

**STAFF REPORT
CITY OF PALM DESERT
FINANCE DEPARTMENT**

MEETING DATE: May 14, 2020

PREPARED BY: Thomas J. Metz, Deputy City Treasurer
Randy Chavez, Landscape Supervisor

REQUEST: Approve the start of proceedings to levy and collect annual assessments within, and to grant preliminary approval of the Engineer's Annual Levy Report for, Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2020/2021.

Recommendation

Waive further reading and adopt:

1. Resolution No. 2020-44, initiating proceedings for the levy and collection of annual assessments for Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2020/2021.
2. Resolution No. 2020-45, declaring the intent to levy and collect annual assessments within, and granting preliminary approval of the Engineer's Annual Levy Report for, Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2020/2021.

Executive Summary

The attached resolutions start the process of levying and collecting annual assessments within, and granting preliminary approval of the Engineer's Annual Levy Report for Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2020/2021. The Engineer's Annual Levy Report establishes the annual budget and the appropriation method for each landscaping & lighting maintenance district.

Strategic Plan Objective

Not Applicable.

Background Analysis

The City of Palm Desert ("City") administers 35 landscaping & lighting maintenance districts ("LLMDs") which comprise Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1. These LLMDs pay for the maintenance of perimeter landscaping and streetlight benefits for residential subdivisions. The City created them pursuant to the provisions of the Landscaping & Lighting Act of 1972, part 2 of division 15 of the California Streets and Highways Code.

LLMDs are intended to recover all costs that the City incurs in their administration and maintenance. In some cases, however, there is a "finding of general benefit." A "general benefit" would be any improvement that benefits either properties outside LLMD No. 1 or the public at large. Examples of general benefits are the landscaped median on Haystack Road (Zone #2, Canyon Cove) and street lights on the perimeter of a development that directly illuminate parcels outside the development (Zone #6, Sonata 1).

The City's General Fund will be responsible for approximately \$118,375 in general benefits that are listed in the preliminary Engineer's Annual Levy Report ("Engineer's Report") for Fiscal Year ("FY") 2020/2021. Eighty-three percent (83%) of this amount will be allocated to maintaining the Canyon Cove District (Haystack Greenbelt); the residual will be allocated to LLMDs with a benefit, such as street landscaping or lighting that fronts a major arterial street, and benefits the community at large.

Each year, the City starts proceedings to levy and collect annual assessments from LLMDs, and to schedule a noticed public hearing for public comments and testimony. An Engineer's Report is prepared that details the proposed budget and the appropriation method for each LLMD. The attached Engineer's Report shows each LLMD's budget and each LLMD's levy.

Staff recommends that the City Council approve the attached resolutions to start the levy and collection of annual assessments for LLMDs. If both resolutions are approved, then a noticed public hearing will be scheduled for **Thursday, June 25, 2020**: (1) for public comments and testimony; (2) to approve the final Engineer's Report; and (3) to order the levy and collection of annual assessments for FY 2020/2021.

Fiscal Analysis

The assessment and collection of the levy amount will finance both ongoing maintenance of LLMDs and associated staff costs, relieving the City of any financial burden.

LEGAL REVIEW	DEPT. REVIEW	FINANCIAL REVIEW	ASSISTANT CITY MANAGER
N/A	<i>Janet M. Moore</i>	<i>Janet M. Moore</i>	<i>Andy Firestine</i>
Robert W. Hargreaves City Attorney	Janet M. Moore Director of Finance	Janet M. Moore Director of Finance	Andy Firestine Assistant City Manager
City Manager, Lauri Aylaian: <i>LA</i>			

ATTACHMENTS: Resolution No. 2020-44
Resolution No. 2020-45
Engineer's Annual Levy Report for FY 2020/2021 (Preliminary)

RESOLUTION NO. 2020-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA DECLARING ITS INTENTION TO INITIATE PROCEEDINGS FOR THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS FOR CONSOLIDATED PALM DESERT LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2020/2021

The City Council of the City of Palm Desert (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, the City Council through previous resolutions has formed and levied annual assessments for the Consolidated Palm Desert Landscaping and Lighting Maintenance District No. 1 (hereafter referred to as the "District"), pursuant to the provisions of the Landscaping and Lighting Act of 1972, part 2, division 15 of the Streets and Highways Code of the State of California, commencing with section 22500 (hereafter referred to as the "Act") that provides for the collection of assessments by the County of Riverside on behalf of the City of Palm Desert, to pay for the maintenance and services of improvements related thereto; and,

WHEREAS, the City Council desires to initiate proceedings for the levy and collection of annual assessments for Fiscal Year 2020/2021 for the landscape and lighting improvements and services that provide benefit to the properties within the District, pursuant to the provisions of the Act; and,

WHEREAS, the City has retained Willdan Financial Services for the purpose of assisting with the annual levy of the District, including the preparation and filing of an Engineer's Report (hereafter referred to as the "Report") with the City Clerk, in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL, THE LEGISLATIVE BODY FOR THE DISTRICT, AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby orders Willdan Financial Services to prepare and file with the City Clerk the Report concerning the levy of assessments for the District for the Fiscal Year commencing July 1, 2020 and ending June 30, 2021, in accordance with chapter 3, section 22622 of the Act.

