigned 1.00 EBU per acre for the parcel's total acreage); or may temporarily identify the parcels as a Special Case Parcel (refer to this land use classification below) assigning the parcel any proportional EBU up to the maximum EBU for which the property was ballot (1.0 EBU per single-family residential lot and 0.80 per multi-family residential unit).

Based on the development of properties within the District (specifically in Zone B) and the location and timing of the improvements to be accepted by the City for maintenance, the parcels initially identified as Planned Residential Development properties have each be assigned a weighted special benefit per acre applicable to either Vacant Undeveloped Property or Undeveloped Residential Property.

Planned Non-Residential Development – This land use classification is defined as a parcel or group of parcels that may currently be identified as vacant undeveloped property or undeveloped non-residential property, zoned for a non-residential use including proposed commercial retail or service, office or professional service, hotel or motel, manufacturing, warehousing, parking lot, and/or institutional facilities including hospitals or other medical facilities, private schools or education centers, churches or other non-profit organizations based on a Tentative Development Plan, Tentative Tract Map or Specific Plan.

For balloting purposes to establish each property's maximum assessment and proportional special benefit, these parcels were assigned an EBU that reflected the total EBU's planned for that parcel at build-out (5.00 EBU per applied acre as applicable to Developed Non-Residential properties).

However, for calculation of the annual assessments each fiscal year, the Assessment Engineer shall apply to such parcels an EBU that best reflects that parcel's proportional special benefit from the improvements and services provided as compared to other properties in the District and Zone based on the type and location of the improvements to be maintained, the proximity of the property to those improvements, and the development status of the property. Because these factors can vary from year to year and from parcel to parcel, the calculated EBU for each parcel originally balloted as Planned Non-Residential Development may be different. The Assessment Engineer may identify the parcel and treat the parcel as a Vacant Undeveloped Property (assigned 1.00 EBU per applied acre up to a maximum of 5.0 EBU); as an Undeveloped Non-Residential Property (assigned 1.00 EBU per acre for the parcel's total acreage); or may temporarily identify the parcel as a Special Case Parcel (refer to this land use classification below) assigning the parcel any proportional EBU up to the maximum EBU for which the property was ballot (5.00 EBU per applied acre as applicable to Developed Non-Residential properties).

Based on the anticipated development of properties within the District (specifically in Zone A) and the location and timing of the improvements to be accepted by the City for maintenance, the parcels initially identified as Planned Non-Residential Development properties have each been assigned a weighted special benefit per acre applicable to either Vacant Undeveloped Property or Undeveloped Non-Residential Property.

Vacant Undeveloped Property – This land use classification includes undeveloped properties that are identified as parcels with no development including residential and non-residential properties, undeveloped school sites, and parcels that may currently be used for agricultural purposes. Although it is recognized that most of the improvements within the various Zones and Sub-Zones of the District will be constructed and accepted for maintenance in large part as properties are developed and these developments will clearly receive a particular and distinct benefit (direct special benefit) from those improvements, it is also recognized that most of the various improvements proposed within the District are considered shared improvements that collectively support the overall development of properties within the District and Zones to their full and best use, including the vacant undeveloped properties. However, it is also recognized that the planned parks, internal (neighborhood) street lights and some of the non-streetscape improvements within the District are in large part specifically related to the residential parcels that have an immediate utilization of these improvements and the special benefit costs associated with the parks, neighborhood street lights and landscape areas should be assessed primarily if not entirely to the properties which are developed or actively being developed. Likewise, most of the remaining landscaping and lighting improvements within the District will likely be installed and accepted for maintenance as properties are developed and those developing parcels clearly receive a proportionately greater benefit from those improvements than do the undeveloped properties. Therefore, it has been determined that parcels identified as Vacant Undeveloped Property shall be assigned a proportional EBU that is twenty percent (20%) of that assigned to developed properties, which is 1.0 EBU per applied acre (20% of the 5.0 EBU per acre assigned to Developed Non-Residential properties), up to a maximum of five (5.0) acres per parcel or 5.0 EBU per parcel. (e.g., a Vacant Undeveloped Property which is 7.00-acres would be assigned 5.00 EBU [5.0-acre maximum x 1.0 EBU/acre]).

Undeveloped Residential Property – This land use classification includes undeveloped properties that were originally identified as Planned Residential Development parcels, but have not yet been developed or subdivided, but are either adjacent to or in close proximity to improvements that will be maintained for the current fiscal year, and/or the property is actively being developed. While many of the improvements within the District will be constructed and accepted for maintenance in large part as properties are being subdivided or developed and those properties will clearly receive a particular and distinct benefit (direct special benefits) from those improvements, it is also recognized that certain improvements within the District are installed in advance of property development that are considered shared improvements that collectively support the overall development of properties within the District and Zones to their full and best use, including the vacant undeveloped properties. However, it is also recognized that some of these shared improvements within the District have a more direct and particular benefit to those undeveloped properties directly adjacent to the improvements or in close proximity to those improvements than do the vacant undeveloped properties that are not actively being developed or are further from those shared improvements. Therefore, it has been determined that parcels identified as Undeveloped Residential Property shall be assigned a proportional EBU that is twenty percent (20%) of that assigned to developed properties, which is 1.0 EBU per applied acre (20% of the 5.0 EBU per acre assigned to Developed Non-Residential property), but unlike parcels designated as Vacant Undeveloped Property, there is no acreage cap for the parcel (e.g., an Undeveloped Residential Property which is 7.00-acres would be assigned 7.00 EBU [7.0 acres x 1.0 EBU/acre]).

