

RECREATION COUNCIL WORKING GROUP INFORMATION

MAINTENANCE ASSESMENT DISTRICTS

The MAD program is administered by two City departments, the Parks and Recreation Department and Economic Development Department. There are nine (9) of 64 MADs that are managed by non-profit agencies.

A Maintenance Assessment District is a legal mechanism by which property owners can vote to special tax assessment to fund services above-and-beyond what the City of San Diego normally provides. MADs are authorized by the state Constitution and local law to assess benefiting property owners for maintenance of landscaping, lighting and other public improvements that confer special benefit. Specific authority is provided for in the City of San Diego Maintenance Assessment District Procedural Ordinance, which is found in San Diego Municipal Code §65.201 et seq and applicable provisions of Proposition 218 (Articles XIIC and XIID of the California Constitution).

The City Council recently amended Council Policy 100-21 on September 26, 2016 through City Council Resolution R-310686.

The County of San Diego Treasurer - Tax Collector collects the special assessment and transfers the assessment to the City. The City may advance up to 1/3 of the operating budgeted funds to the MAD. Temporary advance of funds is authorized under City Charter section 93 only for tax-supported funds, bonds or CIPs. City requires an independent outside audit each year paid for by the MAD. All MADs pay administration fees to the City.

BUSINESS IMPROVEMENT DISTRICTS

The BID program is administered by the City's Economic Development Department (EDD). There are 18 BIDS representing over 11,000 small businesses generating approximately \$1.3 million annually. These bids are managed by non-profit business associations.

Business Improvement Districts (BID's) is a legal mechanism by which businesses vote to assess themselves to improve business conditions in community commercial areas. Formed by the City Council under the provisions of The Parking and Business Improvement Act law of 1989 (California Streets and Highways Code sections 36500-36551) and Council Policy 900-07.

The City Treasurer collects the BID assessments. Funds are advanced/disbursed to the BID non-profit each month. Temporary advance of funds is authorized under City Charter section 93 only for tax-supported funds, bonds or CIPs.

Each BID non-profit is required to submit a monthly reconciliation detailing how the funds are spent. In the event that there are unreconciled advances/disbursements at the end of each fiscal year, the BID non-profit shall program such assessments for expenditure on activities authorized in the Budget for the immediately following fiscal year, subject to City Council approval of the budget for the following fiscal year and extension of the term to cover such fiscal year.