Section 3. The improvements within the District include, but are not limited to: turf, groundcover, shrubs and trees, irrigation systems, street lighting, water features, entry monuments, drainage systems and all appurtenant facilities and operations related thereto. The Engineer's Report shall provide a more detailed description of the improvements and services provided by the District and describes any new improvements or substantial changes of the improvements for which properties are assessed.

RESOLUTION NO. 2020-44

Section 4. The City Council hereby determines that to provide the improvements generally described in section 3 of this resolution and to be detailed in the Report, it is necessary to levy and collect assessments within the District for Fiscal Year 2020/2021 and that such assessments shall be outlined and described in the Report and imposed, pursuant to the provisions of the Act and California Constitution article XIID.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Palm Desert City Council, held on this 14th day of May, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

GINA NESTANDE, MAYOR

ATTEST:

GRACE L. ROCHA, ACTING CITY CLERK
CITY OF PALM DESERT, CALIFORNIA

RESOLUTION NO. 2020-45

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA DECLARING ITS INTENTION TO LEVY AND COLLECT THE ANNUAL ASSESSMENTS FOR CONSOLIDATED PALM DESERT LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2020/2021 AND PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT

The City Council of the City of Palm Desert (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, the City Council pursuant to provisions of the Landscaping and Lighting Act of 1972, part 2, division 15 of the Streets and Highways Code of the State of California, commencing with section 22500, (hereafter referred to as the "Act") did, by previous resolution, order the preparation of the Engineer's Report (hereafter referred to as the "Report") for the District known and designated as Consolidated Palm Desert Landscaping and Lighting Maintenance District No. 1. (hereafter referred to as the "District"); and,

WHEREAS, the City Council pursuant to provisions of the Act proposes to levy and collect assessments against lots and parcels of land within the various zones of the District for Fiscal Year 2020/2021, to pay the maintenance, servicing, and operation of the improvements related thereto; and,

WHEREAS, Willdan Financial Services has prepared and filed a Report with the City Clerk pursuant to section 22623 of the Act, and the Report has been presented to City Council and is hereby incorporated by reference; and

WHEREAS, the City Council has examined and reviewed the Report as presented, and is preliminarily satisfied with the description of the District, the zones, and improvements identified therein, each of the budget items and documents as set forth therein, and is satisfied that the proposed assessments contained therein, have been spread in accordance with the special benefits received from the improvements, operation, maintenance, and services to be performed within the District, as set forth in said Report or as modified by City Council action and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT, THE LEGISLATIVE BODY FOR THE DISTRICT, AS FOLLOWS:

Section 1. The above recitals are true and correct.

RESOLUTION NO. 2020-45

- Section 2.** Intention: The City Council hereby declares its intention to order the annual levy and collection of assessments within the District pursuant to the Act, over and including the land within the District boundary, and to levy and collect assessments on such land to pay for the annual costs and expenses of the improvements and services described in section 5 of this resolution for Fiscal Year 2020/2021.
- Section 3.** Approval: The Report has been prepared and filed with the City Clerk. The City Clerk has presented to the City Council, a Report in connection with the proposed improvements, assessments, and the levy and collection of assessments for Fiscal Year 2020/2021, in accordance with chapter 1, article 4 of the Act, and is hereby approved, as required by section 22623 of the Act, on a preliminary basis.
- Section 4.** Boundaries and Designation: The description of the District boundary and the zones therein are outlined in the Report and by reference is made part of this resolution. The District includes thirty-three (33) benefit zones and sub-zones: Canyon Cove (Zone 2); Vineyards (Zone 3); Parkview Estates (Zone 4); Cook and Country Club (Zone 5); sub-zones are Desert Mirage, Sandcastles, and Primrose 2; Hovley Lane (Zone 6): sub-zones are Monterey Meadows, The Glen, Hovley Estates, Sonata I, Sonata II, Hovley Collection, La Paloma I, La Paloma II, La Paloma III, Sandpiper Court, Sandpiper West, Hovley Court West, Diamondback and Palm Court; Waring Court (Zone 7); Palm Gate (Zone 8); The Grove (Zone 9); Portola Place (Zone 11); Palm Desert Country Club (Zone 13); K&B at Palm Desert (Zone 14); Canyon Crest (Zone 15); and, Shepard Lane (Zone 16): sub-zones are College View Estates I, College View Estates II, Sundance East, Sundance West, Petunia I, and Boulders. This District is designated as "Consolidated Palm Desert Landscaping and Lighting Maintenance District No. 1".
- Section 5.** Description of Improvements: Reference is hereby made to the Report for a detailed description of the improvements. The improvements within the District include, but are not limited to: turf, groundcover, shrubs and trees, irrigation systems, street lighting, water features, entry monuments, drainage systems, and all appurtenant facilities and operations related thereto.
- Section 6.** Proposed Assessment Amounts: The proposed assessments are outlined in the Report. District Assessments are calculated in accordance with the method of apportionment established for the District and do not exceed the assessment rates and annual inflationary adjustment previously authorized by City Council and approved by the property owners in accordance with the provisions of California State Constitution article XIID.