Undeveloped Non-Residential Property – This land use classification includes undeveloped properties that were originally identified as Planned Non-Residential Development parcels, but have not yet been developed or subdivided, but are either adjacent to or in close proximity to improvements that will be maintained for the current fiscal year, and/or the property is actively being developed. While many of the improvements within the District will generally be constructed and accepted for maintenance in large part as properties are being subdivided or developed and those properties will clearly receive a particular and distinct benefit (direct special benefits) from those improvements, it is also recognized that certain improvements within the District are installed in advance of property development that are considered shared improvements that collectively support the overall development of properties within the District and Zones to their full and best use, including the vacant undeveloped properties. However, it is also recognized that some of these shared improvements within the District have a more direct and particular benefit to those undeveloped properties directly adjacent to the improvements or in close proximity to those improvements than do the vacant undeveloped properties that are not actively being developed or are further from those shared improvements. Therefore, it has been determined that parcels identified as Undeveloped Non-Residential Property shall be assigned a proportional EBU that is twenty percent (20%) of that assigned to developed properties, which is 1.0 EBU per applied acre (20% of the 5.0 EBU per acre assigned to Developed Non-Residential property), but unlike parcels designated as Vacant Undeveloped Property, there is no acreage cap for the parcel (e.g., an Undeveloped Non-Residential Property which is 7.00-acres would be assigned 7.00 EBU [7.0 acres x 1.0 EBU/acre]).

Special Case Parcels – In many landscaping and lighting districts (particularly districts that have a wide range of land uses, phased developments, and/or diversity in the location and type of improvements) there may be one or more parcels to be assessed that the standard land use classifications and proportionalities, previously defined, do not accurately identify the use and special benefit received from the improvements. Properties that are typically classified as Special Case Parcels usually involve partial or mixed use development of the property or development restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefit. Examples of such restrictions may include situations where only a portion of the parcel's total acreage is or can be developed. In such a case, the net acreage of the parcel that is utilized rather than the gross acreage of the parcel may be applied to calculate the parcel's proportional special benefit similar to how the Public School site parcel is treated. Each such parcel shall be addressed on a case-by-case basis by the Assessment Engineer and the EBU assigned to such parcels shall be based on the specific issues related to that parcel and its proportional special benefit compared to other properties that receive special benefits from the improvements.

Exempt Properties – Within most districts, there are lots or parcels of land that do not receive a special benefit from the improvements provided (exempt from assessment), which may include, but is not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, public rights-of-way, or utility rights-of-way; common areas, bifurcated lots; sliver parcels or any other parcel that has little or no assessed value and cannot be developed independently; parcels that are part of the improvements being maintained by the District or that the City has determined that the parcel cannot be developed. These types of parcels are considered to receive no special benefit from the improvements and are therefore exempted from assessment and are assigned 0.00 EBU.

A summary of the applied Equivalent Benefit Units (EBUs) for the various land use classifications within the District is shown in the following table:

| Assessment Land Use | Equivalent Benefit Unit Formula | |
|-------------------------------------|---------------------------------|-----------------------------------|
| Single Family Residential | 1.00 | EBU per Unit/Parcel |
| Multi-Family Residential | 0.80 | EBU per Unit |
| Developed Non-Residential | 5.00 | EBU per Acre |
| Public School Property | 5.00 | EBU per Adjusted Acreage |
| Planned Residential Development | 0.50 | EBU per Unit |
| Planned Non-Residential Development | 2.50 | EBU per Acre |
| Vacant Undeveloped Property | 1.00 | EBU per Acre (Maximum of 5 Acres) |
| Approved Residential Development | 1.00 | EBU per Unit |
| Approved Non-Residential | 5.00 | EBU per Acre |
| Approved Multi-Residential | 0.80 | EBU per Unit |
| Approved Condominium Property | 1.00 | EBU per Unit |
| Undeveloped Residential Property | 1.00 | EBU per Acre |
| Undeveloped Non-Residential | 1.00 | EBU per Acre |
| Planned Multi-Family Residential | 0.80 | EBU per Unit |
| Exempt | - | EBU per Acre |
| Special Case | 1.00 | EBU per Acre |

Equivalent Benefit Unit Summary

The following is a summary of the Equivalent Benefit Units applicable to the various land use classifications identified in each District Zone or Sub-Zone:

Zone A

| Assessment Land Use | Total Parcels | Residential Units/Lots | Applied Acreage | Equivalent Benefit Units (EBU) |
|-----------------------------|---------------|------------------------|-----------------|--------------------------------|
| Vacant Undeveloped Property | 1 | - | 4.64 | 4.64 |
| Undeveloped Non-Residential | 2 | - | 16.85 | 16.85 |
| Exempt | 1 | - | 1.77 | - |
| Totals | 4 | - | 23.26 | 21.49 |

