



**CITY OF VALLEJO**  
**HIDDENBROOKE MAINTENANCE DISTRICT**

**ENGINEER'S REPORT**

FISCAL YEAR 2020-2021

APRIL 2020

PURSUANT TO THE CITY OF VALLEJO MUNICIPAL CODE CHAPTER 14.30  
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

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## INTRODUCTION

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### OVERVIEW

On January 28, 1992, the City of Vallejo (the "City") City Council (the "Council"), adopted Resolution No. 92-46 N.C. approving the Engineer's Report, confirming diagram and assessment, ordering improvements and formation of the "Sky Valley Maintenance Assessment District." The City originally formed the Sky Valley Maintenance Assessment District to pay for certain public improvements, including but not limited to, storm water management, street system maintenance, open space maintenance, landscape maintenance, and geotechnical monitoring and maintenance.

On October 6, 1998, the Council by Resolution No. 98-373 approved the Engineer's Report for the levy and collection of an increased assessment within the District for Fiscal year 1999-2000. Prior to the adoption of the annual assessments and Engineer's Report, the City Council conducted mailed ballot proceedings in accordance with the requirements of the California Constitution Article XIID. In addition to the property owner balloting for the assessments, the name of the District was changed from the "Sky Valley Maintenance Assessment District" to the "Hiddenbrooke Maintenance District" or "HMD" to reflect the name change of the former Sky Valley development. The approved Report identified the special benefits received by property within the HMD, addressed public and general benefits as required by Article XIID and established the maximum assessment rate and the application of that rate to the various land uses within the District.

Prior to Fiscal Year 2000-2001, the property owners within the District requested the City maintain additional improvements including a "Welcome Center" and a Passive Park within the development. A second majority protest ballot proceeding for an increased maximum assessment and inflationary formula resulting from the addition of the Welcome Center and Passive Park was conducted. The tabulation of ballots returned indicated 100% approval of the new maximum assessment of \$509.00 per Equivalent Dwelling Unit (Equivalent Benefit Unit) including an annual inflationary adjustment based on the annual percentage change in the Consumer Price Index (CPI). On February 15, 2000 the Council, by Resolution No. 00-72, approved a supplemental Report that added the maintenance of the additional improvements and established the maximum assessment rate and formula for the District.

In Fiscal Year 2002-2003, property owners within the Hiddenbrooke Maintenance District asked the City to reconstruct the District budget and assessment methodology to simplify the budgeting of expenditures and revenues, and to develop a more equitable methodology. The reconstruction resulted in the following changes:

1. The assessment methodology was changed to simplify the calculation of the annual levy and to reduce the potential for future errors. The trigger for property development status has changed from building permit issuance to development status according to the County of Solano Secured Roll as of January 1st of the fiscal year prior to the upcoming fiscal year in which the levy will take place. For example, development status according to the County secured roll as of January 1, 2003

would be used for the Fiscal Year 2003-2004 levy. Previously, the trigger date was based on the issuance of a building permit by March 1st of the fiscal year prior to the upcoming fiscal year in which the levy would have taken place.

2. An increased Maximum Assessment of \$532.22 per Equivalent Dwelling Unit including an annual inflationary adjustment based on the annual percentage change in the Consumer Price Index (CPI) as calculated by the Bureau of Labor Statistics (BLS).
3. The Hiddenbrooke developer-funded reserve balance was intended to be spent for improvements. It will now be set aside as a reserve fund based on the original agreement with the City of Vallejo.
4. The Golf Course Property, including the parcel that has the Golf Course Clubhouse situated upon it, is not included within the boundaries of the District and, accordingly, is not subject to assessment by the HMD.

A third majority protest ballot proceeding for the changes described above was conducted. The tabulation of ballots returned indicated approval, and on July 22, 2003 the Council, by Resolution, approved an Engineer's Annual Levy Report that established the maximum assessment rate, formula and boundaries for the District.

In Fiscal Year 2004-2005, the City proposed to annex the Orchards development, at the south end of the original District, in order to provide funding for the operations and maintenance of improvements in this area. A fourth majority protest ballot proceeding for the annexation and maximum assessment of \$534.88 per Equivalent Dwelling Unit including an annual inflationary adjustment based on the annual percentage change in the CPI. On June 8, 2004 the Council, by Resolution, approved a supplemental Report that annexed the Orchards development and established the maximum assessment rate and formula.

## ASSESSMENT PROCESS

This Engineer's Report ("Report") was prepared to establish the budgets for the continued capital improvement and services expenditures that would be funded by the proposed 2020-21 assessments, determine the benefits received from the lighting and landscaping maintenance and improvements by property within the HMD and the method of assessment apportionment to lots and parcels within the HMD. This Report and the proposed assessments have been made pursuant to the provisions of Chapter 14.30 of the Vallejo Municipal Code, the Landscaping and Lighting Act of 1972, and Article XIID of the California Constitution (the "Article").

In each subsequent year for which the assessments will be continued, the Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Council may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 9, 2020. At this hearing, the Council will consider approval of a resolution confirming the continuation of the assessments for fiscal year 2020-2021. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2020-2021.

### **ENGINEER'S REPORT**

SCI Consulting Group has been retained by the City as the Assessment Engineer for this Assessment since 2011-2012. Language taken from the previous Engineer's Report is shown in Times New Roman, 10 pt. Font.

## PLANS & SPECIFICATIONS

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The work and improvements (the "Improvements") are proposed to be undertaken by the City of Vallejo Hiddenbrooke Maintenance District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. The improvements that may be provided to properties within or adjacent to the District may include any or all of the improvements described under Section 14.30.100 of the Vallejo Municipal Code. These improvements include, but are not limited to, the following services:

- Storm water management
- Street system maintenance
- Open space maintenance
- Trail maintenance
- Landscape and appurtenant facilities maintenance
- Tree maintenance
- Geotechnical monitoring and maintenance
- Welcome Center operation and maintenance
- Waterfall maintenance
- Monument maintenance
- Passive park maintenance

Installation, maintenance and servicing of public facilities, and incidental expenses, including but not limited to, street lights, public lighting facilities, landscaping, sprinkler systems, statuary, fountains, other ornamental structures and facilities, landscape corridors, ground cover, shrubs and trees, street frontages, drainage systems, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned and maintained by the City of Vallejo. Any plans and specifications for these improvements will be filed with the Public Works Director of the City of Vallejo and are incorporated herein by reference.

Installation means the construction of lighting and landscaping improvements, including, but not limited to: land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage and lights.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus Incidental expenses.