RESOLUTION NO. 2020-45

Section 7. Notice of Public Hearing: The City Council hereby declares its intention to conduct a public hearing concerning the District improvements and the levy of assessments, in accordance with chapter 3 of the Act. Notice is hereby given that a public hearing on these matters will be held by the City Council on **Thursday, June 25, 2020 at 4:00 p.m.**, or as soon thereafter as feasible in the City Hall (Council Chambers), located at 73-510 Fred Waring Drive, Palm Desert, California. At the public hearing, all interested persons shall be afforded the opportunity to hear and to be heard.

Section 8. Notice: The City shall give notice of the time and place of the public hearing to all property owners within the District by causing the publishing of this resolution once in the local newspaper not less than ten (10) days before the date of the public hearing, and by a posting a copy of this resolution on the official bulletin board customarily used by the City Council for the posting of notices pursuant to the Act. For Fiscal Year 2020/2021, no new or increased assessments are proposed and a mailing of a notice and ballot to property owners is not required.

Section 9. The City Clerk is hereby authorized and directed to give notice of such hearing as provided by law.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Palm Desert City Council, on the 14th day of May, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

GINA NESTANDE, MAYOR

ATTEST:

GRACE L. ROCHA, ACTING CITY CLERK
CITY OF PALM DESERT, CALIFORNIA



PALM DESERT
CALIFORNIA

City of Palm Desert

Consolidated Palm Desert Landscaping and Lighting District No. 1

2020/2021 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: May 14, 2020
Public Hearing: June 25, 2020

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ENGINEER'S REPORT AFFIDAVIT

Establishment of Annual Assessments for the:

Consolidated Palm Desert Landscaping and Lighting District

City of Palm Desert,
County of Riverside, State of California

This Report identifies the parcels within the District and the relevant zones therein, as they existed at the time of passage of the Resolution of Intention. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The Undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 1st day of May, 2020.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Palm Desert

By: Josephine Moses

Josephine Moses, Senior Project Manager
District Administration Services

By: Richard Kopecky
Richard Kopecky
R.C.E. # 16742



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I. Overview

A. Introduction

The City of Palm Desert (hereafter referred to as “City”) annually levies and collects special assessments in order to provide and maintain improvements within the Consolidated Palm Desert Landscaping and Lighting Maintenance Assessment District No.1 (hereafter referred to as the “District”). The District was formed in 1993, through the consolidation of several individual landscaping and lighting maintenance districts that previously existed within the City. The original districts and subsequent annexations of various territories and developments to the Consolidated District are identified as separate Zones and/or Sub-zones (hereafter referred to jointly as “Zones”). The District and the Zones therein have been established and are levied annual assessments pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the “1972 Act”).

This Engineer’s Annual Levy Report (hereafter referred to as the “Report”) describes the District and improvements, any proposed changes to the District or improvements and the proposed budgets and assessments for Fiscal Year 2020/2021. The proposed assessments are based on the City’s estimated cost to maintain the improvements that provide special benefit to properties within the District. The various improvements within the District and the costs of those improvements are identified and budgeted separately for each Zone, including the expenditures, deficits, surpluses, revenues, and reserves.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessment Number by the Riverside County Assessor’s Office. The Riverside County Auditor/Controller uses Assessment Numbers and specific Fund Numbers, to identify on the tax roll, properties assessed for special district benefit assessments. Each parcel within a Zone is assessed proportionately for only those improvements provided in that Zone from which the parcel receives special benefit.

At a noticed Public Hearing, the City Council will consider all testimony and written comments presented and may direct any necessary modifications to the Report and approve the Report as submitted or amended. Following approval of the Report, the City Council by resolution, shall order the improvements to be made, and confirm the levy and collection of assessments pursuant to the 1972 Act. The assessment rates and method of apportionment described in this Report as approved by the City Council defines the assessments to be applied to each parcel within the District for Fiscal Year 2020/2021. The assessments as approved will be submitted to the Riverside County Auditor/Controller to be included on the property tax roll for each parcel for the fiscal year.

B. Compliance with the Current Legislation

The City Council annually conducts a public hearing to accept public comments and testimony, to review the Report and adopt the annual assessments to be levied on the County tax roll for the fiscal year. The assessments described in this Report and subsequently approved by the City Council have been prepared in accordance with the 1972 Act and in compliance with the provisions of the *California Constitution, Article XIID* (hereafter referred to as the “Article XIID”), which was enacted by the passage of Proposition 218 in November 1996.

In compliance with the provisions of Article XIID, in Fiscal Year 1997/1998, the City conducted property owner ballot proceedings for the special benefit assessments applicable to each of the existing Zones within the District. At that time, the assessments presented to property owners included the assessment range formula previously established for the District and described in this Report. Upon tabulation of the ballots returned, it was determined that majority protest did not exist and the City Council approved and adopted the assessments and assessment range formula balloted and approved by the property owners. Similar proceedings have been conducted for all new or increased assessments including any annexations to the District.

C. General Description of the District and Services

The City annually levies and collects assessments in order to maintain and service various improvements within the District. For Fiscal Year 2020/2021, the District is comprised of thirty-three (33) separate benefit Zones, each funding specific improvements and services.

The District provides for the maintenance and operation of local landscaping and lighting improvements and associated appurtenances located within the public right-of-ways and dedicated landscape easements. The improvements and the annual costs of those improvements are identified and budgeted separately for each Zone, including the expenditures, deficits, surpluses, revenues, and reserves.