Sub-Zone B1

| Assessment Land Use | Total Parcels | Residential Units/Lots | Applied Acreage | Equivalent Benefit Units (EBU) |
|---------------------------|---------------|------------------------|-----------------|--------------------------------|
| Single Family Residential | 444 | 444 | - | 444.00 |
| Exempt | 23 | - | 4.96 | - |
| Totals | 467 | 444 | 4.96 | 444.00 |

Sub-Zone B2

| Assessment Land Use | Total Parcels | Residential Units/Lots | Applied Acreage | Equivalent Benefit Units (EBU) |
|-----------------------------|---------------|------------------------|-----------------|--------------------------------|
| Vacant Undeveloped Property | 1 | - | 4.79 | 4.79 |
| Exempt | 2 | - | 12.91 | - |
| Totals | 3 | - | 17.70 | 4.79 |

Sub-Zone B3

| Assessment Land Use | Total Parcels | Residential Units/Lots | Applied Acreage | Equivalent Benefit Units (EBU) |
|-----------------------------|---------------|------------------------|-----------------|--------------------------------|
| Vacant Undeveloped Property | 4 | - | 20.00 | 20.00 |
| Exempt | 2 | - | 9.58 | - |
| Totals | 6 | - | 29.58 | 20.00 |

Part III – Estimate of Costs

Calculation of Assessments

An assessment amount per Equivalent Benefit Unit (Assessment per EBU) is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the “Total General Benefit Expenses” (Landscaping General Benefit Expenses and/or Lighting General Benefit Expenses), to establish the “Total Special Benefit Expenses;”

$$\text{Total Annual Expenses} - \text{General Benefit Expenses} = \text{Special Benefit Expenses}$$

To the resulting “Special Benefit Expenses,” various “Funding Adjustments” may be applied that may include, but are not limited to:

- “Reserve Fund Transfer/Deduction,” represents an amount of available existing funds from the “Operational Reserve Fund Balances” being applied to pay a portion of the Special Benefit Expenses for the fiscal year.
- “Additional City Funding,” represents an adjustment that is typically used to address any funding gap between the amount budgeted to provide the improvements and services (“Special Benefit Expenses”); and the amount that will be collected through the assessments. This funding may be addressed by an additional City contribution or loan from the City which is intended to be recovered in future fiscal years.

These adjustments to the Special Benefit Expenses result in the net special benefit amount to be assessed “Balance to Levy;”

$$\text{Special Benefit Expenses} - \text{Funding Adjustments} = \text{Balance to Levy}$$

The amount identified as the “Balance to Levy” is divided by the total number of EBUs of parcels that receive special benefit to establish the Assessment Rate (“Assessment Per EBU”). This Assessment Rate is then applied back to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment amount for the improvements.

$$\text{Balance to Levy} / \text{Total EBU} = \text{Assessment Per EBU (Assessment Rate)}$$

$$\text{Assessment Per EBU} \times \text{Parcel EBU} = \text{Parcel Assessment Amount}$$

Note: The maximum assessments and proposed assessments for fiscal year 2024/2025 outlined in this Report are intended to fully support the expenses identified as “Special Benefit Expenses.” Consequently, there are no “Funding Adjustments” reflected in the budgets, the “Balance to Levy” is equal to the total “Special Benefit Expenses.”

Zone Budgets and Assessments

The Zone budgets and assessments outlined on the following page for the District are based on the City's estimate of the expenses and related funding necessary for the operation, maintenance and servicing of the District improvements identified in Part I of this Report for Zone A and Zone B for fiscal year 2024/2025.

The Maximum Assessment per EBU (Maximum Assessment Rates) for Zone A and Zone B (Sub-Zones B1, B2, and B3) represents the calculated authorized maximum assessment rates for fiscal year 2024/2025 based on the assessment rates presented to the property owners of record within the District as part of the Ballot Proceeding in fiscal year 2017/2018, adjusted by the authorized Assessment Range Formula of 3.5% per year. Reference is hereby made to the Assessment Range Formula described after the budget.

Refer to the Assessment Roll outlined in "Part IV — Assessment Roll" to reference the individual assessment amounts proposed to be levied and collected for each parcel in fiscal year 2024/2025. A listing of the parcels to be assessed within this District along with the assessment amounts has been filed with the City Clerk in an electronic format and is by reference made part of this Report.

