



Legislation Details (With Board Report)

**File #:** RES 23-126      **Name:** CSA 25 Annual Assessment Prop 218  
**Type:** BoS Resolution      **Status:** Passed  
**File created:** 7/7/2023      **In control:** Board of Supervisors  
**On agenda:** 7/25/2023      **Final action:** 7/25/2023

**Title:** Acting on behalf of County Service Area No. 25- Carmel Valley Golf and Country Club, also known as Quail Lodge, (hereinafter “CSA No. 25”):

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed annual assessment for CSA No. 25 property owners pursuant to Proposition 218 requirements.
- 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 annual assessment may be imposed; and
- e. If no majority protest exists, adopt a Resolution approving the annual assessments as proposed for CSA No. 25.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Attachment A - Resolution, 3. Attachment B - Location Map, 4. Attachment C - Resolution 63-157 establish CSA 25, 5. Attachment D – Resolution 09-17 establish services, 6. Attachment E - CSA No. 25 Engineer’s Report, 7. Attachment F - Notice of Public Hearing, 8. Attachment G - Sample Ballot, 9. Attachment H - Certification of Clerk of the Board, 10. Completed Board Order Item No. 16, 11. Completed Resolution Item No. 16, 12. Finalized Statement of Ballot Tabulation

Date	Ver.	Action By	Action	Result
7/25/2023	1	Board of Supervisors		

Acting on behalf of County Service Area No. 25- Carmel Valley Golf and Country Club, also known as Quail Lodge, (hereinafter “CSA No. 25”):

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed annual assessment for CSA No. 25 property owners pursuant to Proposition 218 requirements.
- 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 annual assessment may be imposed; and
- e. If no majority protest exists, adopt a Resolution approving the annual assessments as proposed for CSA No. 25.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors, acting on behalf of County Service Area No. 25- Carmel Valley Golf and Country Club, also known as Quail Lodge, (hereinafter “CSA No. 25”):

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed annual assessment by CSA No. 25 property owners pursuant to Proposition 218 requirements. Said annual assessments for Zone A through Zone G, per EDU to take effect in Fiscal Year 2023-2024, with subsequent annual increases corresponding with Engineering News-Record’s San Francisco Construction Cost Index. All Zones are subject to the Zone G Infrastructure annual assessment of \$59.98 per EDU per year, plus the annual assessment for their designated Zone (Zone A-Zone F):

- Zone A Fairway Place in the not-to-exceed amount of \$552.79 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$612.77 per EDU per year.
- Zone B Lake Place in the not-to-exceed amount of \$677.92 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$737.90 per EDU per year.
- Zone C Poplar Lane in the not-to-exceed amount of \$806.60 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$866.58 per EDU per year.
- Zone D River Place in the not-to-exceed amount of \$467.84 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$527.82 per EDU per year.
- Zone E Valley Greens Circle in the not-to-exceed amount of \$405.71 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$465.69 per EDU per year.
- Zone F Valley Knoll Road in the not-to-exceed amount of \$1,561.05 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$1,621.03 per EDU per year.
- Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU.

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 annual assessment may be imposed; and

e. If no majority protest exists, adopt a Resolution (Attachment A) approving the annual assessments as proposed for CSA No. 25.

#### SUMMARY/DISCUSSION:

CSA No. 25 is located south of Carmel Valley Road approximately 4 miles west of State Highway 1/Carmel Valley Road intersection. A CSA No. 25 boundary map is presented in Attachment B. CSA No. 25 was formed on November 26, 1963 (Attachment C). Resolution No. 09-19, establishing authorized services for CSAs, including CSA No. 25, is presented in Attachment D.

An annual assessment, the conventional funding method for County Service Areas in the County of Monterey, was never established for CSA No. 25. Annual revenue received by CSA No. 25 from AB 8 funds, interest on fund balance, and Homeowner's Property Relief are insufficient to finance annual CSA services at a sustainable level while building a fund balance reserve for capital repairs and replacement costs. Active services in CSA No. 25 include street lighting, storm drain and surface water management, and street and sidewalk maintenance.