The improvements provided and for which parcels are levied special benefit assessments within the District can be categorized as three (3) improvement types.

1. Local street lighting (residential street lighting associated with the properties within the Zone and specific subdivisions).
2. Local landscaping improvements including parkways, perimeters, entryways, local medians, and internal landscaped amenities.

3. Special Zone services including tree trimming, graffiti and weed abatement and landscape maintenance of flood control areas (retention and detention basins).

The costs associated with the improvements authorized by the provisions of the 1972 Act are equitably spread among the benefiting parcels in proportion to the special benefit they receive. Only parcels that receive special benefits from the improvements are assessed, and each Zone consists of parcels that benefit from those specific improvements.

Landscape improvements maintained by the District and associated with each Zone were either installed as a condition of development or were installed for the benefit of the properties assessed. The landscape improvements associated with each Zone may include, but are not limited to: open space areas; medians; parkways; slopes; retention or detention basin areas; and public right-of-ways or easements that provide special benefits to the parcels. These improvements may include, but are not limited to: turf, ground cover, shrubs and trees, irrigation systems, decorative lighting, water features, entry monuments, drainage systems, hardscapes and associated appurtenances. Similar to landscape improvements, street lighting improvements funded through District assessments were installed for the benefit of properties within each of the Zones and the assessments provide for the maintenance, operation and energy costs related to those street light improvements.

D. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean 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.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

II. Specific Improvements and Special Benefit Zones

The boundaries of each Zone, the location of improvements and special benefit received by the properties and property owners within each Zone are described in this section of the Report. In any given fiscal year, City staff will determine the scope of work for each Zone as assessment revenues allow. Any necessary reductions in the scope of work will likely include, but are not limited to; the frequency of mowing and edging turf areas; the application of fertilizers and aeration of turf; trimming and pruning of shrubs, trees and ground cover; trash pick-up in landscaping areas; and weed and litter control. The allocation of special benefit and general benefit of the improvements provided within the District are summarized in the Method of Apportionment section of this Report and are identified in the budget for each Zone. A description of the District improvements and the level of annual service each Zone will receive are provided in the following:

Zone #2 (Canyon Cove):

Zone #2 includes Tracts 11636-1, 2, 3, & 4 and Tract 23485, generally located South of Deep Canyon Tennis Club, North of Haystack Road, West of Marrakesh Country Club, and East of Highway 74. The streets within the Zone include Ambrosia Street, Sweetbrush Lane, Deer Grass Drive, Lotus Court, Calliandra Street, Aber Street and Alamo Drive.

These parcels benefit from the maintenance and operation of street lighting encompassing the streets within the Zone, the landscaped parkway along the East side of Highway 74 and the landscaped areas on the North side of Haystack Road, adjacent to the above mentioned tracts and installed as part of these residential developments.

The interior local street lighting has been identified and allocated as 100% special benefit with no general benefit allocation. The parkway landscaping along Highway 74 has been identified as 100% special benefit to the parcels within the Zone. However, it has been determined that the landscaped median on Haystack Road (although installed as part of the development) not only provides a special benefit to properties within Canyon Cove, but also provides a general benefit. The proportionate general benefit of this improvement has been identified and eliminated from the Zone assessments. Although there is a general benefit component, the majority (83%) of the median landscaping on Haystack Road is a flood control channel and was required for development of the homes within Canyon Cove. Therefore, pursuant to Article XIID Section 5a (assessments used to fund flood control and drainage systems) the majority of the costs for this landscaped area could be considered exempt. However, in recognition of the general benefit this improvement area provides and the previous assessments applied to properties within the Zone, it was determined that the City would fund a large portion of the costs associated with this landscaped median area. Refer to

the budget section of this Report for details on the allocation of benefit and related assessments.

Zone #3 (Vineyards):

Zone #3 consists of the parcels in Tracts 12181-1 and 12181-2 on the West side of Portola Avenue. The streets within the Zone include Martini Court, Heitz Court, Mondavi Court, Callaway Court, Stony Hill Court, Masson Street, Krug Avenue, Sebastian Way, and San Pasqual Avenue/Rutledge Way.

These parcels receive special benefits from the operation and maintenance of street lighting improvements within the Zone boundaries and the landscaped area along the West side of Portola Avenue, from the northern boundary to the southern boundary of the two tracts.

Both the street lighting and landscape improvements identified for this Zone were installed as part of the residential development and the ongoing maintenance and operation of these improvements provide special benefits to properties within the Zone. It has further been determined that these improvements were installed and are maintained solely for the benefit of properties within the Zone and the improvements provide no measurable benefit to properties outside the Zone. Any benefit conveyed to other properties or to the public at large (general benefit) is incidental. Therefore, both the interior tract street lighting and the parkway (perimeter) landscaping costs have been identified and apportioned 100% as a special benefit to the parcels within the Zone.

Zone #4 (Parkview Estates):

Zone #4 consists of the parcels in Tract 8237, South of Magnesia Falls Drive, North of Fred Waring Drive, West of Deep Canyon Road, and East of Portola Avenue.