The improvements provided through the District are essentially monitoring and maintenance services. The plans and specifications for the work consist of schematic maps, letters, agreements, conditions, cost estimates and related documents which describe the nature and scope of the monitoring and maintenance activities to be performed. These documents include but are not limited to the following:

1. Map entitled Hiddenbrooke Nature Trail by Phillippi Engineering, Inc. dated March 1997 as amended
2. Agreement dated February 2, 1989 concerning mitigation measures relating to Storm Drainage and Water Supply between Sky Valley Company and the City of Benicia
3. Letter from Greater Vallejo Recreation District (GVRD) to the City of Vallejo dated February 24, 1997 regarding Sky Valley Maintenance Assessment District
4. HMD summary of budgets with attachments prepared by the City of Vallejo dated May 19, 1997
5. HMD estimated budget for year 0 to 15 (build out) prepared by the City of Vallejo dated June 1997
6. Landscape maintenance specification for public streets in the HMD
7. Portions of the Hiddenbrooke Specific Plan, as amended, which contains maintenance specifications and criteria
8. Hiddenbrooke Parkway Welcome Center Services Agreement



9. Letter in regard to Solicitor's Opinion that Hiddenbrooke Golf Course will fund its own landslide repair improvements

The foregoing documents are available for review in the office of the City Engineer and are incorporated herein by reference.

#### GENERAL DEFINITIONS

The terms hereinafter set forth have the following meanings in this Report and have been maintained, verbatim from the previous Engineer's Report:

**“Acreage”** means the gross acreage of any Assessor's Parcel of real property in the HMD calculated to two (2) decimal places, without any deduction for any intrusions or limitations of usage, including but not limited to, easements, public or private rights of way, utility installment or parking area improvements. The acreage of each Assessor's Parcel shall be as determined by the City Engineer. The City Engineer may rely upon a certification or certifications of one or more licensed civil engineers (or such other documentation as the City Engineer deems appropriate in the circumstances) in making the determination as to the acreage of any specific Assessor's Parcel.

**“Assessor's Parcel”** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number (APN).

**“Assessor's Parcel Map”** means an official map of the County Assessor of the County of Solano designating parcels by Assessor's Parcel Number.

**“Commercial Property”** or **“COM”** means Developed Property used for commercial or industrial purposes other than property assigned to Land Use Designations SFR, SFV, MFR, MFV, CMV, SPC or EXE. This land use has improvement value according to the Solano County Secured roll. This land use type is assessed at 1.00 EBU per every 3,000 square feet of building square footage or portion thereof.

**“Developed Property”** means all Assessors' parcels within the Hiddenbrooke Maintenance Assessment District for which parcel data, from the most current Solano County Secured Roll available as of January 1 of the calendar year in which the Report is being prepared, shows improvement value on that property.

**“Equivalent Benefit Unit”** or **“EBU”** means a basic measurement unit of benefit. A parcel with the SFR designation consists of one (1) EBU and is the baseline measure of benefit to which all other land use designations are compared within the HMD. EBUs are rounded to two (2) decimal places.

**“Exempt Property”** or **“EXE”** is a land use designation that identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include, but is not limited to, lots or parcels identified as public streets and other roadways, dedicated public easements, open space areas and rights-of-way including greenbelts and parkways utility rights-of-way, common areas, sliver parcels and bifurcated lots or any other property that cannot be developed, park properties and other publicly owned properties that are part of the District improvements or that have little or no improvement value. These types of parcels are considered to receive incidental or no benefit from the improvements and are therefore exempted from assessment.

**“Fiscal Year”** is the City's fiscal year beginning July 1 and ending June 30.

**“Golf Course Property”** means any property planned under the Specific Plan to be used as a golf course and related or appurtenant facilities and improvements, including but not limited to a driving range and a clubhouse, which property is not assessed within the HMD.

**“HMD”** is the abbreviation for Hiddenbrooke Maintenance District.

**“Hotel”** or **“HOT”** means a structure or structures including Hotel Rooms and related facilities (including but not limited to restaurants and food service facilities, conference rooms and meeting halls) (i) operated for the accommodation of transient guests and including any hotel as defined in the California Civil Code or (ii) operated as a condominium hotel in accordance with the Specific Area Plan. This land use is assessed 0.15 EBU per Hotel Room on a developed lodging use-related parcel and 0.12 EBU per Hotel Room on an undeveloped, planned lodging use-related parcel.

**“Hotel Room”** means each individual condominium unit or room within a Hotel designed to provide accommodations for transient guests or other occupants of the Hotel.

**“Improvement”** means one or any combination of the following: (i) maintenance of regional park land, (ii) maintenance of parks and parkways, (iii) maintenance of open space, (iv) maintenance of streets (v) operation and maintenance of a welcome center (vi) provision of flood control and storm protection services, (vii) related facilities, along with appurtenances and appurtenant work deemed necessary for provision of services and maintenance and (viii) incidental expenses related thereto.

**“Multi-Family Residential”** or **“MFR”** means Developed Property and is defined as a fully subdivided and developed residential parcel that has more than one residential unit developed on the property and has improvement value according to the Solano County Secured Roll data. This land use is assessed 0.90 EBU per dwelling unit.

**“Parcel”** refers to an individual property assigned its own Assessment Number (Assessor’s Parcel Number—APN) by the Solano County Assessor’s Office. The Solano County Auditor/Controller uses Assessment Numbers and specific District Fund Numbers, to identify on the tax roll, properties assessed for special district benefit assessments.

**“Planned Lot”** is a land use defined as any property not subdivided with a specific number of proposed residential lots or dwelling units to be developed on the parcel where a final map has been recorded for the parcel.

**“Publicly Owned Property”** means any land within the Hiddenbrooke Maintenance Assessment District (i) conveyed or irrevocably offered for dedication to a public agency, (ii) which is encumbered by easements for the benefit of public entities or utilities which make impractical utilization of the real property for other than the purpose set forth in the easement.

**“Single-Family Residential”** or **“SFR”** means Developed Property and is defined as a fully subdivided and developed attached or detached residential, single-family property site with improvement value according to the Solano County Secured Roll data. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that all other land use types are compared and weighted against (i.e. Equivalent Benefit Unit or EBU.)

**“Situs”** means the property location address.

**“Special Designation Property”** or **“SPC”** is a land use designation factor defining undeveloped property that has more than one type of planned land use associated with it. A common example of such a property is one in which the property includes planned, unsubdivided single-family residential lots and planned commercial structural development. This land use is assessed at 0.60 EBU per planned SFV lot and 0.60 EBU per 3,000 square feet (or portion thereof) of planned commercial building square footage. This category also includes undeveloped property that has been subdivided but on which construction has not yet begun.