Public Works, Facilities and Parks retained Harris & Associates to prepare an Engineer's Report to determine the total costs assigned to each of the residential development benefit zones (Zones A through G) including annual maintenance costs, capital reserve collections, and emergency reserve collections for the storm drainage, street, and sidewalk infrastructure that benefits only the properties within each zone. The recommended annual

assessments will allow for an appropriate level of annual maintenance and an annual increase based on the applicable Engineering News-Record's San Francisco Construction Cost Index, as described in the Engineer's Report (Attachment E).

Based on the Engineer's Report, staff is recommending annual assessments of the following:

- Zone A Fairway Place in the not-to-exceed amount of \$552.79 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$612.77 per EDU per year.
- Zone B Lake Place in the not-to-exceed amount of \$677.92 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$737.90 per EDU per year.
- Zone C Poplar Lane in the not-to-exceed amount of \$806.60 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$866.58 per EDU per year.
- Zone D River Place in the not-to-exceed amount of \$467.84 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$527.82 per EDU per year.
- Zone E Valley Greens Circle in the not-to-exceed amount of \$405.71 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$465.69 per EDU per year.
- Zone F Valley Knoll Road in the not-to-exceed amount of \$1,561.05 per EDU per year, plus Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU, for a total not-to-exceed amount of \$1,621.03 per EDU per year.
- Zone G Infrastructure in the not-to-exceed amount of \$59.98 per EDU.

Over the years, County staff has worked with community members to provide maintenance and infrastructure repairs. On January 26, 2021, an Advisory Committee for CSA No. 25 was created to allow for better communication between property owners and County staff and greater input by the community on management of the CSA. The advisory committee provided feedback throughout the process to prepare the required Engineer's Report to support proposed assessments, including review and comment on draft report documents. An in-person/Zoom community meeting was held on April 27, 2023, to present the proposed Final Engineer's Report and answer questions the property owners may have. Staff will be available to answer inquiries through the date of the Proposition 218 election.

A public hearing is mandated by the Proposition 218 Majority Protest Process. The public hearing to hear protests against the proposed annual assessment by property owners pursuant to Proposition 218 requirements was set by the Board of Supervisors on June 6, 2023. Staff was directed to mail a Notice of Public Hearing to property owners in CSA No. 25 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 June 09, 2023 (Attachment F).

The proposed annual assessment will only be implemented if, upon the conclusion of this public hearing, a majority of the weighted assessment ballots returned are not opposed to the new assessments. A sample ballot is presented in Attachment G. 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 annual assessment; 3) identify the parcel by assessor’s parcel number or street address; 4) include the original signature of all the property owners of record; and 5) be received before the conclusion of the Public Hearing on Tuesday, July 25, 2023. A Certification of Clerk of the Board and Statement of Ballot Tabulation form is presented in Attachment H.

OTHER AGENCY INVOLVEMENT:

In a May 4, 2023, Memorandum to the Budget Committee Chairman, PWFP staff requested that the traditional Budget Committee meeting be bypassed in order for the assessments described above to be implemented during the upcoming tax year. Approved assessments must be delivered to the County Tax Assessor by August 1, 2023. Preparing for and presenting this matter to the Budget Committee would preclude achieving the August 1<sup>st</sup> deadline. The request to bypass the Budget Committee was approved on May 9, 2023.

FINANCING:

Funding to pay for CSA No. 25 services is limited to AB 8 revenue, interest earnings, and Homeowner’s Property Relief that currently provides approximately \$45,000 annually. This amount is insufficient to maintain infrastructure within CSA No. 25. The proposed assessments are needed to place annual revenue in line with annual costs to maintain CSA No. 25 infrastructure. Per the Engineer’s Report, in the first year (tax year 2023-24), assessments are estimated to increase the CSA fund balance by \$110,843 and by \$4,041,262 over the next 25 years.

A Majority Protest means that if the County receives a majority of weighted assessment ballots written in protest (fifty percent [50%] plus one [1]) from the property owners, no increase will occur. Without an increase, CSA No. 25 cannot fund the necessary infrastructure.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed annual assessment for CSA No. 25 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 - Resolution

Attachment B - Location Map

Attachment C - Resolution 63-157 to establish CSA 25 and authorize extended county services.

Attachment D - Resolution 09-17 to establish authorized services provided in CSAs

Attachment E - CSA No. 25 Engineer's Report

Attachment F - Notice of Public Hearing

Attachment G - Sample ballot

Attachment H - Certification of Clerk of the Board and Statement of Ballot Tabulation form

(Attachments on File with the Clerk of the Board)