These parcels receive special benefits from the operation and maintenance of street lighting along Primrose Drive, Desert Star Boulevard, Vanda Circle, Palmilla Circle, Myrsine Avenue, Gazania Place, Rutledge Avenue, Buttonwood Drive, Silktree Lane, Santolina Drive, Balsam Lane, and Erin Street. The street lighting improvements were installed as part of the residential development and are considered a special benefit to the properties within the development (i.e., Zone). The ongoing operation and maintenance of interior residential street lighting provides no measurable general benefit to properties outside the Zone or to the public at large. To the extent that some streetlights associated with the Zone are located on the perimeter of the residential development and provides direct illumination to parcels outside the Zone, a portion of the maintenance costs has been identified as a general benefit. This Zone has twenty interior streetlights and five perimeter streetlights resulting in an allocation of the Zone costs as 90% special benefit and 10% general benefit.

Zone #5 (Cook and Country Club):

Zone #5 consists of three (3) separate residential subdivisions identified as Sub-zones. These three Sub-zones are known and identified as:

- Desert Mirage (Tract 25639)
- Sandcastles (Tract 21338-1)
- Primrose II (Tract 25436)

Each of these Sub-zones has specific local improvements maintained by the District that were installed as part of these residential developments.

These three subdivisions were originally part of a larger Zone known as Cook and Country Club and were proportionately assessed for median landscaping in the area as well as their local (tract specific) improvements. In fiscal year 1997/1998 it was determined that the median landscaping in the Cook and Country Club area was largely a general benefit and this portion of the assessment was eliminated. However, it was determined that the parcels within these three (3) Sub-zones receive special benefit from tract maintained by the District, and each parcel within the respective Sub-zones should continue to be assessed proportionately for the cost of services associated with those local improvements. The parcels in all three (3) Sub-zones receive special benefits from tract street lighting; the parcels in the Primrose II Sub-zone also receive special benefits from parkway landscaping; and the parcels in the Desert Mirage Sub-zone also receive special benefits from parkway landscaping, detention basin landscaping, and entrance landscaping.

Upon review of the specific street lighting improvements associated with each of these Sub-zones, the street lighting facilities have been identified as interior tract streetlights. These streetlights provide little or no direct illumination to parcels outside the Sub-zones and therefore the costs of maintaining these improvements are allocated as 100% special benefit with no general benefit.

The property owners in the Sub-zone known as Desert Mirage were balloted in Fiscal Year 2004/2005 for an increase in their maximum assessment rates. The proposed levy increase would fund new maintenance costs required after the City of Palm Desert renovated the improvements with water efficient landscaping and irrigation systems. Majority protest did not exist; therefore, the City will move forward with the plans to renovate the improvements in the Desert Mirage Sub-zone.

The 2004/2005 reballoting determined that 15% of the improvements within the Desert Mirage Sub-Zone are of a general benefit to those properties outside of the Sub-zone. Therefore, this percentage of the costs of maintaining the Sub-zone has been removed from the assessment and must be funded from other sources.

Refer to the budget for Zone 5 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

Zone #6 (Hovley Lane):

Parcels within this Zone are located generally East of Monterey Avenue and West of Portola Avenue and includes parcels and tracts along Hovley Lane West. Zone 6 includes the following subdivisions and Sub-zones:

- Monterey Meadows (Tracts 21791 and 22741)
- Hovley Glen (Tract 25217)
- Hovley Estates (Tract 24591)
- Sonata I (Tract 23982)
- Sonata II (Tracts 24254 -1, 2, 3)
- Hovley Collection (Tract 24603)
- La Paloma I (Tract 24773-1)
- La Paloma II (Tract 24773)
- La Paloma III (Tract 29045)
- Sandpiper Court (Tract 27370)
- Hovley Court West (Tract 29585)
- Sandpiper West (Tract 29579)
- Diamondback Road (Tract 29893)
- Palm Court (Tract 25373)

The parcels within each of the fourteen (14) Sub-zones of Zone 6 (Hovley Lane) receive benefit from various improvements that were installed as part of the separate residential developments and are specific to each tract and subdivision. The assessment for each Sub-zone funds and provides for the parkway landscaping improvements adjacent to each tract along Hovley Lane as well as specific in-tract improvements. The in-tract improvements may include street lighting; dry well and retention basin landscape maintenance; and landscaping of additional parkway areas. The improvements within Zone 6 include street lighting on Clover Lane, Meadow Lane, Hovley Lane West, Centennial Circle, Posada Court, Via Fonda, Sonata Court, Avenida Arcadia, Avenida Solana, Sandpiper Court, Avenida Rosario, Sandpiper Court West Hovley Court, Diamondback Road, and Palm Court; landscaped parkways along Hovley Lane West, Monterey Avenue, Portola Avenue and landscaped retention basins located within Hovley Estates, Hovley Collections, La Paloma 1, La Paloma 2, Sandpiper Court, and Sandpiper Court West.

Upon review of the specific street lighting improvements associated with each of these Sub-zones, the street lighting facilities have been identified as tract specific streetlights. To the extent that some streetlights associated with the Glen, Sonata I and Hovley West Sub-zones are located on the perimeter of the development and provide direct illumination to parcels outside the subdivision, a portion of the maintenance costs (15%) have been identified as a general benefit component. Therefore, the cost of maintaining the street light improvements is allocated as 85% special benefit to properties within these Sub-zones.

