Article 5: Street Lighting, Landscaping and other Public Facility Procedures

Division 2: Maintenance Assessment Districts

(Repealed 5–29–1975 by O–11622 N.S.)
(“Maintenance Assessment Districts” title amended 6–8–1998 by O–18523 N.S.)

§65.0201 Purpose and Intent; Citation of Division

(a) One of the purposes of this Division is to allow for the formation of districts in the City to fund improvements and activities through the levy of assessments upon the properties that receive benefits from those improvements. To accomplish this purpose, the City Council intends that the definition of the terms improvement and activities be interpreted liberally.

(b) It is also the purpose and intent of this Division to establish a method by which improvements may be constructed, installed, or maintained; the costs of which are to be assessed to any real property which receives a special benefit from such improvements.

(c) It is also the intent of this Division to provide a method for the City Council to authorize a non-profit corporation to assume responsibility for the administration and day to day management of a district.

(d) This Division may be cited as the San Diego Maintenance Assessment District Procedural Ordinance.

(Amended 5-6–2003 by O–19169 N.S.)
(Retitled from “Purpose and Intent” to “Purpose and Intent; Citation of Division” and amended 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)
§65.0202 Definitions

Each word or phrase that is defined in this Division appears in italicized letters. For purposes of this Division, the following definitions shall apply:

“Activities” means, but is not limited to, all of the following that benefit properties in the district:

(a) Promotion of district events;
(b) Furnishing of music, programming, entertainment, or public art within the district;
(c) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, landscaping, management of public spaces and other such services supplemental to those normally provided by the City; and
(d) Other services provided for the purpose of conferring special benefit upon assessed property located in the district, including administrative expenses.

“Administrative expense” includes all incidental and personnel expenses incurred as a result of managing the district, including but not limited to district formation, assessment engineering, annual reporting, budget preparation and monitoring, assessment levying, invoicing, collections, information technology, communications equipment, contract procurement, vendor invoice payments, inspection of improvements and activities as required by contract, personnel, preparation and routing of requests for Council action, legal assistance, rent, office space, miscellaneous office expenses (i.e., supplies and utilities), and any related overhead or supervisory function incurred by the City or owners’ association.

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties located within a district. Assessments levied under this Division are not special taxes.

“Assessment engineer” means an engineer registered pursuant to the Professional Engineers Act (Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code) hired by a district formation committee or the City to prepare an engineer’s report.

“District” means an area established, and not dissolved, pursuant to this Division, within which property owners pay assessments to fund improvements and activities.
“District management plan” means a plan that outlines the framework of the district and shall include, but is not limited to, all of the following:

(a) A map of the proposed district in sufficient detail to allow property owners to reasonably determine whether a property is located within the district boundaries;

(b) The name of the proposed district;

(c) A description of the boundaries of the district, including the boundaries of any benefit zones;

(d) The improvements and activities proposed for the district and the maximum cost thereof;

(e) The proposed source or sources of financing;

(f) Any proposed rules and regulations to be applicable to the district, including whether the City or an owners’ association will administer the district;

(g) A list of the properties proposed to be assessed, including the assessor’s parcel numbers; and

(h) Any other item or matter required by the City to be incorporated into the district management plan.

“Engineer’s Report” means a report prepared by an assessment engineer in accordance with article XIII D, section 4(b) of the California Constitution, and shall include, but is not limited to:

(a) The method and basis of levying the assessment in sufficient detail to allow each property owner to calculate the amount of the assessment to be levied against their property;

(b) The proportionate special benefit derived by each property;

(c) The total amount of all special benefit to be conferred upon the properties; and

(d) The total amount of general benefit.
“Existing district” means a district established prior to July 1, 2016.

“Fiscal Year” means a twelve-month period commencing on July 1 and ending on the following June 30.

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property including, but not limited to, the following:

(a) Parking facilities;
(b) Benches, booths, kiosks, display cases, pedestrian shelters, and signs;
(c) Trash receptacles and public restrooms;
(d) Lighting and heating facilities;
(e) Decorations;
(f) Parks and public spaces;
(g) Fountains and monuments;
(h) Planting areas;
(i) Closing, opening, widening, or narrowing of existing streets;
(j) Facilities or equipment, or both, to enhance security of persons and property within the area;
(k) Ramps, sidewalks, plazas, and pedestrian malls;
(l) Rehabilitation or removal of existing structures; and
(m) Design, construction and maintenance of community signs.

