



# Monterey County

Board of Supervisors  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

Legistar File Number: RES 19-079

June 25, 2019

**Introduced:** 6/5/2019

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Acting on behalf of County Service Area 66-Oak Tree Views:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed assessment increase by CSA 66-Oak Tree Views property owners pursuant to Proposition 218 requirements. Said assessment increase in the amount of \$197.62 per parcel per year, will result in an annual increase from \$408.96 to \$606.58 per parcel per year, to take effect in Fiscal Year 2019-2020, with subsequent annual increases corresponding with the Consumer Price Index for San Francisco/Oakland/Hayward CA;
- b. Direct the Clerk of the Board to tabulate and certify protests received before the conclusion of the public hearing;
- c. Determine if a majority protest exists or if no majority protest exists;
- d. If a majority protest exists, no assessment increase may be imposed; and
- e. If no majority protest exists, adopt a Resolution approving the assessment increase as proposed for County Service Area 66-Oak Tree Views.

### RECOMMENDATION:

It is recommended that the Board of Supervisors, acting on behalf of County Service Area 66-Oak Tree Views:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed assessment increase by CSA 66-Oak Tree Views property owners pursuant to Proposition 218 requirements. Said assessment increase in the amount of \$197.62 per parcel per year, will result in an annual increase from \$408.96 to \$606.58 per parcel per year, to take effect in Fiscal Year 2019-2020, with subsequent annual increases corresponding with the Consumer Price Index for San Francisco/Oakland/Hayward CA;
- b. Direct Clerk of the Board to tabulate and certify protests received before the conclusion of the public hearing;
- c. Determine if a majority protest exists or if no majority protest exists;
- d. If a majority protest exists, no assessment may be imposed; and
- e. If no majority protest exists, adopt a Resolution approving the assessment increase as proposed for County Service Area 66-Oak Tree Views.

### SUMMARY/DISCUSSION:

In April 2018, an Engineer's Report was completed for County Service Area 66-Oak Tree Views [formerly known as Las Lomas/Monterra Ranch] (CSA 66). The Engineer's Report analyzed routine maintenance and administrative costs for property-related services and established a recommended annual assessment of \$606.58. The current annual assessment of \$408.96 has not increased since 2006, while the infrastructure continues to age and costs to provide maintenance and improvements are impacted by inflation. The recommended assessment increase will allow for an

appropriate level of routine maintenance and a nominal annual increase in reserves as identified in the Engineer's Report (Attachment A). Attachments B through F provide historic information regarding the CSA's formation through the present; Attachment G summarizes its financial history.

Based on the Engineer's Report, staff is recommending an assessment increase for CSA 66, setting the assessment amount at \$606.58 per parcel per year effective in Fiscal Year 2019-20. The assessment for subsequent years will increase by the applicable Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, for San Francisco/Oakland/Hayward CA (CPI) percentage. The ten (10) year CPI average (2009 through 2018) is 2.2%; while the last five (5) year CPI average (2014 through 2018), based on the June reporting period of each year, is 3.08%. The nature of the inclusionary housing component of this development was considered when calculating the assessment increase to avoid placing a burden on the homeowners while meeting the service needs of CSA 66.

During the next two (2) years, a comprehensive facilities condition assessment of the infrastructure in CSA 66 is planned. This condition assessment will provide information on future planning and scheduling of maintenance and capital improvement projects and corresponding recommendations for future assessment increases for CSA 66. It is anticipated that the annual assessment will require regular increases to build sufficient reserves to ensure financial sustainability for CSA 66. Without the recommended assessment increase, CSA 66 cannot fund the appropriate level of routine maintenance or begin to build a nominal reserve for future capital projects, so General Fund contributions may be necessary.

Special Districts staff has been active in community outreach efforts over the years. Most recently, two (2) community meetings were held to communicate the results of the Engineer's Report and discuss levels of service within the CSA. The first meeting was held on October 23, 2018, with a follow-up meeting held on February 5, 2019. Information about the recommended assessment increase, maintenance needs, and historical budget information was provided to property owners attending these meetings.

