



THE CITY OF SAN DIEGO



ANNUAL REPORT for Fiscal Year 2020

PARK VILLAGE MAINTENANCE ASSESSMENT DISTRICT

under the provisions of the

**San Diego Maintenance Assessment District Procedural Ordinance
of the San Diego Municipal Code**

**Prepared For
City of San Diego, California**



**Prepared By
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June 2019

CITY OF SAN DIEGO

Mayor

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City Council Members

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District 1 (Council President Pro Tem)

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District 2

Chris Ward
District 3

Monica Montgomery
District 4

Mark Kersey
District 5

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District 6

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District 9 (Council President)

City Attorney

Mara W. Elliott

Chief Operating Officer

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Annual Report for Fiscal Year 2020

Park Village

Maintenance Assessment District

Preamble

Pursuant to §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance” (being Division 2, Article 5, Chapter 6 of the *San Diego Municipal Code*) and City of San Diego Council Resolution No. R-310618 passed on July 22, 2016, authorizing the continued levy of assessments for the life of the PARK VILLAGE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as “District”), and in accordance with applicable provisions of “Proposition 218” (being Article XIID of the California Constitution), and provisions of the “Proposition 218 Omnibus Implementation Act” (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as “applicable law”), and in accordance with Resolution No. _____, adopted by the CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, and in connection with the annual proceedings for the District, EFS Engineering, Inc., as Assessment Engineer to the City of San Diego, submits herewith this annual report for the District as required by §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

DATE OF FINAL PASSAGE BY THE CITY OF SAN DIEGO,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ON THE
_____ DAY OF _____, 2019.

Elizabeth Maland, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Park Village
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2019	FY 2020 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	3,151	3,151	--
Total Estimated Assessment:	\$328,648	\$377,934	--
Total Number of EBUs:	3,381.08	3,381.08	--
<i>Zone 1</i>	1,653.41	1,653.41	--
<i>Zone 2</i>	883.67	883.67	--
<i>Zone 3</i>	844.00	844.00	--
Assessment per EBU:			
<i>Zone 1</i>	\$115.76	\$133.12	\$226.06 ⁽³⁾
<i>Zone 2</i>	\$23.78	\$27.34	\$48.36 ⁽³⁾
<i>Zone 3</i>	\$137.72	\$158.38	\$213.84 ⁽³⁾

⁽¹⁾ FY 2020 is the City's Fiscal Year 2020, which begins July 1, 2019 and ends June 30, 2020. Total Parcels Assessed, Total Estimated Assessment, and assessment apportionment factors may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum authorized assessment rate subject to cost-indexing as approved by property owners at the time of District formation.

⁽³⁾ Prior fiscal year's maximum authorized annual assessment rate increased by cost-indexing factor of 5.71%.

Annual Cost-Indexing: The maximum authorized assessment rates are cost-indexed and will increase (or decrease) annually based on the annual change in the *San Diego Consumer Price Index for Urban Consumers* (SDCPI-U) plus 2%.

Background

The Park Village Maintenance Assessment District (District), originally known as the “Park Village Landscape Maintenance District,” was established by the City of San Diego (City) on February 11, 1985 by City Council Resolution R-262492. The District was subsequently re-formed on July 22, 2003 by City Council Resolution R-298222 primarily for purposes of compliance with Proposition 218 and to permit future cost-indexing. The purpose of the District was, and still is, to fund specifically identified improvements and activities within the boundary of the District.

In conformity with §65.0221 of the “San Diego Maintenance Assessment District Procedural Ordinance,” the City adopted Resolution No. R-310618 on July 22, 2016, approving the annual budget and assessments for Fiscal Year 2017, and authorizing the levy of the assessments for the life of the District, consistent with the benefit findings and assessment apportionment method contained in the approved formational and all subsequently updated Engineer’s Reports (Engineer’s Reports). The Engineer’s Reports are on file with the City Clerk, and incorporated herein by reference.