**“Specific Plan”** means Hiddenbrooke Specific Plan adopted by the City Council on September 15, 1987 amended September 26, 1995.

**“Undeveloped Commercial Property”** or **“CMV”** means Undeveloped Property zoned exclusively for commercial or industrial purposes other than property assigned to Land Use Designations SFR, SFV, MFR, MFV, COM, SPC or EXE. This land use has no improvement value according to the Solano County Secured roll. This land use type is assessed at 1.50 EBU per acre. Parcels less than 1 acre in this category are assigned a minimum of 1.50 EBU. Parcels over 50 acres are assigned a maximum of 75.00 EBU.

**“Undeveloped Multi-Family Residential”** or **“MFV”** means Undeveloped Property that is an undeveloped residential, multi-family parcel without improvement value according to the Solano County Secured Roll data and includes a specific number of proposed dwelling units to be developed on the parcel (defined as a Planned Lot). This land use is assessed 0.60 EBU per proposed dwelling unit.

**“Undeveloped Property”** means all Assessor’s parcels within the Hiddenbrooke Maintenance Assessment District for which parcel data, from the most current Solano County Secured Roll available as of January 1 of the calendar year in which the Report is being prepared, shows no improvement value on that property.

**“Undeveloped Single-Family Residential”** or **“SFV”** means Undeveloped Property and is defined as either 1) a fully subdivided yet undeveloped residential, single-family property lot or parcel without improvement value according to the Solano County Secured Roll data or 2) an unsubdivided, undeveloped residential, single-family parcel without improvement value according to the Solano County Secured Roll data which includes a specific number of proposed residential lots or dwelling units to be developed on the parcel (defined as a Planned Lot). This land use is assessed 0.60 EBU per subdivided lot, per proposed residential lot, or per proposed dwelling unit.

## FISCAL YEAR 2020-2021 ESTIMATE OF COST AND BUDGET

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### COST ESTIMATES

As defined in the Municipal Code, the cost estimates for the Improvements include the following:

- a) The total costs for improvements to be made this fiscal year, being the total cost of constructing or installing all proposed improvements and of maintaining and servicing all existing and proposed improvements, including incidental expenses. This may include an operating reserve, which shall not reasonably exceed the estimated costs of maintenance and servicing to January of the fiscal year, or whenever the City expects to receive its apportionment of special assessments and tax collections from the County, whichever is later. These estimated costs of maintenance and servicing typically include fixed landscape, open space and infrastructure items, as well as water, electricity and telephone utility items. The operating reserve fund can also be used to offset any unforeseen expenses during a given fiscal year, including, but not limited to, emergency repairs
- b) The amount of any surplus or deficit in the improvement fund to be carried over from the previous fiscal year
- c) The amount of any contributions to be made from sources other than assessments levied pursuant to this part
- d) The amount of the annual installment for the fiscal year

Specifically, the budget includes, but is not limited to the following items:

Landscape Maintenance Contract – The landscaping contract is renewed annually and includes Landscape Maintenance, Open Space Management, Trail Maintenance, Tree Maintenance, Irrigation System Repairs, Waterfall Maintenance and Monuments as detailed below. Fiscal Year 2016-2017 the Landscape Maintenance Contract was put out to bid and awarded, as a result the costs for Landscape Maintenance services increased.

Landscape Maintenance - The ornamental landscape of Hiddenbrooke Parkway, Tot-lot on Bennington Drive Park and numerous irrigated landscape areas make up the maintenance component. The park is approximately one acre in size and has a mixture of lawn, paved areas and resting areas. A portion of the park (Parcel I) will remain in a natural state consistent with the mitigation measures for the Hiddenbrooke development.

Open Space Management – Open space management is overseen by the City. Fire prevention is included within the landscape maintenance contract. Adverse soil surface irregularities are repaired and funded by the Developer Deposit Fund. This Fund was a condition of development for any repairs of the open space.

Trail Maintenance – The City manages the trail maintenance service. Trail maintenance is scheduled annually through the maintenance contract.

Tree Maintenance – Tree pruning and care will be performed on a rotating schedule as necessary to keep trees healthy, maintain the urban canopy and avoid unexpected tree limb breakage. An occasional tree replacement is also covered by this budget line but a large number of replacements would be included in the Rehabilitation Reserves budget.

Irrigation Systems Repairs – This budget item provides for the ongoing maintenance and repair of the existing irrigation system to ensure that it is properly functioning at all times. As the systems age, larger scale preventative replacements and upgrading to systems that provide more efficient use of water may be done.

Waterfall Maintenance Contract - Beginning 2015-16 the waterfall maintenance contract is a part of the landscape maintenance contract.

Monuments – This budget item provides for the ongoing maintenance of monument landscape and irrigation throughout the district.

Salaries and Benefits – Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Capital Projects – This item includes major repairs or capital improvement projects.

Landscape Rehabilitation & Vandalism — Landscape Rehabilitation includes landscape projects, which significantly benefit and upgrade HMD. These cost reflect only a proportional share of the entire cost of the project and are noted because the amount of design, planning, coordination and execution. This budget item represents a cost which has been identified by the city as above normal routine landscape maintenance inspection.

Vandalism - Includes repairs and rehabilitation that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, frost, etc. These upgrades could include replacing plant materials and/or renovation of irrigation or lighting systems.

Utility – Includes the cost of water, electricity, and telephone. Amounts are budgeted based on historical usage and costs, considering published or projected rate increases for Vallejo Water, Vallejo Sanitation and PG&E. Water costs for the HMD include irrigation, the waterfall and the Welcome Center bathroom. Electricity costs include support for the irrigation systems, lights at the entry, Welcome Center lighting, and holiday tree lighting for the olive grove at the entry.

Utility Corridor Maintenance – All wet utilities come through the utility corridor and it is HMD's emergency exit in the event Highway 80 closed. The utility corridor is maintained by the HMD and includes road surfacing and roadway improvements.

Welcome Center and Miscellaneous Repairs - The Welcome Center Agreement specifies the required expenses to staff the facility with "Greeters" and Security personnel and provide roving patrols as directed by the Hiddenbrooke Property Owners Association (HPOA), which has been charged with directing the activity/operations of the Welcome Center. The Agreement will be annually renewable, subject to the consent of the service provider and the City. An annual allowance is included in the general budget for touch up painting, security camera systems or other items necessary to operations of the Welcome Center. If for any reason the Welcome Center should no longer be funded or desired in the future, the HMD Developer Deposit Fund may be used to cover the cost of removal.

Napa County Street System Maintenance – Approximately ½ mile of the entrance roadway, Hiddenbrooke Parkway, is situated in Napa County. As a condition of the District development, maintenance of this portion of the road will not be undertaken by Napa County. The District can expect to request and receive a high level of street maintenance services, above what the City normally provides under the General Fund.