A public hearing is mandated by the Proposition 218 Majority Protest Process. The public hearing to hear protests against the proposed assessment increase by property owners pursuant to Proposition 218 requirements was set by the Board of Supervisors on April 30, 2019. RMA staff was directed to mail a Notice of Public Hearing to property owners in CSA 66 and publish a Notice of Public Hearing in the Monterey County Weekly not less than 45 (forty-five) days prior to the date of this public hearing. Accordingly, a Notice of Public Hearing was mailed to property owners on April 30, 2019 and published in the Monterey County Weekly on May 2, 2019 (Attachment H).

The proposed assessment increase will only be implemented if, upon the conclusion of this public hearing, a majority (50% plus one [1]) of written protests is received. Only one (1) written protest will be counted for each property for purposes of determining if there is a majority protest. To be counted, the protest must (1) be in writing; (2) state opposition to the proposed assessment increase; (3) identify the parcel by assessor's parcel number or street address; (4) include the original signature of all of the property owners of record; and, (5) be received before the conclusion of the Public Hearing on Tuesday, June 25, 2019.

OTHER AGENCY INVOLVEMENT:

The proposed assessment increase was presented to the Budget Committee at their April 10, 2019 meeting. The Budget Committee supported the recommendation.

FINANCING:

CSA 66 contains 42 parcels. The total annual assessment revenue estimate for FY 2018-19 is \$17,176, based on the current assessment of \$408.96 per parcel per year. The recommended new assessment is \$606.58 per parcel per year, effective in FY 2019-20. This assessment increase will raise the total annual revenue by \$8,300 to \$25,476 for FY 2019-20. Using the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, for San Francisco/Oakland/ Hayward CA (CPI) percentage, the average CPI for the last five (5) years (2014 through 2018), based on the June reporting of each year, is 3.08%. Using an estimated CPI, therefore, of 3.08% for FYs 2020-21 and 2021-22, total annual revenue is estimated at \$26,261 and \$27,070, respectively.

The fund balance reached a ten (10) year high of \$71,538 in FY 2012-13. Since FY 2013-14, various road repair and open space maintenance projects have required fund balance appropriations. The most recent road repair occurred in FY 2017-18 at a cost of \$42,424. The current fund balance is \$9,603. At the end of FY 2018-19, the estimated fund balance will be \$15,159, provided there is no emergency work (Attachment G).

A Majority Protest means that if the County receives a majority of written protests (fifty percent [50%] plus one [1]) from the property owners, no increase will occur. Without an increase, CSA 66 cannot fund the necessary routine maintenance or begin to build a reserve for future capital projects, and General Fund contributions may be necessary.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed assessment increases for CSA 66 achieves the following Board of Supervisors' Strategic Initiatives:

**Administration:** to “promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency” by maintaining regular communication with the community to build/maintain trust, provide responsive customer service, and ensure the community recognizes the need for and can support assessment increases to improve the fiscal sustainability of the CSA.

**Infrastructure:** to “plan and develop sustainable, physical infrastructure...” by providing increased funding for the continued maintenance and completion of capital improvement projects for infrastructure upgrades and meet public safety standards.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A-CSA 66 Engineer's Report  
Attachment B-Monterey County LAFCO Resolution 97-9  
Attachment C-Board Resolution 97-337  
Attachment D-Board Resolution 04-237  
Attachment E-CSA 66 and Oak Tree Housing Agreement 9/1997  
Attachment F-Board Resolution 93-499  
Attachment G-Financial History  
Attachment H-Notice of Public Hearing  
Attachment I-Location Map  
Attachment J-Clerk of the Board Certification  
Attachment K-Resolution Establishing Assessment Increase  
(Attachments on file with the Clerk of the Board)