The District is authorized and administered under the provisions of the “San Diego Maintenance Assessment District Procedural Ordinance.” This annual report has been prepared pursuant to the requirements of §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

District Boundary

The District boundary is generally depicted in **Exhibit A**. The District Boundary Map and Assessment Diagram are on file in the Maintenance Assessment Districts section of the Parks and Recreation Department of the City, and, by reference, are made a part of this annual report.

Project Description

The authorized assessments will be used to fund specifically identified improvements and activities within the District. The District improvements and activities generally consist of maintenance and servicing of developed and undeveloped open space, landscaped medians, hardscaped medians, and landscaped rights-of-way in the District. The approximate location of the improvements is generally shown in **Figure 1**.

For additional detail as to the location, type of improvements, and activities performed by the District, please refer to the maps, improvement plans, engineering drawings, maintenance specifications, the Engineer's Reports and other associated documents on file with the Maintenance Assessment Districts section of the Parks and Recreation Department of the City. These documents, collectively, are incorporated herein by reference and made part of this annual report.

Separation of General and Special Benefits

The identified improvements and activities provide benefits to the parcels located within the District. These benefits are "special benefits" to the extent that they are above and beyond the City's standard level of service, and exclusive of those "general benefits" provided to the public at large or properties located outside the District. By law, only "special benefits" are assessable.

The assessments presented in this annual report are based on the cost of improvements and activities determined to provide "special benefits" in accordance with the Engineer's Reports. For additional detail relative to the separation and quantification of general and special benefits for the District, please refer to the Engineer's Reports, on file with the Maintenance Assessment Districts section of the Parks and Recreation Department of the City.

Cost Estimate

The estimated annual budget (Revenue & Expense Statement) for Fiscal Year 2020 (July 1, 2019 to June 30, 2020 period) is included as **Exhibit B**. The "Other Contributions (Non Assessment Source)" revenue contained in the budget includes the value of improvements and activities determined to provide "general benefits." The District budget with full detail is available for public reference in the Maintenance Assessment Districts section of the Parks and Recreation Department of the City.

Annual Cost-Indexing

The maximum authorized assessment set forth in the Engineer's Reports is permitted to increase annually based on the published change in the "San Diego Consumer Price Index for Urban Consumers" (SDCPI-U) plus 2%. The annual change in second half SDCPI-U values, as compiled by the *U.S. Bureau of Labor Statistics* (see www.bls.gov), for the prior year period was from 284.464 to 295.018 (a 3.71% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rates have

been increased by 5.71%.

Method of Apportionment

Estimated Benefit of Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the Rancho Peñasquitos Community Plan establish several goals for the community's transportation system. The District improvements and activities are consistent with these plans' goals for safety and pleasing aesthetics. The maintenance for these enhanced assets, since installation, has been funded through the District.

The major and arterial streets within the District are the backbone of the street network within the community. They serve as the primary access routes for inter-community and intra-community trips and thus serve all parcels within the community. All parcels within the District benefit from the enhancement of these streets and the enhanced community image provided by the District improvements and activities.

Benefit Zones

The District improvements and activities do not provide equal benefit to all of the properties. Some of the improvements and activities are isolated and provide benefit only to a limited number of properties. A separate maintenance cost estimate has been prepared for each of the maintenance areas. The District has been divided into zones with maintenance areas and associated costs assigned to the benefiting zones. The District includes five major maintenance areas and three benefit zones. The benefit zones, shown in **Exhibit A**, are as follows:

Zone 1

Zone 1 comprises the central core area of the District between Black Mountain Road and Licia Way as well as the proposed development with access directly to Camino Del Sur. Zone 1 receives benefit from all the amenities within the District with the exception of the improvements and activities on Park Village Drive west of Carmel Mountain Road, which are isolated from the central core area.

Zone 2

Zone 2 is comprised of the area east of Black Mountain Road. This area takes its access from Black Mountain Road and Salmon River Road, and is generally isolated from the remainder of the District amenities. As a result, Zone 2 is assessed only for the Black Mountain

Road improvements and activities.