Storm Water Management – The District was mandated in the Conditions of Approval for runoff emptying into Lake Herman, the emergency back-up reservoir for the City of Benicia. This condition was initiated by the City of Benicia for water quality monitoring services, which is being provided by the Vallejo Sanitation and Flood Control District.

Professional Services – This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor's office.

County Administrative Services – This is the amount charged by the County for the cost of processing and collecting the annual levy on the property tax billings and remitting funds to the City of Vallejo. It is based on the total levy.

Administration & Overhead – The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

Number of District Parcels: This is the number of assessable parcels within a particular district. This number does not include exempt or non-taxable parcels.

District Direct Cost: This is the sum total of the regularly budgeted direct costs for the District. The total direct costs include the budgeted expenses for: Maintenance, Water, Utilities, Vandalism/Natural Damage, and Special Maintenance/Services. The amount budgeted for Improvements/Rehabilitation reserve is not included in this dollar amount.

Geotechnical Monitoring/Maintenance – As a Condition of Approval the District is required to monitor slope stability. Funds are reserved to monitor slope movement, remove or repair landslides and any condition for which the District should require the services of a geologist or soil engineer. The Hiddenbrooke project was approved with Resolution 87-613 Tentative Map 88-10 (dated 1-19-1988) and Specific Area Plan (dated 1987). These documents require only a determination of the adequacy of the landslide repair but do not state to what degree of effort is needed.

## FUND BALANCES

The HMD has its own improvement fund to be accounted for separately from all other City funds. All moneys representing special assessments, installment payments, contributions and annual interest earned and surplus/deficits from prior years' expenses and revenues are deposited into this fund. The HMD divides the improvement fund into the following four (4) funds: the HMD Developer Deposit Fund, the HMD Rehabilitation Fund, the HMD Operating Reserve Fund, and the HMD Undesignated Reserve Fund. Annual revenues that exceed the cost of annual operations will be deposited into the reserve funds to be used for future City Council approved projects and expenditures. City staff is currently working with the Hiddenbrooke HPOA's HMD Advisory Committee to update the five (5) year Capital/Rehabilitation plan. The City can draw from the Rehabilitation Fund, as part of the improvement fund, only as necessary to cover the District improvements should the Undesignated Reserve Fund or current year budget be insufficient.

### **HMD Developer Deposit Fund**

The developers of Hiddenbrooke deposited \$600,000 into the HMD Developer Deposit Fund during the 1999-2000 Fiscal Year for any remediation work required within the Hiddenbrooke development or the Utility Corridor (UC) between Columbus Parkway and Hiddenbrooke. The fund will ensure the ability of the HMD to repair adverse land movement or impacts to improvements within the broader HMD areas and the Utility Corridor such as: debris flows, landslides, slope re-grading due to erosion or earth movement, Utility Corridor monitoring/maintenance or slope repair, and maintenance or resurfacing of the a/c village trail due to expansive soil.

The Utility Corridor links Hiddenbrooke with St John's Mine Road and is the responsibility of the Hiddenbrooke development. The corridor has suffered erosive damage due to the annual discharge of precipitation storm water from the Utility Corridor slopes and roadway. The UC lies within the Solano Land Trust Swett Ranch, formerly the PG & E properties and is entitled with a construction and maintenance easement which encumbers the UC. Approximately \$168,000 has been spent since 2007 on engineers and consultants to develop a plan to remediate the corridor, but no actual work has been done.

The HMD Developer Deposit Fund balance can and does grow beyond the original \$600,000 deposit. This deposit is subject to interest earnings. The City is allowed to invest this deposit in an interest bearing account and the resulting interest earnings are deposited directly to the HMD Developer Deposit Fund. The approximate interest earnings since the original deposit are represented in the Reserve Fund Information table located on the following pages.

The Welcome Center is planned to be remodeled in FY 2020-2021; this project will be funded from the Developer Deposit Fund. The Estimate of Cost on page 15 shows a \$50,000 transfer from the Developer Deposit Fund to fund this project.

### **HMD Rehabilitation Fund**

The Rehabilitation Fund was originally designated for repairs to the Napa County Road, Debris Flow Cleaning, Slide Re-grading, and maintenance or slope repair of the Utility Corridor Access Road. In FY 2003-2004, the HMD Rehabilitation Fund was designated only for repairs to the Napa County portion of Hiddenbrooke Parkway and the other descriptive items were determined to be available for funding from the HMD Developer Deposit Fund. Beginning with FY 2010-2011, the purpose of the HMD Rehabilitation Fund has been expanded to include the Napa County Road section and all other renovation and rehabilitation to landscape and irrigation systems within the HMD; effectively anything that is not in the Open Space areas or Utility Access or Utility Easements in the hillsides.

The City Public Works Department has established \$1 million as the cap for the sum total of the HMD Developer Deposit Fund, adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. The percentage increase will be from February 1 of the prior year to February 1 of the current year, or similar time period.



The adjusted Developer Deposit Fund cap for Fiscal Year 2019-2020 has been adjusted from \$1,582,142 to \$1,637,992 (3.53 Percent). In February 2020, this figure was adjusted accordingly to reflect the current percentage change in the Local CPI. According to the City Finance Department, the current total of the HMD Developer Deposit Fund has not reached this cap. The estimated FY 2019-2020 ending balance for both Funds is \$2,681,725, including the \$884,985 Developer Deposit Fund and \$1,796,740 Rehabilitation Fund.

The percentage change in the Local CPI that was applied to the Funds cap for Fiscal Year 2020-2021 is 2.91 Percent. Therefore, the cap for FY 2020-2021 is \$1,685,657. The estimated FY 2020-2021 ending balance for both Funds, including interest earnings, is \$2,553,908. These figures are presented in the Reserve Fund Information table that follows this section.

#### **HMD Operating Reserve Fund**

The HMD Operating Reserve Fund provides for operating expenses through January of the fiscal year or until such time as the City receives its apportionment of special assessments from Solano County, whichever is later. It is also a fund that can be accessed should the District experience unforeseen damages or emergencies to improvements. Based on City data regarding the District fund balance information, the estimated ending Operating Reserve Fund balance as of June 30, 2020 will be \$500,341. The target Operating Reserve Fund balance for June 30, 2021 is based on 50% of the total costs or \$500,341.