Similarly, it has been determined that a portion of the parkway landscape improvements associated with the Glen, Sonata I and Hovley West Sub-zones provide a general benefit to properties outside of these Sub-zones. Therefore, 15% of the costs of maintaining these landscaped areas has been removed from the assessments and will be funded from other sources. The landscape improvements associated with each of the remaining Sub-zones provide no measurable general benefit to properties outside the Zone or to the public at large, and therefore, their specific local landscaping improvements and the corresponding assessments have been identified 100% as a special benefit to parcels within the Sub-zones.

The property owners in the nine (9) Sub-zones known as The Glen, Hovley Estates, Sonata I, Sonata II, La Paloma I, Sandpiper Court, Sandpiper West, Hovley West and Hovley Collection, were balloted in Fiscal Year 2004/2005 for an increase in their maximum assessment rates. In conjunction with the assessment increase, the City proposed to renovate the existing improvements with more water efficient landscaping and modifications to the irrigation system.

For seven (7) of the nine (9) Sub-zones balloted, majority protest did not exist and the City will move forward with the plans to renovate the improvements in those Sub-zones. However, majority protest existed in Hovley West and Hovley Collection, and the proposed assessment increase for these two Sub-zones will not be imposed. Without the additional maintenance funding, the City will not be able to renovate the improvements for these two Sub-zones, but will continue to maintain the existing improvements at a level of service compensatory with the available assessment revenues at the existing assessment rates. Refer to the budgets for Zone 6 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

In Fiscal Year 2004/2005 the Palm Court Sub-zone was annexed to Zone 6 through property owner protest hearing proceedings. Upon conclusion of a noticed Public Hearing, it was determined that a majority protest did not exist. Upon review of the specific improvements associated within this Sub-zone, benefit conveyed to other properties or to the public at large (general benefit) has been determined by comparison to be incidental. Therefore, the costs of the on-going operation and maintenance of the improvements have been identified and apportioned 100% as a special benefit to the parcels within the Sub-zone.

Zone #7 (Waring Court):

Zone 7 consists of Tract 25304, North of Fred Waring Drive and East of Phyllis Jackson Lane.

These parcels receive special benefit from the ongoing maintenance of landscaped parkways along Fred Waring Drive and Phyllis Jackson Lane adjacent to the tract. The improvements were installed as part of the residential development and it has been determined that the operation and maintenance of

the landscape improvements provide no measurable general benefit to other properties outside the Zone or to the public at large. Therefore, the local landscaping improvements associated with this Zone and the costs of providing these improvements have been identified as 100% special benefit to parcels within Zone 7.

Zone #8 (Palm Gate):

Zone 8 consists of the parcels in Tract 24287 located East of Deep Canyon Road, and North of Fred Waring Drive, on Coral Bells Circle, Daylily Circle, and Moss Rose Drive.

These parcels receive benefit from the maintenance and operation of local street lighting at the entrances to the development at the corners of Deep Canyon Road and Coral Bells Circle, Daylily Circle, and Moss Rose Drive. These parcels also receive special benefit from the maintenance of the landscaped parkways adjacent to the development on Deep Canyon Road.

Both the street lighting and landscape improvements identified for this Zone were installed as part of the residential development and the ongoing maintenance and operation of these improvements provide special benefit to properties within the Zone. It has been determined that these improvements were installed and are maintained solely for the benefit of properties within the Zone and provide no measurable benefit to properties outside the Zone or to the public at large. Therefore, both the interior tract street lighting and the parkway (perimeter) landscaping costs have been identified and apportioned 100% as a special benefit to the parcels within the Zone.

In conjunction with a proposed renovation and upgrade of the existing landscape improvements the property owners in Zone 8 were balloted in Fiscal Year 2004/2005 for an increase in their maximum assessment rates. Majority protest existed and the maximum assessment rate will not be increased over the amount previously approved for the Zone. Since the assessment increase was not approved the City will not move forward with the proposed renovations, but will continue to maintain the existing improvements at a level of service compensatory with the available assessment revenues.

The property owners in Zone 8 were balloted during Fiscal Year 2017/2018 for an increase in their maximum assessment rate effective beginning Fiscal Year 2018/2019. Majority protest did not exist, and based on the approval of the new assessment rate, the City will move forward with the proposed renovations. Refer to the budget for Zone 8 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

Zone #9 (The Grove):

Zone 9 consists of the parcels in Tract 24984 South of Goleta Avenue and West of Deep Canyon Road.

These parcels receive special benefits from the improvements and maintenance of street lighting at the entrance to the development at the corner of Deep Canyon Road and Royal Canyon Lane as well as interior street lighting on Kings Canyon Lane, Indian Canyon Lane, Hazel Canyon Lane, and Royal Canyon Lane. These parcels also receive special benefits from the improvements and maintenance of parkway landscaping adjacent to the tract on Deep Canyon Road, and interior landscaping, including an entryway median, parkway landscaping and palm tree trimming within the public right-of-ways on Royal Canyon Lane that were installed as part of the residential tract development.