“Owners’ association” means a private non-profit entity which represents, and whose membership includes, the assessed property owners or property owners’ representatives in a district. An owners’ association may be an existing non-profit entity or a newly formed non-profit entity.

“Property” means real property situated within a district.
“Property owner” or “owner” means any person or entity shown as the owner of property on the last equalized secured property tax assessment roll or otherwise known by the City to be the current owner of property.

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on properties located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from certain improvements or activities of districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

(Amended 5-6-2003 by O-19169 N.S.)
(Amended 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)

§65.0203 Non-exclusiveness of Remedies

The remedies provided in this Division for the enforcement of any assessment levied pursuant to this Division are not exclusive, and additional remedies may be provided at any time.

(“Nonexclusiveness of Remedies” renumbered from Sec. 65.0205 on 6-8-1998 by O-18523 N.S.)
(Retitled from “Nonexclusiveness of Remedies” to “Non-exclusiveness of Remedies” and amended 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)

§65.0204 Rules of Construction

This Division shall be liberally construed in order to effectuate its purposes. No error, irregularity, informality and no neglect or omission of any officer, in any procedure taken under this Division which does not directly affect the jurisdiction of the City Council to order the work, shall void or invalidate such procedure or any assessment or the cost of the work done.

(“Rules of Construction” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0204 “Abandonment of Proceedings” repealed.)
§65.0205 Alternative Financing Method; No Limit on Other Provisions of Law
This Division provides an alternative method of financing certain improvements and activities. The provisions of this Division shall not affect or limit any other provisions of law authorizing or providing for improvements or activities or the raising of revenue for the benefit of properties.

(Alternative Financing Method; No Limit on Other Provisions of Law” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0205 “Effect Upon Other Law” repealed.)

§65.0206 Establishment of a District

A district may be established as provided in this Division, in the following manner:

(a) A district formation committee, comprised of property owners proposing to form a district, working with the Mayor or Mayor’s designee, shall formulate, vote upon, and submit a draft district management plan to the City for review and comment. Once City staff has commented, an independent assessment engineer hired by the City or the district formation committee will review the plan and prepare an engineer’s report consistent with the draft district management plan, article XIII D, section 4(b) of the California Constitution, Sections 53750 through 53758 of the California Government Code, the City of San Diego Municipal Code, and all other applicable laws.

(b) The draft district management plan shall include the improvements and activities to be funded, the assessment methodology, any benefit zones within the district, the frequency of services, the boundaries of the district, and a statement regarding the desire for the district to be administered by the City or an owners’ association.

(c) City staff shall approve the draft district management plan and engineer’s report. After approval of the draft district management plan and engineer’s report, City staff shall inform the district formation committee that it may initiate a formal petition drive to demonstrate to the City that appropriate support exists to proceed with the assessment ballot proceeding for formation of the district.

(d) The City may, at its sole discretion, determine whether or not the City will provide the initial funding for the costs of preparing the draft district management plan and engineer’s report.
San Diego Municipal Code

Chapter 6: Public Works and Property, Public Improvement and Assessment Proceedings

Upon the submission of a written petition supporting the approved district management plan, signed by the property owners who own at least 30 percent of the total number of assessable parcels in the proposed district, as identified in the district management plan or engineer’s report, or those property owners who would pay at least 30 percent of the proposed assessments to be generated in the proposed district, the City may initiate proceedings to establish a district. The petition shall contain a map showing the boundaries of the district, a general summary of the types of improvements and activities that will be provided within the district, the exact cost to the respective property owner and their proportional weight relative to the total budget proposed for the new district which will fund the costs of providing such improvements and activities.

Prior to submitting the draft district management plan and petition to the City, the formation committee shall document that:

1. At least two noticed and public meetings were held which included an agenda item for discussion of the district proposal;

2. A notice was published in a newspaper of general circulation, or publication of similar distribution, which accurately summarized the draft district management plan and cost and gave notice of the two public meeting dates;

3. Information about the proposed district was posted for a minimum of three weeks at a community-accessible public building within the proposed district boundary; and

4. The officially recognized community planning committee for the area where the proposed district is located was informed about the proposed district formation.

Upon verification of the petition by City staff, the City Council may proceed with the formation of the district by the adoption of a resolution of intention expressing its intention to establish a district.