City of Vallejo, Hiddenbrooke Maintenance District	
Estimate of Cost	
Description	2020-21 Budget
<b>Direct Costs</b>	
<u>Landscape, Open Space &amp; Infrastructure</u>	
<i>Fixed</i>	
Landscape Maintenance Contract	\$130,655
Salaries & Benefits	\$84,517
Services & Supplies	\$8,290
<i>District Upkeep</i>	
Capital Improvements	\$325,000
Landscape Rehabilitation / Vandalism	\$55,000
<i>Utility</i>	
Water	\$79,551
Electricity	\$13,000
Telephone	\$2,000
Total Landscape, Open Space & Infrastructure Costs	\$698,013
<u>Utility Corridor Maintenance</u>	\$0
<b>Total Direct Costs</b>	<b>\$698,013</b>
<b>Indirect Costs</b>	
<u>Agreement &amp; Easement Responsibilities</u>	
Welcome Center	\$255,200
Napa County Roadway (Street System)	
VSFCD Storm Water Management	
Misc. Repairs to Welcome Center Interior / Exterior	
Professional Services	\$4,133
Administration & Overhead	\$37,901
County Administrative Services	\$8,210
General Fund Contribution ( <i>Welcome Cntr, Napa Cnty Road, Trail</i> )	(\$2,776)
Total Indirect Costs	\$302,668
<b>Total Annual Direct and Indirect Costs</b>	<b>\$1,000,681</b>
<b>Reserve Fund Collection</b>	
<u>Operating / Rehabilitation Reserve Fund</u>	
Annual Collection/(Transfer)	(\$129,637)
<u>Developer Deposit Fund</u>	
Annual Collection/(Transfer)	(\$50,000)
<b>Total Reserve Fund Collection / (Transfer)</b>	<b>(\$179,637)</b>
<b>Total Balance to Levy</b>	<b>\$821,044</b>
<b>District Statistics</b>	
Total Parcels	1,222
Total Parcels Levied	1,222
Total Equivalent Benefit Units	1,180.00
Proposed Levy per Benefit Unit	\$695.80
Maximum Levy per Benefit Unit	\$809.51
<b>Total Assessment</b>	<b>\$821,044.00</b>

City of Vallejo	
Hiddenbrooke Maintenance District, Reserve Fund Balances FY 2020-21	
Description	Total
<b>Reserve Funds Information</b>	
<u>HMD Developer Deposit Fund</u>	
Estimated HMD Developer Deposit Fund Balance as of June 30, 2020	\$884,985
Estimated Interest Earnings on Original Developer Deposit (FY20-21)	\$8,850
Estimated Developer Deposit Fund Collection/(Transfer) (FY20-21)	(\$50,000)
Estimated HMD Developer Deposit Fund Balance as of June 30, 2021	\$843,835
<u>HMD Rehabilitation Fund</u>	
Estimated HMD Rehabilitation Fund Balance as of June 30, 2020	\$1,796,740
Estimated Interest Earnings on Rehabilitation Fund (FY20-21)	\$22,971
General Fund Contribution (Welcome Center, Trail, Napa County Road)	\$2,776
Estimated Rehabilitation Fund Collection/(Transfer) (FY 20-21)	(\$132,414)
Estimated HMD Rehabilitation Fund Balance as of June 30, 2021	\$1,690,073
<b>Estimated HMD Rehabilitation and Developer Deposit Fund Balance as of June 30, 2021</b>	<b>\$2,533,908</b>
<u>HMD Operating Reserve Fund</u>	
Estimated HMD Operating Reserve Fund Balance as of July 1, 2020	\$500,341
Estimated Operating Reserve Transfer to Developer Deposit Fund (FY 20-21)	\$0
Estimated Operating Fund Collection/(Transfer) (FY 20-21)	\$0
Estimated HMD Operating Reserve Fund Balance as of June 30, 2021	\$500,341
<u>HMD Undesignated Reserve Fund</u>	
Estimated HMD Undesignated Reserve fund Balance as of July 1, 2020	\$0
Estimated Undesignated Reserve Collection/(Transfer)	
Estimated HMD Undesignated Reserve fund Balance as of June 30, 2021	\$0
<b>Estimated Total HMD Reserve Fund Balance as of June 30, 2021</b>	<b>\$3,034,249</b>

## METHOD OF APPORTIONMENT

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### METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the special and general benefits to be derived from the installation, maintenance and servicing of Improvements located throughout the District, and the methodology used to apportion the total assessment to properties within the District.

The District consists of all Assessor Parcels within the boundaries of Sky Valley Unit I, Sky Valley Unit II and Orchards development. The parcels include all privately or publicly owned parcels within said boundaries. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

*"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."*

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

*"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

- A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- C. IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICTS.
- D. EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.
- E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.
- F. DRAINAGE OF WATER AND RUNOFF FROM PROPERTY IN THE DISTRICT.
- G. PROTECTION FROM FLOODING AND STANDING WATER DUE TO THE IMPROVED DRAINAGE SYSTEMS.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

*the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

#### **GENERAL VERSUS SPECIAL BENEFIT**

In absence of the assessments, the Improvements in the District would not be provided, so the Improvements are "over and above" what otherwise would be provided. Many of the

parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Districts was a condition of development approval.

All of the Assessment proceeds derived from the District will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of landscaped parkways, landscaped medians, landscaped corridors, trail systems, drainage facilities, other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the District were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the District, and not the public at large. Other properties that are either outside the District or within the District and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the District would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

## **BENEFIT FINDING**

In summary, real property located within the boundaries of the District distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the District, not other properties or the public at large. The District has been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the District would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the District. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the District in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment are of special benefit to the identified benefiting properties located within the District and that the value of the special benefits from such Improvements to property in the District reasonably exceeds the cost of the Assessments for every assessed parcel in the District. (In other words, as required by Proposition 218; the reasonable cost of the proportional

special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the District, if there were any, are collateral and conferred concomitantly.

The Hiddenbrooke development has a single access/egress from Interstate 80. All of the improvements to be maintained within the development (with the exception of regional trail facilities which is 50% special benefit) have been constructed specifically for the benefit of the properties within the development and the maintenance of these improvements is by definition of special benefit to these properties. The location of a property within the District and its relative benefits from District improvements is addressed in the following:

**Utility Corridor** – With exception of routine maintenance or repair of the water line or forced main sanitary sewer line by the Water Division or Vallejo Sanitation & Flood Control District, all other appurtenances within the Slope Grading, Maintenance and Drainage Easement enclosing the Corridor are the responsibility of the HMD. The Corridor is considered the emergency access out of the development should a catastrophic event make Hiddenbrooke Parkway impassible. Any slope monitoring, remedial earthwork for slide repairs, concrete ditch cleaning or repair, storm drains or drop inlets, weed control, erosion control, pavement and roadway maintenance or resurfacing, road settlement, gates or fencing, etc, as identified, within the Sky Valley Offsite Utilities Improvement Plans is the responsibility of the HMD. Amounts budgeted but not spent in any fiscal year will be added to the HMD Rehabilitation Fund balance.