Both the street lighting and landscape improvements identified for this Zone were installed as part of the residential tract development and the ongoing maintenance and operation of these improvements provide special benefit to properties within the Zone. It has further been determined that these improvements were installed and are maintained solely for the benefit of properties within the Zone and the improvements provide no measurable benefit to properties outside the Zone or to the public at large. Therefore, both the tract street lighting and the landscaping costs (parkways and interior landscaping) have been identified and apportioned 100% as a special benefit to the parcels within the Zone.

As part of the overall landscaping costs for this Zone, specialized maintenance (palm tree trimming) is budgeted separately as this service is not covered under the regular maintenance contract the City has with its landscape contractor. However, like other landscape maintenance within the Zone this service benefits only the properties within the Zone and has been identified as 100% special benefit.

Zone #11 (Portola Place):

Zone 11 is generally located South of Santa Rosa Way and East of Portola Avenue and consists of the parcels in Tract 27692.

These parcels receive special benefits from the servicing and maintenance of the landscaped parkways adjacent to the tract on Portola Avenue and Santa Rosa Way, and interior tract landscaping on Olive Court installed as part of the residential development.

The developer (D & F Development) was conditioned to form the necessary District Zone for the public improvements that would be installed as part of subdivision tract 27692. In a letter to the City dated April 4, 1994, the developer (sole owner of the property at that time) requested inclusion of the parcels within the tract into the District and to be assessed annually for the cost of maintaining the improvements. This letter constitutes a 100% landowner petition pursuant to Article XIID and

supports a position that the assessments imposed prior to July 1, 1997 were exempt from the requirements of Article XIID.

Although the assessments for these improvements were identified as exempt in fiscal Year 1997/1998 and not subject to the procedural requirements of a protest balloting procedure, the improvements and the related assessments for this Zone were identified as 100% special benefit. It has been determined that the ongoing operation and maintenance of the improvements provide no measurable general benefit to other properties outside the Zone or to the public at large. Therefore, these improvements, the corresponding assessments and the annual inflationary adjustment previously approved by landowner petition are in compliance with the substantive requirements of Article XIID. However, any future increases to the assessments will require property owner ballot proceedings.

Zone #13 (Palm Desert Country Club):

Zone 13 is located generally South of Hovley Lane East, North of Fred Waring Drive, West of Warner Trail, and West of Washington and is commonly referred to as the Palm Desert Country Club area.

The parcels within this Zone receive special benefits from the servicing and maintenance of entryway landscaping on State Street and Washington Avenue, parkway landscaping along Fred Waring Drive and local residential street lighting within the Zone.

Parcels within Zone 13 were annexed into the City in Fiscal Year 1994/1995. Prior to City annexation the local improvements within this Zone were assessed and collected by the County through a County Service Area (CSA). When the properties were annexed to the City, the City established this territory as Zone 13 within the District and the CSA fund balance was transferred to the Zone 13 account. For the first two years, the City used the fund balance to fully cover the annual cost of providing the improvements. In Fiscal Year 1996/1997 the remaining fund balance was designated as reserves and the District levied its first annual assessment for the Zone. Because the reserve fund balance was greater than the amount typically held in reserves, the City Council determined that a portion of the reserves would be used each year to offset the annual expenditures thereby allowing the annual assessments to remain fairly constant and also gradually reduce the reserve fund to normal levels. In Fiscal Year 1997/1998, in compliance with Article XIID, a property owner ballot proceeding was conducted to approve the existing annual assessment. At that time, the property owners approved the proposed assessment amount plus an annual inflation adjustment. The assessment amount approved by the property owners was based on the continued policy of utilizing reserve fund contributions to offset the actual expenses for the Zone.

In Fiscal Year 1999/2000, property owners within Zone 13 were re-balloted for an increased assessment to cover the maintenance costs associated with the new landscaping improvements to be installed on Fred Waring Drive. Property owners were balloted for an amount sufficient to cover the actual Zone expenses, although a portion of the existing reserves continued to be used to reduce the annual assessments. Majority protest did not exist; therefore, the City will move forward with the new landscaping improvements plans for Zone 13. Refer to the budget for Zone 13 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

The street lighting and landscape improvements assessed within this Zone clearly provide special benefits to properties within the Zone. It has been determined that the improvements were installed and are maintained solely for the benefit of properties within the Zone and the improvements provide no measurable benefit to properties outside the Zone or to the public at large. Therefore, both the street lighting and the landscaping costs (parkways and interior landscaping) have been identified and apportioned 100% as a special benefit to parcels within the Zone.

Zone #14 (K & B at Palm Desert):

Zone 14 is located generally North of Frank Sinatra Drive, West of Portola Avenue, East of Monterey Avenue and South of Gerald Ford Drive. The Zone includes the parcels in Tracts 28258 and 28258-1.

The properties within the boundaries of Zone 14 benefit from street lighting within the development located on Drexell Drive, Heatherwood Drive, Emerson Drive and Jamerson Road, and Colebridge Street, as well as landscaping associated with the retention basin area located on Heatherwood Drive and dry well areas within the subdivisions installed by the developer as part of the residential development.