Zone 3

Zone 3 is comprised of the parcels west of Licia Way with access to Park Village Drive. These parcels receive benefit from the improvements and activities located in Zone 2 and Zone 3. When completed, Camino Del Sur will provide the area with a local primary access route into and out of the community. At that time, Zone 3 will not be responsible for the improvements and activities on Black Mountain Road.

Table 1 below summarizes the improvement areas and corresponding zones of benefit.

TABLE 1: Maintenance Areas & Benefiting Zones

Maintenance Area	Benefiting Zones	
	FY 2020	Ultimate
Black Mountain Road	1, 2, 3	1, 2
Park Village Road (from Black Mountain Road to Licia Way)	1, 3	1, 3
Camino Del Sur (Existing)	1, 3	1, 3
Camino Del Sur (Extension)	N/A	1, 3
Park Village Road (west of Licia Way)	3	3

Apportionment Methodology

The total cost associated with District improvement and activities will be assessed to the various parcels in the District on the basis of Equivalent Benefit Units (EBUs) assigned to each parcel. The number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated based on each parcel’s land use and the identified apportionment factors, as shown in the following equation:

$EBUs = (Acres \text{ or } Units) \times Land \text{ Use Factor} \times Benefit \text{ Factor}$

Each of these factors is discussed below.

Land Use Factor

Since the District improvements and activities are primarily associated with the Transportation Element of the General and Community Plans, trip generation rates for various land use categories (as previously established by the City’s Transportation

Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of open space and landscaped/hardscaped improvements and activities are linked to trip generation primarily by the public safety, aesthetic enhancement, and recreational opportunities enjoyed by travelers through the community. Thus, trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City’s Municipal Code.

Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use Factors as shown in **Table 2**.

TABLE 2: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Detached Single Family	SFD	1.0 per dwelling unit
Residential – Attached Condominium	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Residential – Duplex	DUP	0.7 per dwelling unit
Commercial – Office & Retail	COM	45.0 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
Fire/Police Station	FPS	15.0 per acre
House of Worship	CRH	2.8 per acre
Industrial	IND	15.0 per acre
Library	LIB	40.0 per acre
Open Space (designated)	OSP	0.0 per acre
Park – Developed	PKD	5.0 per acre
Park – Undeveloped	PKU	0.5 per acre
Street/Roadway	STR	0.0 per acre
Recreational Facility	REC	3.0 per acre
Undevelopable	UND	0.0 per acre
Unknown/Future Developable	UNK	0.0 per acre
Utility Facility	UTL	3.0 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is permitted, these activities are allowed only to the extent they are consistent with the primary purpose of natural

preservation. Since this land is essentially “unused” in the customary terms of land use (which relate to human use and development), the trip generation rate is zero. Therefore, the designated Open Space itself receives no benefit from the District improvements and activities and has been assigned a Land Use Factor of zero.

The Recreational Facility category includes those uses, which consist primarily of concentrated facilities, such as swimming pools, gymnasiums, racquetball clubs, etc. Recreational facilities of a more dispersed nature (e.g., golf courses, parks, etc.) have been categorized separately.

While those traveling streets and roadways enjoy the District improvements and activities during their travel, the actual benefit of this enjoyment accrues to the lands at the origins and destinations of their trips, not to the lands of the streets and roadways, themselves. Accordingly, the Streets/Roadways category receives no benefit and has been assigned a Land Use Factor of zero.

The Utility Facility category applies to utility infrastructure facilities, such as water tanks, pump stations, electric power transformer stations, communications facilities, etc. Utility company administrative offices are not included in this category.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements and activities to be maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements and activities considered may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, drainage corridors, and recreational potential. As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific District improvements and activities, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and District improvements and activities. Public safety and aesthetics are the components used for this District.

For a given land use, the composite Benefit Factor equals the sum of the subcomponent values. If a land use category receives no benefit from a subcomponent, then a value of zero is assigned to that subcomponent. A composite Benefit Factor of 1.0 reflects full benefit. A decimal fraction indicates less than full benefit. The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various land use/zoning categories within this District are as shown in **Table 3**.