**Debris Basins** – V.M.C. Chapter 12.40.010 for Excavating, Grading and Filling required the elimination of hazards such as mudflows, erosion, flooding, etc. The Basins are designated for the safety of the residents residing in prone areas, should a flow event occur. Basins minimize the loss of life and property to the Hiddenbrooke residents. The four (4) Basins are identified on the Sky Valley Phase 2 Record Drawing Grading Plans and are the responsibility of the HMD.

**Storm Water Management** - The monitoring of the lakes is of special benefit to all properties within the HMD. This special benefit is independent of parcel location because all of the properties drain to the lakes.

**Napa County Street System Maintenance** - The maintenance of approximately ½ mile of the Hiddenbrooke Parkway (entrance roadway) is of special benefit to properties within the HMD because it is the single access/egress to the development. No gas tax is appropriated to the City of Vallejo for this section of roadway and the agreement with Napa County provides that Napa County will not pay for the maintenance of this street. Therefore, the burden of maintaining this street falls upon the HMD. The benefit to the properties within the HMD is the satisfaction of this obligation. That portion of Hiddenbrooke Parkway that lies outside of the HMD boundaries and in Napa County is considered a general benefit. This general benefit is estimated to be 25% of the total maintenance costs and the City will make a contribution in the amount necessary to offset this general benefit cost. Amounts budgeted but not spent in any fiscal year will be added to the HMD Rehabilitation Fund balance.

**Open Space Maintenance** - The maintenance services to be performed on open space include fence repairs, fire access road repairs, erosion control, noxious weed control, sign repairs, fire breaks, ditch cleaning and associated staff costs. These services are of special benefit to the properties within the HMD in as much as they

provide for property safety, preserve the natural tranquility and beauty of the Hiddenbrooke environment and provide recreational opportunities such as hiking and walking for the benefit of the residents and employees in the community. Open space literally surrounds the Hiddenbrooke development and is equally accessible to all properties within the HMD. Whether a property faces or backs up to open space is a matter of personal preference. The benefits of owning property next to open space (views, serenity, direct access, etc.) are generally offset by the nuisance factors such as litter and increased foot traffic. Maintenance of firebreaks is of equal benefit to properties across the street as to those who back up to open space. The intense heat of wild fires causes them to jump streets as was seen in the Oakland Hills fire of 1991. Thus, the relative location of parcels within the HMD is seen not to impact the relative benefit received by the various properties.

**Trail Maintenance** - The trail system and trailhead are open and accessible to the general public as well as to the HMD property owners, but trail systems are predominately used by those who live near them and therefore provide special benefits to local property owners. However, based on discussions with East Bay Regional Parks personnel, it has been determined that these trails may be used by residents of HMD and outsiders in equal numbers. Therefore, at present only 50% of the cost of trail maintenance has been assessed to the properties within the HMD as special benefit. Cost estimates and allocation of special benefit may vary as the trail system and surrounding properties are developed. The reallocation of special benefit will be based on the location and extent of the trail system as it relates to the surrounding properties.

**Landscape Maintenance** - Parkway and neighborhood entrance maintenance services are of equal benefit to all properties within the HMD because all properties access the community via Hiddenbrooke Parkway. Landscaped areas and street trees are distributed throughout the development and provide equal environmental and aesthetic benefits to similar parcels. Although landscape improvements (by virtue of their location), may be visible to surrounding properties or to the public at large, any benefit to surrounding properties is incidental and cannot be considered a direct and special benefit to those properties. Therefore, it has been determined that the landscape improvements associated with the District and the ongoing operation and maintenance of those improvements are clearly a direct and special benefit to properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

**Geotechnical Monitoring & Maintenance** - This service is not related to parcel location because areas subject to slides are within the open space parcels. Funds will be accumulated and applied as needed if and when an event occurs. In this sense, the funds are “insurance” for the benefit of all properties independent of location.

**Welcome Center** - The location of a property within the HMD relative to the Welcome Center is not considered to be a factor in determining special benefit because the Hiddenbrooke development has a single access and egress to and from Interstate 80. The Welcome Center is strategically located at the entrance to the HMD. The Welcome Center is of equal benefit to all properties. The operation and maintenance of the Welcome Center will provide for a friendly point of access and departure to the HMD. A well-maintained center with a well-trained staff will be a significant asset to the HMD. The greeters and security personnel will provide directions to visitors and will keep a watch out for the safety of residents,



businesses and their respective visitors and guests. A well-trained staff will be available to provide reasonable assistance to property owners in times of emergency.

However, it is also recognized that the Welcome Center will be of benefit to those members of the public who use the trail system. No specific data regarding the use of the HMD trails by persons from outside the HMD is currently available, but it is reasonable to gauge the use of the trail system by the general public on the size of the staging area. Based on a staging area that will accommodate 25 vehicles an estimated 50 trips per day will be made by the general public. It is estimated that at build out there will be 1,200 EBUs within the HMD. Assuming an ADT (average daily traffic) of 9.55 trips per day per EBU, the development will generate 9,770 vehicle trips per day. Visitors passing through the Welcome Center will generate 50/9,700 or approximately 0.5% of the total ADT. It is reasonable to say that 0.5% of the overall benefit derived from the additional improvements is “General Benefit”. This benefit is not special to the owners of the HMD and may not be assessed. A contribution by the City in the amount of 0.5% of the total cost of maintaining the Welcome Center will be allocated as general benefit and not assessed to property owners within the HMD.

**Passive Park** - The location of property within the HMD is not considered to be of consequence in determining special benefit because the park is centrally located and easily accessible to all properties within the HMD. Moreover, the increased benefit of owning property near to the park is generally offset by the nuisance factors such as litter and increased foot traffic that the park generates. A well maintained park is esthetically pleasing. It approves property appearance and will enhance the HMD community image. If the park is not well maintained it will have the opposite effect. The park will provide passive recreational opportunities such as walking and outdoor reading for the enjoyment and benefit of all residents and employees of the HMD.

**Waterfall Maintenance** - Waterfall maintenance services are of equal benefit to all properties within the HMD because all properties access the community via Hiddenbrooke Parkway and have visible access to the waterfall. The waterfall amenity provides equal environmental and aesthetic benefits to all parcels within the HMD.

Although waterfall improvements may be visible to surrounding properties or to the public at large, any benefit to surrounding properties is incidental and cannot be considered a direct and special benefit to those properties. Therefore, it has been determined that the waterfall improvements associated with the District and the ongoing operation and maintenance of those improvements are clearly a direct and special benefit to properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

**Incidental Expenses** - The incidental expenses associated with the various maintenance services provided are distributed in proportion to the foregoing and are therefore unrelated to parcel location.