Zone Budgets & Assessments, Fiscal Year 2024/2025

| BUDGET ITEMS | Zone A | Zone B Sub-Zone B1 | Zone B Sub-Zone B2 | Zone B Sub-Zone B3 | TOTAL BUDGET Assessment Fiscal Year 2024/2025 |
|---|-----------------|-----------------------|-----------------------|-----------------------|--|
| ANNUAL OPERATION & MAINTENANCE EXPENSES | | | | | |
| Annual Lighting Operation & Maintenance Expenses | \$ 236 | \$ 24,561 | \$ 67 | \$ 136 | \$ 25,000 |
| Annual Landscaping Operation & Maintenance Expenses | - | 88,432 | 470 | 1,098 | 90,000 |
| TOTAL ANNUAL OPERATION & MAINTENANCE EXPENSES | \$ 236 | \$ 112,993 | \$ 536 | \$ 1,234 | \$ 115,000 |
| REHABILITATION/RENOVATION FUNDING & CAPITAL EXPENDITURES | | | | | |
| Lighting Rehabilitation/Renovation Funding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Landscape Improvement Rehabilitation/Renovation Funding | - | - | - | - | - |
| Planned Capital Expenditures (For Fiscal Year) | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL REHABILITATION/RENOVATION FUNDING & CAPITAL EXPENDITURES | \$ - | \$ - | \$ - | \$ - | \$ - |
| INCIDENTAL EXPENSES | | | | | |
| Operational Reserves (Collection) | \$ - | \$ - | \$ - | \$ - | \$ - |
| District Administration Expenses | \$ 51 | \$ 25,650 | \$ 121 | \$ 277 | \$ 26,100 |
| County Administration Fee | 2 | 955 | 5 | 10 | 972 |
| Annual Administration Expenses | <u>53</u> | <u>26,605</u> | <u>126</u> | <u>288</u> | <u>27,072</u> |
| TOTAL INCIDENTAL EXPENSES | \$ 53 | \$ 26,605 | \$ 126 | \$ 288 | \$ 27,072 |
| TOTAL ANNUAL EXPENSES | \$ 290 | \$ 139,599 | \$ 662 | \$ 1,522 | \$ 142,072 |
| GENERAL BENEFIT EXPENSES | | | | | |
| Lighting General Benefit — City Funded | \$ (24) | \$ (972) | \$ (7) | \$ (14) | \$ (1,015) |
| Landscaping General Benefit — City Funded | - | (5,696) | (28) | (70) | (5,795) |
| TOTAL GENERAL BENEFIT EXPENSES | \$ (24) | \$ (6,668) | \$ (35) | \$ (84) | \$ (6,810) |
| TOTAL SPECIAL BENEFIT EXPENSES | \$ 266 | \$ 132,931 | \$ 627 | \$ 1,438 | \$ 135,262 |
| FUNDING ADJUSTMENTS | | | | | |
| Reserve Fund Transfer/Deduction | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additional City Funding | - | - | - | - | - |
| TOTAL FUNDING ADJUSTMENTS / CONTRIBUTIONS | \$ - | \$ - | \$ - | \$ - | \$ - |
| BALANCE TO LEVY | \$ 266 | \$ 132,931 | \$ 627 | \$ 1,438 | \$ 135,262 |
| DISTRICT STATISTICS | | | | | |
| Total Parcels | 4 | 467 | 3 | 6 | 480 |
| Assessed Parcels | 3 | 444 | 1 | 4 | 452 |
| Equivalent Benefit Units (EBU) | 21.49 | 444.00 | 4.79 | 20.00 | 490.28 |
| Assessment Per EBU | \$12.38 | \$299.40 | \$130.94 | \$71.90 | |
| Maximum Assessment Rate Per EBU | \$49.62 | \$757.01 | \$757.01 | \$757.01 | |
| FUND BALANCE | | | | | |
| Estimated Beginning Fund Balance | \$ 1,254 | \$ 281,142 | \$ 7,937 | \$ 1,433 | \$ 291,767 |
| Operational Reserve & Rehabilitation Funding Collected | - | - | - | - | - |
| Estimated Ending Fund Balance | <u>\$ 1,254</u> | <u>\$ 281,142</u> | <u>\$ 7,937</u> | <u>\$ 1,433</u> | <u>\$ 291,767</u> |

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. The Brown Act defines the terms "new or increased assessment" to exclude certain conditions. These certain conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed."

Recognizing that the cost of maintaining the improvements will increase over time due to inflation, the maximum assessments (initial maximum assessment amounts and maximum assessment rates established in fiscal year 2017/2018) for Zone A and Zone B, include a fixed 3.5% annual inflationary adjustment (Assessment Range Formula). This 3.5% annual adjustment provides for reasonable increases and inflationary adjustment to the initial maximum assessment rates approved by the property owners as part of the protest ballot proceeding conducted in connection with the formation of the District.

The adoption of the maximum assessment rates and the Assessment Range Formula described herein does not mean that the annual assessments will necessarily increase each fiscal year, nor does it absolutely restrict the assessments to the adjustment maximum assessment amount. Although the maximum assessment rates that may be levied shall be adjusted (inflated) by 3.5% each year, the actual amount to be assessed will be based on the Balance to Levy for that fiscal year. If the calculated assessment is less than the adjusted maximum assessment, then the calculated assessment may be approved by the City Council for collection. If the calculated assessment (based on the proposed budget) is greater than the adjusted maximum assessment for that fiscal year, then the assessment would be considered an increased assessment and would require property owner approval through a protest ballot proceeding before imposing such an increase. Otherwise, it would be necessary to reduce the budget or provide a contribution from the City to reduce the Balance to Levy (amount to be assessed) to an amount that can be supported by an assessment rate less than or equal to the maximum assessment rate authorized for that fiscal year.

The Assessment Range Formula (3.5% annual adjustment) shall be applied to the maximum assessment rates for Zone A and Zone B identified in the District Budgets Establishing Maximum Assessments as presented in this Report, commencing in fiscal year 2018/2019 and all subsequent fiscal years unless the City Council formally suspends its application.