The resolution of intention described in subsection (g) above shall contain all of the following:
(1) A brief description of the proposed improvements and activities, the amount of the proposed assessment, a statement that bonds will not be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district; and

(2) A time and place for a public hearing on the establishment of the district and the levying of assessments, which shall be consistent with the requirements of San Diego Municipal Code sections 65.0209 and 65.0210.

(“Establishment of a District” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0206 “Determination by Engineer Required” repealed.)

(Amended 11-1-2016 by O-20737 N.S.; effective 12-1-2016.)

§65.0207 Engineer’s Report

The engineer’s report shall contain all of the following:

(a) A map of the district.

(b) The name of the proposed district.

(c) A description of the boundaries of the proposed district, including the boundaries of any benefit zones, in a manner sufficient to identify the affected properties. Nothing in this Division prohibits the boundaries of a district created pursuant to this Division to overlap with other assessment districts established pursuant to other provisions of law including, but not limited to, the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code section 36500 et seq, or the Property and Business Improvement District Law of 1994, California Streets and Highways Code section 36600 et seq.

(d) The general description of improvements and activities proposed and their estimated maximum cost for each fiscal year.

(e) The estimated total amount proposed to be expended for administration and operation of the district for each fiscal year.

(f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property owner to calculate the amount of the assessment to be levied against their property.
(g) A statement that the district will continue until it is disestablished pursuant to San Diego Municipal Code section 65.0221.

(h) A separation and quantification of the special benefits and general benefits, and the proportionate special benefit derived by each assessed property, determined in relationship to the entirety of the cost of providing the improvements and activities.

(i) A list of the properties to be assessed.

(j) Any other item or matter required to be incorporated by the Council, the San Diego Municipal Code, or any other applicable law.

(“Engineer’s Report” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0207 “Alternate Method for Resolution of Intention” repealed.)

§65.0208 Notice of Proposed Assessments; Public Hearing

If the City Council proposes to levy a new or increased assessment, the notice, protest, and hearing procedure shall comply with California Government Code section 53753. There shall be no statements in favor or in opposition by the City, district proponents, or district opponents contained in or accompanying the notice and ballot materials.

(“Notice of Proposed Assessments; Public Hearing” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)

§65.0209 Formation of a District

(a) Following a public hearing in which there is no majority protest, as that term is defined in California Government Code section 53753(e), the City Council may decide to establish the proposed district. If the City Council decides to establish the proposed district, it shall do so by adopting a resolution of formation that shall contain all of the following:

1. A brief description of the proposed improvements and activities, the amount of the proposed assessment, a statement that bonds will not be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the City Clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.
(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A statement that there was no majority protest.

(5) A statement that the properties in the district established by the resolution shall be subject to any future amendments to this Division.

(6) A statement that the improvements and activities to be conferred on properties in the district will be funded by the levy of the assessments.

(7) A statement that the revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the City Council at the hearing concerning establishment of the district.

(8) A finding that the property within the area of the district will receive special benefits as a result of the improvements and activities funded by the proposed assessments.

(b) Prior to adopting the resolution of formation, the City Council may modify the engineer’s report, or any portion thereof, so long as the modification does not result in any property owner paying a higher assessment than indicated on that property owner’s ballot or result in an assessment being levied on any property for which the property owner was not balloted.

(c) The adoption of the resolution of formation shall constitute the levy of an assessment in each of the fiscal years for the life of the district.

(d) The improvements and activities in the district may not commence any sooner than six months after City Council adoption of the resolution of formation so that the necessary amount of assessment funds may accrue to implement the improvements and activities.

(“Formation of a District” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0209 “Community Planning Groups and Designated Representatives” repealed.)
§65.0210 City Clerk to Record Notice and Map of District

Following adoption of a resolution of formation pursuant to San Diego Municipal Code section 65.0209, the City Clerk shall record a notice and map of the district.

(“City Clerk to Record Notice and Map of District” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0210 “Meetings between City and Property Owners; Notice” repealed.)

§65.0211 Existing Districts

Every existing district is declared valid, effective, and in compliance with this Division. Existing districts are subject to this Division rather than any provision of prior law. Adoption of a resolution levying assessments in an existing district for a fiscal year beginning on or after July 1, 2016 shall authorize and constitute the levy of assessments for the life of the existing district.

(“Existing Districts” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0211 “City Council Review” repealed.)

§65.0212 Property Owner Representatives

(a) Property owners may establish representatives for the purposes of communicating with the City on matters within their district.