General benefit is identified as that benefit received by properties outside of the District. General benefit cannot be assessed to property within the District boundary. A summary of the general benefit contributions is illustrated in the following table.

<b>Agency</b>	<b>Description</b>	<b>% of Budgeted Expenditures</b>
City	Street System Maintenance	25.0%
GVRD	Trail System	50.0%
City	Welcome Center Cost	0.5%

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the HMD was reconstructed in fiscal year 2002-2003. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the fiscal year 2002-2003 Engineer's Report for the HMD are hereby incorporated by reference.

*The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including City of Vallejo, the County of Solano and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. transportation facilities, other infrastructure, etc.) Finally, this funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments districts.*

#### **METHOD OF ASSESSMENT**

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The net amount to be assessed upon parcels within the District is apportioned by a formula and method that fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each parcel from the improvements. Additionally, in compliance with Article XIID Section 4 of the State Constitution each parcel's assessment does not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

#### **EQUIVALENT BENEFIT UNITS**

The special benefits received by each parcel within the District and each parcel's proportional annual assessment is calculated on the basis of a formula known as Equivalent Benefit Units. The Equivalent Benefit Unit (EBU) method of apportionment establishes a proportional benefit relationship between the various parcels within the District and the improvements provided by the District. The EBU assigned to each parcel utilizes a set formula and proportional weighting factors based on the land use, size and development status of each parcel within the District compared to other parcels within the District.

## EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE

### **Developed Residential Land**

In order to evaluate the special benefits received by the various types of land, it makes sense to look at the benefits received by residential land because this is by far the largest category. The benefit received by residential land does not vary significantly, if at all, in direct proportion to lot size. There is no direct correlation or readily available dwelling density data by residential lot size that illustrate that larger lots support an increased (or decreased, for that matter) number of persons per dwelling unit. Therefore, all developed single-family residential lots or parcels receive an equal amount of special benefit from the improvements financed through the HMD and are deemed to receive 1.00 EBU.

All developed multi-family residential parcels are deemed to receive 0.90 EBU per dwelling unit. This is because density per dwelling unit figures for multi-family units in the City of Vallejo are approximately ten percent (10%) less than density figures for single-family homes. According to the Census 2000 data for the City of Vallejo obtained from the Association of Bay Area Governments (ABAG), the average household size of an owner-occupied unit in Vallejo is 2.99 persons. The average household size of a renter-occupied unit is 2.76. Assuming that most owner-occupied units are single-family residential homes and most renter-occupied units are multi-family dwelling units, there is an eight percent (8%) difference in densities between single family and multi-family dwelling units. For ease of levy administration, the City has decided to round the percentage difference to ten percent (10%). Therefore, the EBU count for developed multi-family dwelling units is 0.90 EBU.

### **Developed Commercial Property**

Commercial property, developed or undeveloped, does receive measurable special benefit from the improvements maintained through this District. Well-maintained improvements add aesthetic value to the property and enhance the desirability of the property, which may attract patrons and prospective buyers. For this District, a commercial or industrial parcel that has an improved commercial or industrial use structure receives 1.00 EBU of special benefit for every 3,000 square feet (or fraction thereof) of improved structure. For undeveloped commercial properties, the special benefit is identified as 0.60 EBU per 3,000 square feet (or fraction thereof) of planned improved structure.

### **Undeveloped Land**

Public improvements within the HMD have been constructed throughout. The maintenance of these public improvements is of special benefit to all of the land in this planned community. Some land will be developed immediately, buildings will be constructed and families will move in. Other land may remain undeveloped, i.e. without buildings, for a number of years. There is a difference between special benefit received by developed and undeveloped land. When land is undeveloped or vacant, the special benefit received is less than that received by a developed parcel (one with a building). This is because only a minimum level of service is necessary in order to save the HMD improvements from degradation and destruction. For example, watering and weed control is necessary for plant survival along the Hiddenbrooke Parkway. Trails must be maintained or they will be lost. There will be geotechnical costs for slope monitoring with or without development. A minimal effort to maintain open space including trails will be necessary for marketing purposes. Firebreaks, on the other hand, are not necessary until structures are built. This minimum level of maintenance activity will be essential to property owners in order to market (sell) lots. The benefit for undeveloped residential land is considered to be 60 percent of developed single-family residential land. Therefore, undeveloped single-family residential land is considered to receive 0.60 EBU per planned lot. After buildings are constructed and occupied, increased maintenance services will be required, e.g. increased litter removal, fire protection, trail maintenance, pruning, watering and weed abatement.

However, for improvements such as the Welcome Center, the benefit to developed and undeveloped lots is the same.

### **Exempt Property**

Public property, which is maintained for the benefit of the properties within the HMD, does not benefit from these services. For example, open space does not benefit from the maintenance of open space. Sanitary and water pumping stations are for the benefit of the HMD properties. These facilities exist only to service the HMD. If the property does not develop then the facilities will be abandoned. In summary, there are no public agency parcels in the HMD which are perceived to benefit from the improvements.

Public open space does not benefit from the services provided by the HMD and is therefore not assessed. Services performed on the land such as fire abatement are for the protection of the developed private parcels. Open space that is held in public trust may not be transferred or sold for profit and as such does not appreciate in value due to the HMD improvements. Open space maintenance services are performed because of the development. If there were no development, then minimal maintenance of open space would be required. Any revenue or in-kind services afforded to the open space by grazing leases will be credited to future open space budgets.

The Vallejo Sanitation and Flood Control District's sanitary sewer and storm drain facilities and the City's water system facilities are operated and maintained exclusively for the benefit of the Hiddenbrooke development. They exist only for the benefit of the Hiddenbrooke development and receive no special benefit from the HMD improvements.

The Golf Club Property was excluded from the HMD because they are responsible contractually for lake monitoring and cleaning, and for slide debris removal, resulting from slides within the open space onto the golf course. These services are to be performed by and at the sole discretion of the Golf Course Owners. The open space Golf Course properties do not benefit from the HMD improvements and consequently are not assessed. As such, the Golf Course properties and appurtenant facilities cannot benefit from District funds, maintenance and improvements until such time as they are brought within the District by assessing the properties for its appropriate share of District costs.

Public streets, public avenues, public utilities, public lanes, public roads, public drives, public courts, public alleys, all public easements and rights of way do not benefit and have not been assessed. Public parks, greenbelts and parkways and all public school property, other public property, and designated open space are assessed only to the extent that they benefit as discussed above. The benefit received by privately owned common areas is considered as included in the assessment for the various dwelling units. Common areas have therefore been assigned zero EBUs.