Part IV — Assessment Roll

Due to the number of parcels in the District, the Assessment Roll for fiscal year 2024/2025 (a listing of the parcels to be assessed within this District along with the assessment amounts) has been filed with the City Clerk in an electronic format and is by reference made part of this Report. The proposed Assessment Roll shall be available for public inspection in the City Clerk's Office during normal office hours.

The Assessment Roll reflects all properties currently identified within the District and their assessment amount(s) for fiscal year 2024/2025. Each parcel listed on the Assessment Roll is currently shown and illustrated on the County Assessor's Roll and the County Assessor's Parcel Number Maps (APN maps). These records are by reference made part of this Report and shall govern for all details concerning the description of the lots or parcels. All assessments presented on the assessment roll are subject to change as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for fiscal year 2024/2025.

Part V — District Diagrams

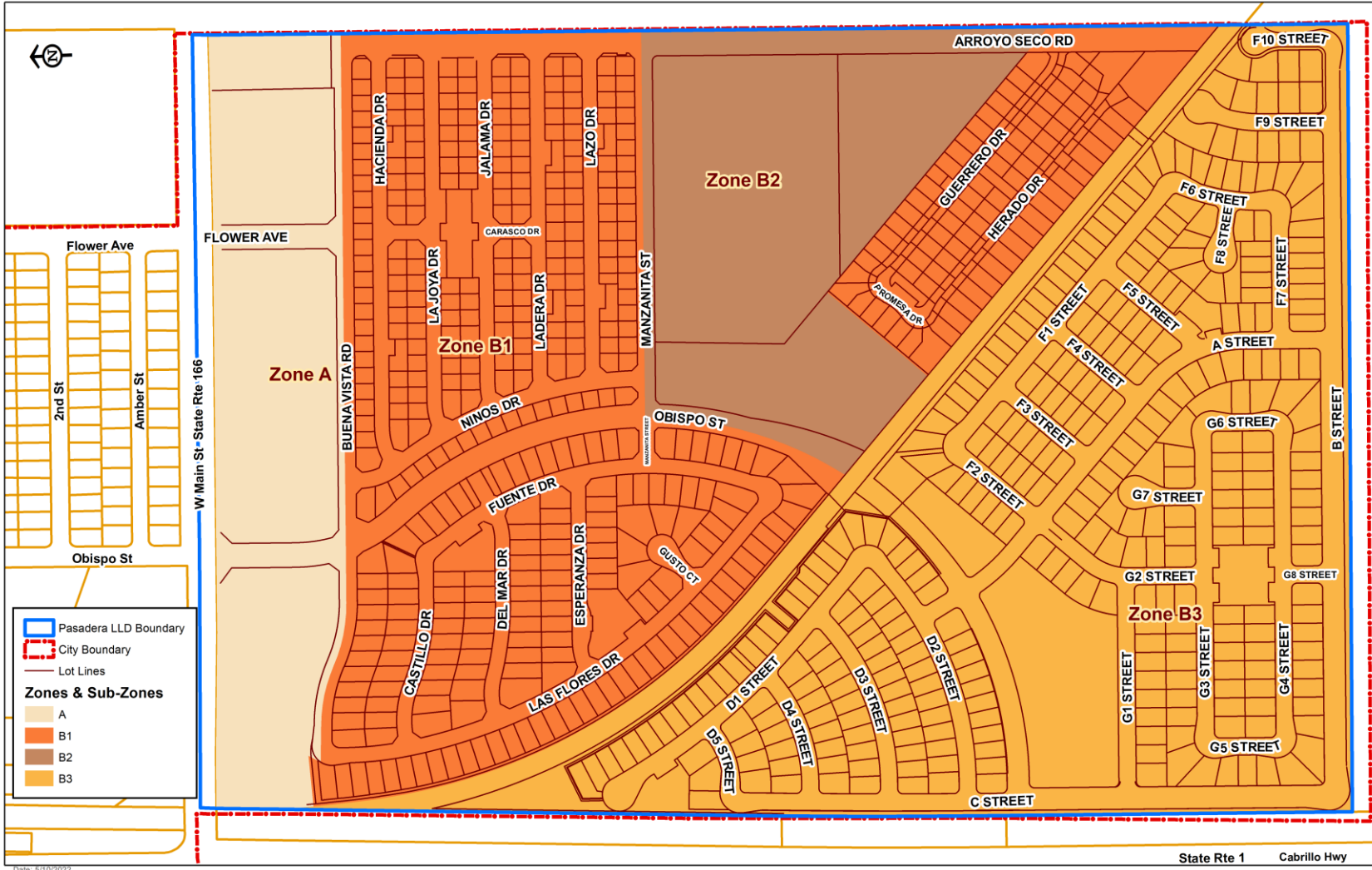
The lots and parcels of land within the Pasadera Landscaping and Lighting District consist of the lots and parcels within the planned non-residential and residential development areas identified in the DJ Farms Specific Plan and commonly referred to as the Pasadera development located on the south side of Main Street near Obispo Street and Flower Avenue.

