

RESOLUTION No. 212402

R-75-1404

Adopted on JAN 9 1975

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That Council Policy 800-3 entitled "Assessment Proceedings" be, and it is hereby amended as set forth in the form of Council Policy filed in the office of the City Clerk as Document No. 749915.

BE IT FURTHER RESOLVED, that the City Clerk be, and he is hereby instructed to add the aforesaid to the Council Policy Manual.

APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug
Harold Valderhaug, Deputy

HOV:nr
12-17-74

9/25/74

COUNCIL POLICY

SUBJECT: ASSESSMENT PROCEEDINGS

Policy Number 800-3 (Rev.)
DOCUMENT NO. 779915
FILED JAN 15 1975

BACKGROUND

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

An important financing method for providing public facilities is the use of special assessment district proceedings. Such special districts may be formed under provisions of State law (primarily 1911 Act and 1913 Act improvement districts) or under provisions of the City's own procedural ordinance.

PURPOSE

To outline a uniform policy for assessment projects in the City of San Diego covering the initiation of proceedings, provision of information to property owners and determination of assessment formulae.

POLICY

I. Initiation of Proceedings

It is the policy of the City of San Diego that assessment proceedings be initiated by one of two ways:

1. The City Council may initiate the assessment proceedings for the following improvements based on the indicated petition:

- (a) Streets, alleys, water and sewer facilities requested by property owner petition representing 60% of the property fronting on the proposed improvement(s).
- (b) Underground utility conversion projects requested by property owner petition representing 75% of the property fronting on the proposed improvement(s).

(c) Open space acquisition, park improvement, and public facilities projects requested by property owner petition representing 60% of the area subject to assessment.

2. If a petition contains less than the requisite percentage of the signature of property owners fronting on the improvement, or within the assessable area, it may be initiated by the City Council based on one or more of the following conditions:

- (a) Unusual drainage problem.
- (b) Unusual traffic hazard.
- (c) Unusual maintenance costs to City.
- (d) Where surrounding streets are improved.
- (e) Where 40% of the property has been developed, but no streets have been improved.
- (f) A capital funds street project should be complemented by adjoining improvements in order to make a total improvement.
- (g) Where public benefit would accrue from the proposed acquisition or improvement(s).
- (h) In the case of underground conversion projects where the City or a public utility has agreed to pay more than 50% of total conversion costs, excluding cost of conversion on private property.

- (1) When a scheduled Capital Improvement Project involves joint City and property owner financing.

Initiation shall be based upon a recommendation by the City Manager, supported by a description of the nature and scope of work, the extent of the district to be assessed, allocation of costs, and the proposed method of assessment and coordination efforts with the property owners.

II. Information to Property Owners

It is the policy of the City to inform each property owner as to the nature and scope of the proposed project, his financial obligation under the proposed district, and his right to protest at the various hearings. Dissemination of this information shall be the responsibility of the City Manager. Generally, the dissemination of information will consist of the following:

1. During circulation of the petition, staff shall be available for any community or neighborhood meetings at the request of the property owners.
2. When a scheduled Capital Improvement Project involves joint City and property owner financing, and the project is to be Council initiated, Manager shall contact the owners to explain the project to those owners proposed to be assessed.

3. Following the acceptance of a property owner petition or Council initiation of a project, the Manager will, by mail, advise all property owners affected by the proposed assessment district and briefly explain the project and the proposed schedule for the proceedings.
4. When, during the course of design of a project, a major change is identified in the design, scope of work, or estimate of cost, the Manager will take appropriate steps to publicly notify the Council of the change, the circumstances of the change and alternatives for Council action.
5. Prior to the hearing on the Resolution of Intention, each property owner will be advised of the pending hearings and the estimated assessment for his property.
6. If bids for the construction contract are opened after the hearing has been concluded, the Manager will, prior to the award of the contract, notify all the property owners whose assessments would be increased by 10% or more over the estimate presented at the hearing.

III. Assessment Districts and Formulae

The State Assessment Acts require that the costs of the improvement or acquisition be apportioned to the lands in the District in proportion to the benefits received. In establishing benefit and apportioning costs, certain general guidelines may be used to assure conformity between similar Districts and properties within the Districts. These guidelines apply to the areas of benefit, allocation of costs and apportionment of assessments.