### **ASSESSMENT RANGE FORMULA**

Any new or increase in assessments require certain noticing and meeting requirements by law. Prior to the passage of Proposition 218, legislative changes in the Brown Act defined the definition of "new or increased assessment" to exclude certain conditions. These 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." This definition and conditions were later confirmed through SB919 (Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. Property owner balloting for the proposed District assessment in Fiscal Year 2003-2004

and 2004-2005 for Annexation 1 included the approval of an assessment range formula. The assessment range formula shall be applied to all future assessments within the District.

Generally, if the proposed annual assessment (levy per unit or rate) for the current fiscal year is less than or equals the “Maximum Assessment” (“Adjusted Maximum Assessment”), then the proposed annual assessment is not considered an increased assessment. The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the following criteria:

1. In the Report prepared for ballot proceedings conducted in July 2003, the maximum amount of assessment levied per EBU for Fiscal Year 2003-04 was established at \$532.22, with the exact amount to be levied in any given year to be determined by the budget for that year. Beginning in the second fiscal year (Fiscal Year 2004-2005) and each fiscal year thereafter, the Maximum Assessment will be recalculated annually to adjust for the property owner approved inflation adjustment factor.
2. The new adjusted Maximum Assessment for the year represents the prior year’s Maximum Assessment adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. The percentage increase will be from Feb 1 of the prior year to Feb 1 of the current year, or similar time period that is available when the Report is prepared.
3. The Maximum Assessment is adjusted each year independently from the annual assessment. While the actual amount assessed may fluctuate each year, the maximum will continue to be increased by CPI-U each year to establish the adjusted Maximum Assessment.

The Maximum Assessment is adjusted annually and is calculated independently of the District’s annual budget and proposed annual assessment. Any proposed annual assessment (rate per equivalent benefit unit) less than or equal to this Maximum Assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year. The City Council may reduce or freeze the Maximum Assessment at any time by amending the Engineer’s Annual Report.

The Maximum Assessment adjustment is designed to establish a reasonable limit on District assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjustment maximum amount. If the budget and assessments for the fiscal year does not require an increase, or the increase is less than the adjusted Maximum Assessment, then the required budget and assessment may be applied without additional property owner balloting. If the budget and assessments calculated requires an increase greater than the adjusted Maximum Assessment then the assessment is considered an increased assessment. To impose an increased assessment, the City Council must comply with the provisions of Article XIII D Section 4(c) of the California Constitution, which requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for the District. If the proposed assessment is not approved, the City Council may not levy an assessment greater than the adjusted Maximum Assessment previously established for the District.

### ESTIMATED BENEFIT UNITS FOR FISCAL YEAR 2020-21

The following table summarizes the Equivalent Benefit Units for the various Land Use designations within HMD for Fiscal Year 2020-21.

#### EBUs per LAND USE DESIGNATION

Land Use Category	Land Use Designation	Number of Parcels	Dwelling Units (Current & Proposed)	Building Sq Ft	EBU Factor	Total EBU
Single Family Residential	SFR	1,113	1,113	N/A	1.00	1,113.00
Undeveloped Single Family Residential	SFV	108	108	N/A	0.60	64.80
Multi Family Residential	MFR	0.00	0.00	N/A	0.90	0.00
Undeveloped Multi Family Residential	MFV	0.00	0.00	N/A	0.60	0.00
Commercial Property	COM	0.00	0.00	0.00	1.00 EBU per 3,000 building sq ft	0.00
Undeveloped Commercial Property	CMV	0.00	0.00	0.00	0.50 EBU per acre	0.00
Developed Hotel Property	HOT	0.00	0.00	N/A	0.15 EBU per developed room and 0.12 EBU per undeveloped room	0.00
Special Designation Property	SPC	1	1	11,000	0.60 EBU per proposed lot plus 0.60 EBU per 3,000 building sq ft	2.20

#### DURATION OF ASSESSMENT

It is proposed that the Assessment be levied for fiscal year 1992-93 and continued every year thereafter, so long as the Improvements need to be improved and maintained and the City of Vallejo requires funding from the Assessments for its Improvements in the HMD. As noted previously, the Assessment can continue to be levied annually after the City of Vallejo City Council approves an annually updated Engineer's Report, budget for the Assessment, Improvements to be provided, and other specifics of the Assessment. In addition, the City Council must hold an annual public hearing to continue the Assessment.

#### APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Public Works or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Public Works or his or her designee will promptly review the appeal and any information provided by the

property owner. If the Director of Public Works or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Public Works or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the Director of Public Works or her or his designee, may refer their appeal to the City Council of the City of Vallejo and the decision of the City Council of the City of Vallejo shall be final.

## ASSESSMENT

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**WHEREAS**, the City of Vallejo City Council directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the District and an assessment of the estimated costs of the improvements upon all assessable parcels within the District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under the Act and the order of the City Council of said City of Vallejo, hereby make the following assessment to cover the portion of the estimated cost of the improvements, and the costs and expenses incidental thereto to be paid by the District.

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the Consumer Price Index-U for the San Francisco Bay Area as of February 1 of each succeeding year (the "CPI"). The maximum authorized assessment rate is equal to the maximum assessment rate approved by property owners fiscal year 2003-2004 adjusted annually by the change in the CPI.

The change in the CPI from February 2019 to February 2020 was 2.91%. Therefore, the maximum authorized assessment rate for fiscal year 2020-2021 is increased by 2.91% which equates to \$809.51 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2020-2021 at the rate of \$695.80, which is less than the maximum authorized assessment rate.

The assessment is made upon the parcels or lots of land within the District in proportion to the special benefits to be received by the parcels or lots of land, from the improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Solano for the fiscal year 2020-2021. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2020-2021 for each parcel or lot of land within the District.



Dated: April 23, 2020



Engineer of Work

A handwritten signature in blue ink that reads "John W. Bliss". The signature is written in a cursive style and is positioned above a horizontal line.

By \_\_\_\_\_  
John W. Bliss, License No. C052091

## APPENDIX A - 2020-2021 ASSESSMENT ROLL

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An Assessment Roll (a listing of all parcels assessed within the District and the amount of the assessment) will be filed with the City Clerk and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

## APPENDIX B - ASSESSMENT DIAGRAM

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The original Assessment Diagram and Annexation map of the Orchards development is on file with the City Clerk and, by reference, made part of this Report. The Assessment Diagrams are available for inspection at the Office of the City Clerk, during normal business hours. Reference is hereby made to such Diagrams, and they are incorporated herein by reference.