The District Diagrams provided on the following pages provide a visual depiction of the boundaries of the District and the Zones and Sub-Zones applicable for fiscal year 2024/2025. These diagrams also provide a visual depiction of the location and extent of the improvements to be maintained within the District at build-out. The combination of these Diagrams and the Assessment Roll contained in Part IV of this Report constitutes the Assessment Diagram for this District and encompasses all lots, parcels and subdivisions of land that receive or will receive a special benefit from the improvements to be provided in the District at the time this Report was prepared.

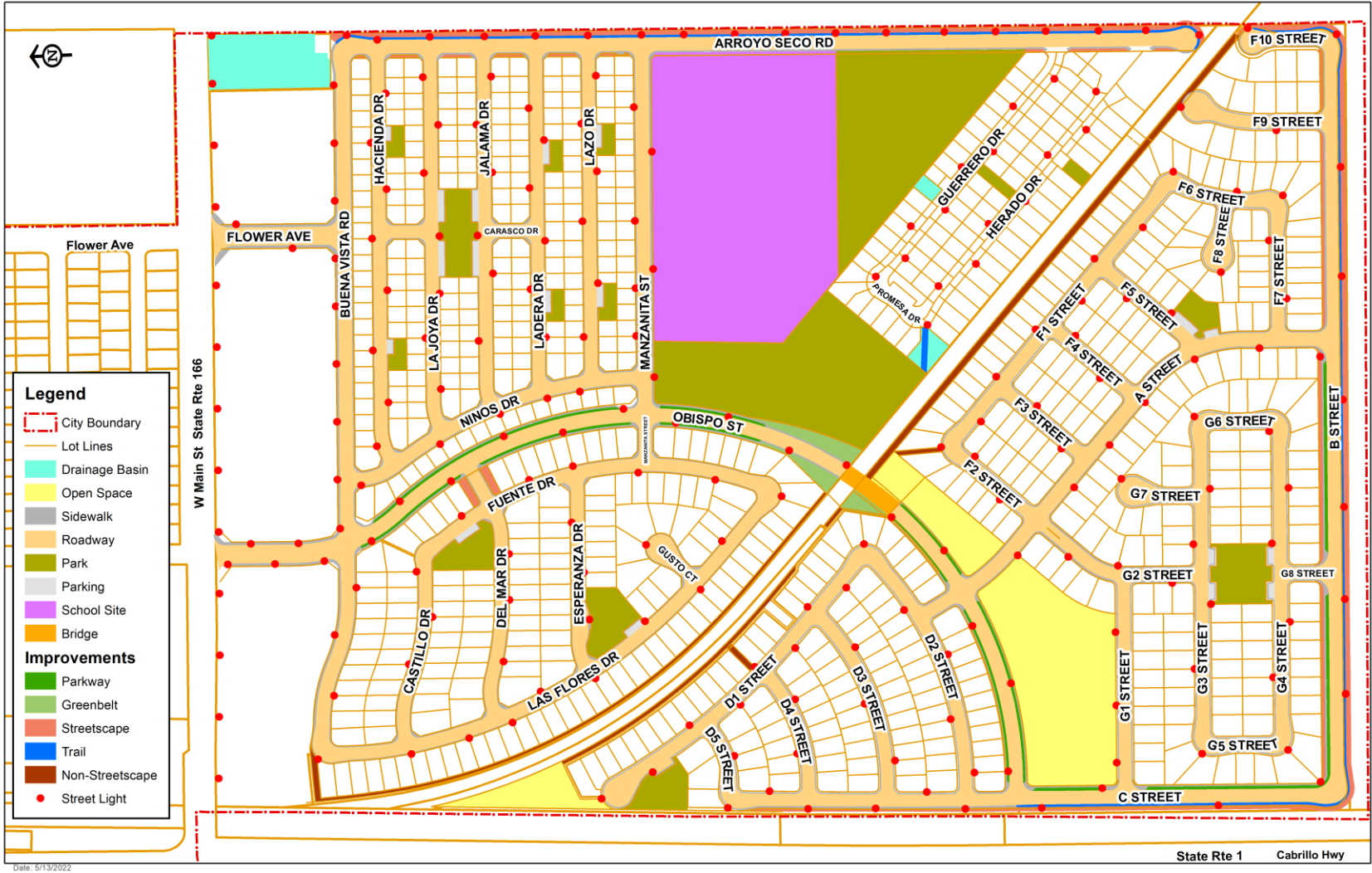
The lines and dimensions of each lot, parcel, and subdivision of land contained in these diagrams are inclusive of the parcels listed in “Part IV — Assessment Roll” of this Report as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein.

Reference is hereby made to the Santa Barbara County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each parcel within the Pasadera Landscaping and Lighting District including all subsequent subdivisions, lot-line adjustments, or parcel changes therein.