(b) In the event a district is managed by the City and the district’s boundaries are substantially the same as the boundaries of a community represented by a community planning group that has been established under applicable City guidelines, the community planning group shall be the preferred property owner representative for the property owners within the district for the purposes of Chapter 6, Article 5, Division 2. The community planning group may form a committee and designate that committee as the property owner representative in lieu of the community planning group acting as the property owner representative.

(c) In the event the boundaries of a district managed by the City are substantially not the same as the boundaries of an established community planning group, the property owners within the district may establish their own advisory group made up of designated representatives.

(“Property Owner Representatives” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0212 “Support of Property Owners for Administration by Non-Profit Corporations” repealed.)
§65.0213 Collection of Assessments

The collection of the assessments levied pursuant to this Division shall be made at the time and in the manner set forth by the City Council in the resolution of formation described in San Diego Municipal Code section 65.0209. A method for charging interest and penalties for delinquent payments of assessments may also be prescribed in the resolution of formation. Assessments may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this Division may be charged interest and penalties.

(“Collection of Assessments” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0213 “City Award of Contracts” repealed.)

§65.0214 Validity of Assessments; Contests

The validity of an assessment levied under this Division shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution establishing the district and levying the assessment is adopted pursuant to San Diego Municipal Code section 65.0209 or, in the case of existing districts, upon adoption of the resolution pursuant to San Diego Municipal Code section 65.0211. Any appeal from a final judgment in any action or proceeding shall be perfected by the appellant within 30 days after the entry of judgment.

(“Validity of Assessments; Contests” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. “Contracts Awarded by Non-Profit Corporations” repealed.)

§65.0215 District Modification; Public Hearing Required

(a) The City Council may modify a district by adopting a resolution after conducting one public hearing on the proposed modifications. The City Council may only make minor modifications to the improvements and activities to be funded with the revenue derived from the levy of the assessments to the extent that those minor modifications are consistent with the engineer’s report. The City Council may modify the boundaries of the proposed district, but only if the modification does not result in additional property being included in the proposed district. Notice of the public hearing and the proposed modifications shall be accomplished by a first-class mailing to all affected property owners of the resolution of intention to modify the district, as well as an official notice of the public hearing regarding the proposed modifications. If the modification includes the levy of a new or increased assessment, as defined in California Government Code section 53750, or if the modification is not consistent with the engineer’s report, then the City Council shall comply with California Government Code section 53753.
(b) The City Council shall adopt a resolution of intention to modify the district which states the proposed modification prior to the public hearing. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention to modify the district and not less than 45 days after the mailing of the notice as referenced in section 65.0215(a).

(“District Modification; Public Hearing Required” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)

§65.0216 Establishment, Modification, or Disestablishment of Benefit Zones

All provisions of this Division applicable to the establishment, modification, or disestablishment of a district apply to the establishment, modification, or disestablishment of benefit zones. In order to establish, modify, or disestablish a benefit zone, the Council shall follow the procedure to establish, modify, or disestablish a district.

(“Establishment, Modification, or Disestablishment of Benefit Zones” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016.

§65.0217 Administration by an Owners’ Association

(a) Consistent with California Streets and Highways Code section 36614.5, the owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. An owners’ association shall comply with the Ralph M. Brown Act, California Government Code section 54950 et seq., at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act, California Government Code section 6250 et seq., for all documents relating to improvements and activities of the district. Board members, officers, and members of the owners’ association are intended and understood to represent and further the interest of the property owners located within the district. Each property owner or property owner’s representative paying the assessment has the right to vote in, and seek nomination in, annual elections to the board of directors of the owners’ association.

(b) If the City Council determines that the district will be administered by an owners’ association, then the City Council may adopt a resolution approving an agreement with an owners’ association and stating that an owners’ association shall be responsible for administering all contracts necessary to provide the improvements and activities within the district as well as managing the day to day operations of the district.
(c) Upon the submission of a written petition, signed by the property owners who own at least 30 percent of the total number of assessed parcels in the district, as identified in the district management plan or engineer’s report, or those property owners who pay at least 30 percent of the assessments generated in the district, the City may initiate proceedings to change the administrator of a district. If the district is currently administered by the City, the petition shall include a statement that the property owners desire to have an owners’ association administer the district. If the district is currently administered by an owners’ association, the petition will include a statement as to whether the property owners desire the City or another owners’ association to administer the district.