A. Areas of Benefit

The area of benefit is delineated by the District's boundaries and includes properties which are benefited by the improvement or acquisition. Among the typical areas of benefit encountered are the following:

1. Local Streets - The area of benefit for local streets normally includes properties which either front on the improvement and/or are located within an area approximately one-half block distance on either side of the improvement.
2. Major Street or Arterial Projects - The area of benefit includes those properties serviced by the major street to be constructed. This area of benefit usually extends to approximately one-half the distance to the next parallel major or arterial street, but may be modified by such topographical features as canyons.
3. Utilities (Water, Sewer, Electrical, Telephone, etc.) - The area of benefit for utility facilities is usually established to include all properties which are to be ultimately served from the facility.

4. Population-Based Parks (Neighborhood or Community Park Facilities) - The areas of benefit or assessment district are co-terminus with the Park Service District(s).

5. Open Space (Park Reserve) - The area of benefit for open space acquisitions should include all properties to be benefited by the acquisition, considering proximity, access or topography.

B. Allocation of Costs

Certain public improvements or acquisitions provide both a local or community benefit and a general City benefit. In those instances where funding is available, the City Council may provide a portion of the project funding. The allocation of this City funding is set forth in other Council Policies.

These policies are:

Street Improvements	200-1
Water and Sewer	400-6 and 400-7
Parks	700-7
Open Space (Park Reserve)	700-31
Storm Drains	800-4

C. Apportionment of Assessments

The formulae used for measuring benefit are based on factors which are measurable and reflect the physical features of the property such as area of the parcel, frontage on the improvement, proximity, and topography. The use of other factors for measuring benefit such as zoning, existing land use or

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property improvements is normally avoided as they are considered to be transitory.

Appropriate adjustments to the basic formula may be necessary to reflect unique situations such as double frontage, corner lots, or irregularly-shaped parcels. Following are typical formulae for the apportionment of costs with respect to various types of improvements:

1. Local Streets and Utilities (including pavement, curb, sidewalk, water and sewer facilities, street lights, local drainage facilities and rights-of-way) - These costs are normally apportioned on the basis of frontage and/or area.
2. Major Streets and Arterials - Abutting properties should receive an allocation of costs similar to the local street criteria. The "Community" costs not absorbed by the abutting property are uniformly distributed to the balance of benefiting properties on an area or property unit (lot) basis.
3. Population-Based Park Improvements, Open Space (Park Reserve) Acquisition and Underground Conversions - The formula utilized for the apportionment of the assessments for these types of improvements are based on a property unit spread with zones of benefit related to proximity and/or topographic features of the parcels.

IV. Incidental Costs

It is the policy of the City of San Diego that the incidental costs, which include engineering, advertising, printing, clerical service, inspection, attorney's fees, etc., be recovered on a percentage

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It is the policy of the City of San Diego that the incidental costs, which include engineering, advertising, printing, clerical service, inspection, attorney's fees, etc., be recovered on a percentage fee basis and apportioned to the entire district in proportion to the assessments for the work. Incidental costs will be computed according to the following schedule:

1) <u>Construction Contract Costs</u>	<u>Total Incidental Costs</u>
Under \$20,000	40% of total contract
\$20,000 - \$50,000	\$8,000 + 20% of excess over \$20,000
\$50,000 and Above	\$14,000 + 15% of excess over \$50,000
2) <u>Administration</u> (Maintenance Projects - no construction or acquisition)	8% of project costs

The incidental costs may be increased from the schedule shown in order to cover special services or costs not normally incurred, such as right-of-way acquisition, and fees for consulting attorneys, engineers or appraisers.

In the case of acquisition projects (park reserve or open space) the incidental costs shall consist of the actual cost incurred in bringing the project to the public hearing plus an estimate of costs to be incurred following the public hearing such as the service of bonds by the Treasurer's Office and expense incurred in acquisition.

Passed and adopted by the Council of The City of San Diego on JAN 9 1975,
 by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Bates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

EDWARD NIELSEN
 City Clerk of The City of San Diego, California.

By Kathleen Martinez, Deputy.

1974 DEC 30 AM 11:44

Office of the City Clerk, San Diego, California

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