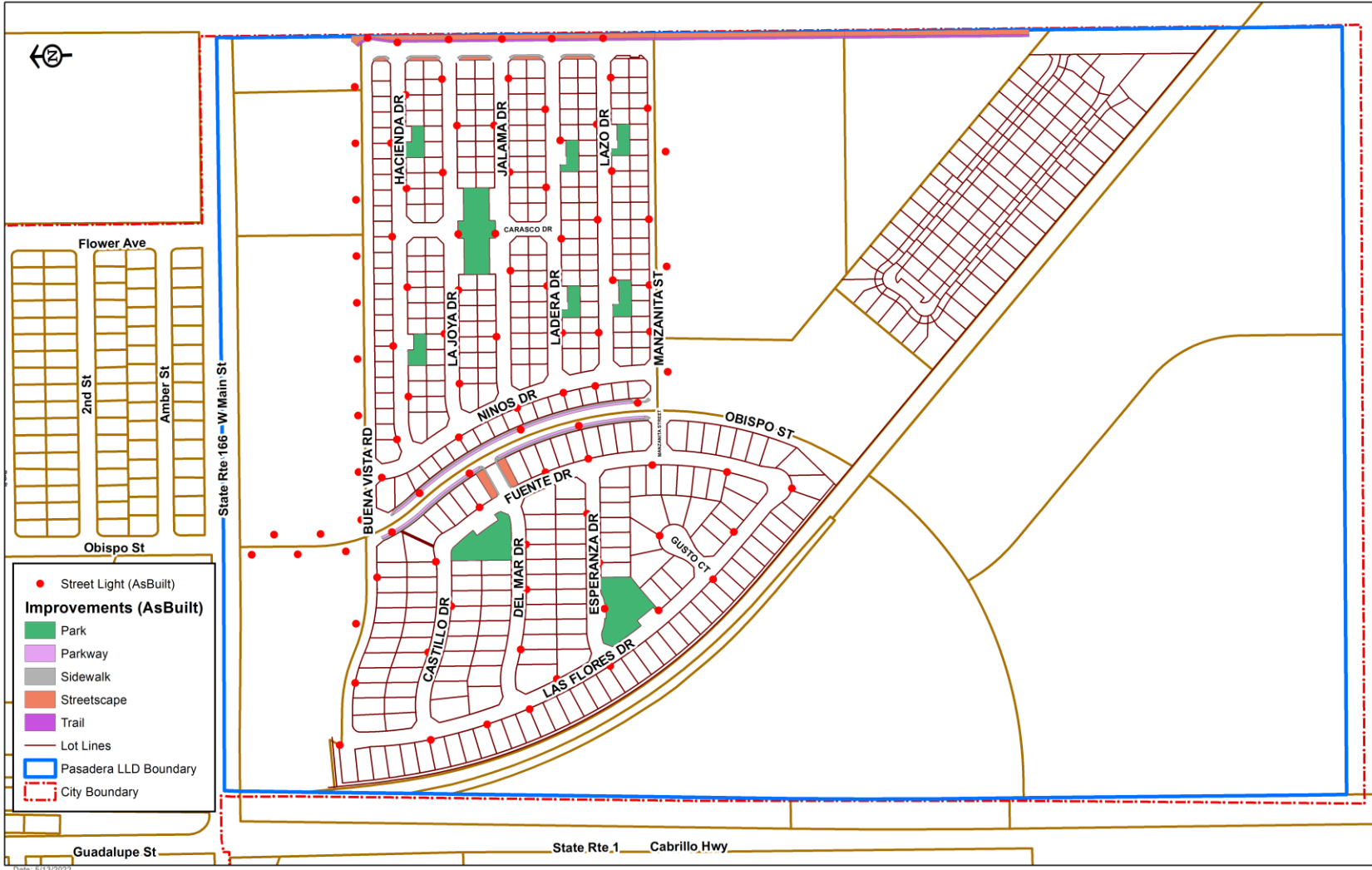
District Diagram – Boundary and Zones, Fiscal Year 2024/2025



District Diagram – Development and Improvements Planned at Buildout



District Diagram – Development and Improvements, Fiscal Year 2024/2025



RESOLUTION NO. 2024-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, APPROVING THE PRELIMINARY ENGINEER'S REPORT FOR THE PASADERA LANDSCAPING AND LIGHTING DISTRICT AND DECLARING THE CITY COUNCIL'S INTENT TO LEVY AN ASSESSMENT

WHEREAS, the City Council of the City of Guadalupe, California, has, by previous Resolutions, formed the Pasadera Landscaping and Lighting District and initiated proceedings for the annual levy of assessments for Fiscal Year 2024/2025 pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "1972 Act") that authorizes the levy and collection of assessments by the County of Santa Barbara on behalf of the City of Guadalupe to pay the maintenance and services landscaping, appurtenant facilities and operations related thereto; and,

WHEREAS, the City previously determined that the assessments for the District were approved in accordance with the requirements of the California Constitution, Articles XIII D; and,

WHEREAS, the City Council has retained Willdan Financial Services for the purpose of assisting with the Annual Levy of the District, and to prepare and file an Engineer's Annual Levy Report with the City Clerk in accordance with the 1972 Act; and,

WHEREAS, there has now been presented to this City Council the Engineer's Annual Levy Report, which describes the District and improvements and includes the proposed budgets and assessments for Fiscal Year 2024/2025; and,

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Annual Levy Report as presented and is preliminarily satisfied with the District, each of the budget items and documents as set forth therein, and is satisfied that the proposed assessments contained therein, have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within the District, as set forth in said Report; and

WHEREAS, the City Council had ordered Willdan Financial Services to file the Engineer's Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the 1972 Act with the City Clerk of the City of Guadalupe; and

WHEREAS, it is the intent of the City Council to levy an assessment for the Fiscal Year 2024/2025 as specified in said Engineer's Report

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Guadalupe as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby declares its intention to seek the annual levy and collection of assessments within the Pasadera Landscaping and Lighting District pursuant to the 1972

Act, over and including the land within the boundaries of said District, and to levy and collect assessments on such land to pay the annual costs and expenses of the improvements and services described in the Engineer's Annual Levy Report, for Fiscal Year 2024/2025.