(1) After City staff verifies the petition sufficiency, the City Council may adopt a resolution of intention expressing its intention to change administrators of the district. If the district is currently administered by an owners’ association, the resolution of intention shall include a statement seeking applicants from non-profit corporations who desire to act as the district’s owners’ association. The resolution of intention shall also set forth a time and place for a public hearing on the matter of changing the administrator for the district.

(2) After the public hearing, the City Council may, but is not required to, change the administrator for the district by the adoption of a resolution changing administrators.

(3) If there is any gap between owners’ associations in administration of a district, the City shall administer the district until the new owners’ association takes over administration.

(d) Nothing in this section shall be construed as to limit the City’s ability to change the administrator for the district at any time without a petition of the property owners.

(“Administration by an Owners’ Association” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)
(Amended 11-1-2016 by O-20737 N.S.; effective 12-1-2016.)

§65.0218 Terms of Agreement between the City and the Owners’ Association

(a) Notwithstanding any other provision of the San Diego Municipal Code, the agreement between the City and the owners’ association for administration of the district may be awarded without a competitive process.
(b) The agreement with the *owners’ association* shall require the *owners’ association* to indemnify, defend, and hold the City free and harmless from and against any and all claims, demands, liens, or judgments for death of or injury to any person or damage to any property whatsoever alleged to be caused, or caused, by any act or omission of the *owners’ association* or any officer, contractor, agent, or employee of the *owners’ association*.

(c) The agreement shall require the *owners’ association* to obtain a comprehensive public liability insurance policy satisfactory to the City Manager and the City Attorney, naming the City as an additional insured. The *owners’ association* shall provide the City Manager a copy of a certificate of such insurance each year and, upon request, shall provide the City Manager a complete copy of the insurance policy.

(d) The agreement shall require the *owners’ association* to maintain worker’s compensation insurance for its employees.

(e) The agreement shall provide that neither the *owners’ association* nor any of its board members shall have a financial interest in any contract awarded for the *district*.

(f) The agreement shall provide that the *owners’ association* agrees to conduct at least one noticed meeting per year which shall include the *property owners*, any applicable property owners’ designated representatives pursuant to San Diego Municipal Code section 65.0212, and City staff, to discuss the budget, *improvements*, and *activities* for the following fiscal year.

(g) The agreement shall require the *owners’ association* to hold at least three other noticed meetings per year, in addition to the one required in section 65.0218(f), open to the public and *property owners* within the *district* to receive comments on all matters related to the *district*, including input on bids or proposals received by the *owners’ association* for any contracts for *improvements* and *activities* of the *district*, evaluation of the performance of any contractor for the *district*, and advice to the *owners’ association* regarding the *improvements* and *activities* for the *district*.

(h) The agreement shall require the *owners’ association* to submit to the City Manager a prospective annual report pursuant to section 65.0220 for the *improvements* and *activities* for the *district* no later than April 1 of each year for the following *fiscal year*. The City Manager may modify the annual budget prior to submitting it to the City Council for consideration.
(i) The agreement shall require the owners’ association to maintain separate books and records for the district which shall be available for audit at any time during normal business hours and as often as the City deems necessary. All records shall be made available within the City of San Diego, and the City or its designee shall be allowed to audit, examine, and make excerpts from such data pertaining to all matters covered by the agreement. The owners’ association shall maintain such books and records for a period of three years following completion of the agreement. The district shall pay for the costs of any audit performed by or at the direction of the City.

(j) The agreement shall require the owners’ association to timely provide an audited financial statement of all reimbursements and working capital advances paid to the owners’ association with district funds within the timeframe specified in the agreement. The financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by an independent Certified Public Accountant (CPA) as selected or approved by the City in accordance with Generally Accepted Auditing Standards (GAAS).

(k) The agreement shall provide that failure of the owners’ association to comply with any terms or conditions of the agreement may result in termination of the agreement.

(l) The agreement shall provide that if the owners’ association receives revenue directly generated by activities carried out with any district assessment funds, then a portion of that revenue must be returned to the district account based on the district’s participation in the funding of the activity generating the revenue.

(m) The agreement shall have a term not to exceed five years.

(n) The agreement shall allow the City Manager to terminate the agreement for cause with 30 days’ written notice to the owners’ association. The City Council may terminate the agreement for convenience by resolution after first adopting a resolution of intention to terminate and giving 30 days’ written notice of a public hearing on the matter to the owners’ association.