TABLE 3: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (Max. 0.6)	Aesthetics (Max. 0.4)	Composite Benefit Factor (Max. 1.0)
All Residential	0.6	0.4	1.0
Commercial – Office & Retail	0.6	0.2	0.8
Educational – Primary & Secondary	0.6	0.2	0.8
Fire/Police Station	0.6	0.2	0.8
House of Worship	0.6	0.2	0.8
Industrial	0.6	0.2	0.8
Library	0.6	0.2	0.8
Open Space (designated)	0.6	0.0	0.6
Park – Developed	0.6	0.0	0.6
Park – Undeveloped	0.6	0.0	0.6
Street/Roadway	0.6	0.0	0.6
Recreational Facility	0.6	0.0	0.6
Undevelopable	0.6	0.0	0.6
Unknown/Future Developable	0.6	0.0	0.6
Utility Facility	0.6	0.0	0.6

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements and activities. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of open spaces, landscaped/hardscaped roadway medians and rights-of-way improvements and activities varies among land use categories. Generally, by nature of their use, residential lands receive the greatest benefit from the reduced traffic congestion, reduced noise levels, greater separation from traffic and generally more tranquil environment provided by open spaces, landscaped/hardscaped roadway medians and rights-of-way. Commercial and institutional uses, on the other hand, often thrive on higher densities, greater traffic access, and a higher level of activity in the

vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation provided by the aesthetic elements of District improvements and activities.

Generally, commercial and business districts require large areas of flat land and are constructed in the larger valley or mesa areas, which typically include less designated open space. On the other hand, residential neighborhoods can be sculpted into the areas of irregular terrain common to San Diego, which generally incorporate a greater amount of open space adjacent to the community's residential land use parcels. The proximity of open space to residential parcels creates a greater benefit to residential land use parcels.

Lands in the Open Space, Parks, Recreational Facility, Street/Roadway, and Utility Facility categories are considered to receive no significant benefit from the aesthetic elements of District improvements and activities, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

Unit Assessment Rate

Unit assessment rates for each zone have been established to reflect each zone's proportionate obligation for maintenance of improvement areas within the zone. The Unit Assessment Rate (also referred to as the "Assessment per EBU") for each zone is presented in the Executive Summary section of this annual report.

Sample Calculations

As described above, the number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated based on each parcel's land use and the identified apportionment factors, as shown in the following equation:

$$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$$

Shown below are sample EBU calculations for several common land uses found in the District.

- **1 Single-Family Residence**
EBUs = 1 unit x 1.00 x 1.00 = 1.00 EBUs
- **2-acre Elementary School**
EBUs = 2.00 acres x 5.00 x 0.80 = 8.00 EBUs
- **5-acre Park with Recreation Center**
EBUs = 5.00 acres x 5.00 x 0.60 = 15.00 EBUs

The total assessment for each parcel in the District is based on the calculated EBUs for the parcel and the applicable unit assessment rate for the zone in which the parcel is located, as shown in the following equation:

$$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Assessment Rate}$$

Based on the above formula, the EBUs, unit assessment rate, and total assessment calculated for each parcel within the District can be found in the Assessment Roll (**Exhibit C**).

Summary Results

The District Boundary is presented in **Exhibit A**.

An estimate of the annual costs of the improvements and activities provided by the District is included as **Exhibit B**.

The assessment methodology utilized is as described in the text of this annual report. Based on this methodology, Fiscal Year 2020 District assessment for each parcel were calculated and are shown in the Preliminary Assessment Roll (**Exhibit C**).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number in the Preliminary Assessment Roll and on the Boundary Map and Assessment Diagram referenced herein.

This annual report has been prepared and respectfully submitted by:



EFS ENGINEERING, INC.

Eugene F. Shank, PE

C 52792

Sharon F. Risse

EXHIBIT A

District Boundary

EXHIBIT B

**Estimated Budget – Revenue & Expense Statement
for Fiscal Year 2020**

EXHIBIT C

**Preliminary Assessment Roll
for Fiscal Year 2020**