SECTION 3. The boundaries of the District is described in the Engineer's Annual Levy Report, as ordered by previous Resolution, and a copy of the District boundaries is on file in the office of Public Works. The District as outlined in the Engineer's Report, incorporates Zones of benefit as authorized in accordance with *Chapter 1, Sections 22568 and 22570* of the 1972 Act, which are designated as:

Zone A

Zone B, including Sub-Zone B1, Sub-Zone B2, and Sub-Zone B3

SECTION 4. The improvements within the District may include any improvements, expenses and services authorized pursuant to the 1972 Act including, but not limited to, the maintenance, operation and servicing of local street lighting, parks, and various landscaping improvements established in connection with development of the properties within the District, and which shall be maintained for the special benefit of those properties. The maintenance and servicing of the improvements generally include, but are not limited to, the materials, equipment, utilities, labor, and incidental expenses, including administrative expenses, required for annual operation, as well as the performance of periodic repairs and replacement activities as needed to provide for the growth, health, and beauty of the parks and landscaping within specified public areas, rights-of-way and/or dedicated easements, the proper operation and functioning of related amenities including, irrigation and drainage systems, specified fencing, hardscapes; sports courts and fields; playground equipment and structures; sidewalks, ornamental or safety lighting; benches, trash receptacles; drinking fountains, picnic facilities and any other equipment, structures or facilities related to the parks and/or landscape areas; and the proper operation of the public street lights and street lighting system within the public rights-of-way which may include, but is not limited to the furnishing of electric current or other illuminating agent; as needed maintenance, repair, and replacement of worn out electrical components and light fixtures, including bulbs, ballasts, photoelectric cells, meters, electrical cables; repair or replacement of damaged poles, ground wires, and conduits caused by accidents, vandalism, time, and weather; and monitoring of the Underground Service Alert (USA) network to prevent damage by excavation. The Engineer's Annual Levy Report filed with the City Clerk and presented to the City Council more fully describes the improvements proposed for Fiscal Year 2024/2025.

SECTION 5. The Engineer's Report as presented, consists of the following:

5a.) The Plans and Specifications which describe the boundaries of the District and the improvements associated therewith that provide special benefits to the parcels therein; and,

5b.) The Method of Apportionment that details the method of calculating proportional special benefit and the annual assessment obligation for each affected parcel; and,

5c.) The Estimate of Improvement Costs including the calculation of the assessments and the estimated annual funding (Budget) required for the annual maintenance, servicing, and operation of the parks, landscaping and lighting improvements and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District, establishing the proposed assessments for fiscal year 2024/2025; and,

5d.) The Assessment Range Formula (Annual Inflationary Adjustment) authorized for annual adjustments to the Maximum Assessment Rates per Equivalent Benefit Unit previously established and approved by the property owner(s) of record in a protest ballot proceeding at the time the District was formed pursuant to the California Constitution Article XIII D; and,

5e.) A District Diagram outlining the boundaries of the District and Zones therein for fiscal year 2024/2025; and,

5f.) An Assessment Roll containing the proposed levy of assessment for fiscal year 2024/2025 for each Assessor Parcel Number currently identified within the District; and,

SECTION 6. For Fiscal Year 2024/2025, the proposed assessments outlined in the Engineer's Report are within the assessment limits previously established for the District as approved by the property owners, and do not require additional property owner ballot proceedings at this time for any assessment increase in accordance with the requirements of the California Constitution, Article XIII D.

SECTION 7. The City Council hereby declares its intention to conduct a public hearing concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22626* of the 1972 Act.

SECTION 8. Notice is hereby given that a Public Hearing on these matters will be held by the City Council on **Tuesday, July 23, 2024 at 6:00 p.m.**, or as soon thereafter as feasible in the City Hall (Council Chambers), located at 918 Obispo Street, Guadalupe, California.

SECTION 9. The City Clerk or their designee is hereby authorized and directed to give notice of the time and place of the Public Hearing for the District and assessments as provided by law by causing the publishing notice of the public hearing once in the local newspaper not less than ten (10) days before the date of the public hearing.

SECTION 10. The City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the City Clerk shall consult with the City Administrator and City Attorney concerning any changes deemed necessary.

PASSED, APPROVED AND ADOPTED at a regular meeting on the 9th day of July 2024 by the following vote:

MOTION:

AYES:
NOES:
ABSENT:
ABSTAINED:
RECUSED:

I, Amelia M. Villegas, City Clerk of the City of Guadalupe DO HEREBY CERTIFY that the foregoing Resolution, being **Resolution No. 2024-43**, has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held July 9, 2024, and that same was approved and adopted.

ATTEST:

Amelia M. Villegas, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Philip F. Sinco, City Attorney