(“Terms of Agreement between the City and the Owners’ Association” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016.)
§65.0219 Meetings between City and Property Owners; Notice

(a) Representatives of the City shall participate in or conduct at least one publicly noticed meeting with the property owner representatives of the district or, absent property owner representatives, the property owners within each district to discuss the budget, improvements, and activities for the following fiscal year.

(b) For any contracts awarded by the City, or activities provided by the City, or improvement installed or provided by the City pursuant to this Division, representatives of the City should meet on a regular basis with the advisory group or, absent an advisory group, property owners within the district to evaluate the performance of the contractor or the City and to advise the representatives of the City regarding improvements and activities for each district.

(c) Upon receipt of bids or proposals for a contract for improvements or activities, representatives of the City should meet with the property owner representatives of the district or, absent property owner representatives, the property owners within the district to review the bids or proposals.

(“Meetings between City and Property Owners; Notice” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0219 “Assessment Recorded; Notice; Late Charge” repealed.)

§65.0220 Annual Report

(a) The City Council shall approve a prospective annual report for each fiscal year, except the first year, for which assessments are to be collected to pay the costs of the improvements and activities described in the report.

(b) The report shall be consistent with the engineer’s report, filed with the City Clerk after City Council approval but prior to August 10 each year, refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) The improvements and activities to be provided for that fiscal year;

(2) An estimate of the cost of providing the improvements and activities for that fiscal year;
(3) The method and basis of levying the *assessment* in sufficient detail to allow each *property owner* to estimate the amount of the *assessment* to be collected from him or her for that fiscal year;

(4) The estimated amount of any surplus or deficit revenues to be carried over from the previous fiscal year;

(5) The estimated amount of any contributions to be made from sources other than *assessments* collected pursuant to this Division; and

(6) A list of parcels within the *district* as indicated on the last equalized secured property tax assessment roll.

(c) The City Council may approve the report as filed or may modify any portion of the report and approve it as modified.

(“Annual Report” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0220 “Waiver of Delinquent Payments” repealed.)

§65.0221 Disestablishment of District; Procedures

(a) Any *district* established pursuant to the provisions of this Division may be disestablished by resolution of the City Council after a public hearing on the disestablishment of the *district*.

(b) The City Council may, at its sole discretion, initiate the process to dissolve a *district*.

(c) Section 65.0221(b) notwithstanding, *property owners* interested in dissolving a *district* shall provide a written petition to the City Manager verifying that *property owners* who own at least 30 percent of the total number of assessed parcels in the *district*, as identified in the management plan or *engineer’s report*, or those *property owners* who pay at least 30 percent of the *assessments* generated in the *district*, support dissolution of the *district*.

(1) The petition shall contain the name, signature, address, and parcel number of each *property owner* signing the petition. The City Council will not act on a resolution to dissolve a *district* until the City Manager or his designee has verified the contents of the petition.

(2) All costs of mailing and printing the petition, and all costs incurred by the City in administering, mailing, printing, and tabulating the petition and providing notice, shall be paid from *district assessments*. 
(d) Upon verification of the petition, the City Council shall adopt a resolution noticing the public hearing on the subject of dissolution. The resolution shall state the time and place of the public hearing and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the district. The notice of the hearing on disestablishment shall be given by mail to the owner of each property subject to assessment in the district. The City Council shall conduct the public hearing not less than 30 days after the mailing of the notice to the property owners. The public hearing shall be held not more than 60 days after the adoption of the resolution noticing the public hearing.

(“Disestablishment of District; Procedures” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0221 “Alternate Method for Collecting the Assessment” repealed.)

§65.0222 Disestablishment; Refund of Assessments

Upon disestablishment of the district and after all outstanding debts, including administrative costs incurred on behalf of the district and the costs of disestablishing the district, are paid, any remaining revenues derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, shall be refunded to the property owners then located within the district in which assessments were levied. Such refunds shall be distributed by applying the same method and basis that was used to calculate the assessments collected in the fiscal year in which the district is disestablished. If the disestablishment occurs before an assessment is collected for the fiscal year, the method and basis that was used to calculate the assessments collected in the immediate prior fiscal year shall be used to calculate the amount of any refund. All outstanding assessment revenue collected after disestablishment or expiration shall be spent on activities specified in the engineer’s report. All general benefit contributions shall be returned to their originating fund. Interest earned on any reserve shall be returned to the City’s originating fund.

(“Disestablishment; Refund of Assessments” added 6-1-2016 by O-20653 N.S.; effective 7-1-2016. Former Section 65.0222 “Notice of Sale of Delinquent Property” repealed.)