In conjunction with a proposed renovation and upgrade of the existing landscape improvements, the property owners in Zone 14 were balloted in Fiscal Year 2004/05 for an increase in their maximum assessment rates. Majority protest did not exist, and based on the approval of the new assessment rate, the City will move forward with the plans to renovate the improvements with more water efficient landscaping and modifications to the irrigation system. Refer to the budget for Zone 14 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

It has been determined that fifteen percent (15%) of the improvements within the K & B Sub-Zone are of a general benefit to those properties outside of the Sub-zone. Therefore, this percentage of the costs of maintaining the Sub-zone has been removed from the assessment and must be funded from other City funding sources.

Zone #15 (Canyon Crest):

Zone 15 consists of Tract 25102-1 and 25102 generally located east of Deep Canyon Road, south of the Whitewater River Channel, north of Moss Rose Drive, and west of the Palm Desert High School. This Zone was established and annexed to the District on March 11, 1999 pursuant to the Act and a property owner ballot proceeding.

These parcels receive special benefit from the operation and maintenance of landscaped parkways along the east side of Deep Canyon Road from Magnesia Falls (Whitewater River Channel), south to the end of the development (approximately 100 feet north of Buttonwood Drive); perimeter landscaping along the Whitewater River Channel (the northern boundary of the development and District) from Deep Canyon Road eastward to the western boundary of the development (approximately 675 linear feet of the total 1275 feet is landscaped).

The improvements for this Zone were installed as part of the residential developments. It has been determined that the ongoing operation and maintenance of the landscape improvements provide no measurable general benefit to other properties outside the Zone or to the public at large. Therefore, the local landscaping improvements associated with this Zone and the associated annual costs have been identified as 100% special benefit to parcels within Zone 15. Refer to the budget for Zone 15 in Section IV of this Report for specifics regarding the proposed assessment for the current fiscal year and the maximum assessment.

Zone #16 (Shepard Lane):

Zone #16 consists of six (6) separate residential subdivisions identified as Sub-zones. These six Sub-zones are known and identified as:

- College View Estates I (Tract 29444)
- College View Estates II (Tract 30087)
- Sundance West (Tract 30216)
- Sundance East (Tract 30503)
- Petunia I (Tract 30025)
- Boulders (Tract 30030)

Each of these Sub-zones has specific local improvements maintained by the District that were installed as part of these residential developments.

There are several residential subdivisions within the area known as Shepherd Lane. The parcels within each of the six (6) Sub-zones of Zone 16 (Shepard Lane)

receive benefit from various improvements that were installed as part of the separate residential developments and are specific to each tract and subdivision. Perimeter landscaping for the Shepherd Lane residential developments includes parkway/perimeter landscaping on the west side of Portola Avenue between Frank Sinatra Drive and Gerald Ford Drive, as well as landscaping on the north side of Frank Sinatra Drive and the south side of Gerald Ford Drive on either side of Shepherd Lane. These improvements benefit the property development within the Shepherd Lane area and each residential subdivision is assessed a proportional share of the costs associated with these landscaped areas as well as specific in-tract improvements.

Specific in-tract improvements include:

Sub-Zone College View Estates I:

- This Sub-zone's proportional benefit of parkway/perimeter landscaping along the west side of Portola Avenue adjacent to the residential subdivision (generally between Frank Sinatra Drive and Gerald Ford Drive);
- Parkway landscaping along both sides of Shepherd Lane adjacent to the residential subdivision (generally between Frank Sinatra Drive and Gerald Ford Drive);
- Streetlights within the residential subdivision and/or adjacent to the subdivision on both the east and west sides of Shepherd Lane and the west side of Portola Avenue installed as part of the residential subdivision.

Sub-Zone College View Estates II:

- This Sub-zone's proportional benefit of parkway/perimeter landscaping on both sides of Shepherd Lane and the west side of Portola Avenue adjacent to the residential subdivision, installed as part of the development of properties therein;
- Street lights within and adjacent to the residential subdivision.

Sub-Zone Sundance West:

- Two landscape easements located on the west side of Shepherd Lane at Kokopelli Circle.
- Two landscape easements located on the west side of Shepherd Lane at Chinook Circle.
- Parkway landscaping along Shepherd Lane adjacent to the residential subdivision. Specifically, the parkway area on the west side of Shepherd Lane which extends the length of Tract 30216;

- Streetlights within the residential subdivision and/or adjacent to the subdivision on both the east and west sides of Shepherd Lane and the west side of Portola Avenue installed as part of the residential subdivision.

Sub-Zone Sundance East:

- This Sub-zone's proportional benefit of perimeter/parkway landscaping on the west side of Portola Avenue between Frank Sinatra Drive and Gerald Ford Drive associated with the development;
- Parkway landscaping on Shepherd Lane adjacent to the residential development installed as part of the development of properties therein.
- Street lights within and adjacent to the residential subdivision.

Sub-Zone Petunia I:

- Three landscape easements identified as the parkway landscaping on the east side of Shepherd Lane adjacent to the tract north and south of East Petunia Place and the parkway landscaping easement on the west side of Portola Avenue adjacent to the tract.
- Two landscape easements identified as the parkway landscaping on the west side of Shepherd Lane adjacent to the tract north and south of West Petunia Place.

Sub-Zone The Boulders:

- Parkway landscaping on Shepherd Lane adjacent to the residential development installed as part of the development of properties therein;
- This Sub-zone's proportional benefit of parkway/perimeter landscaping on the west side of Portola Avenue between Frank Sinatra Drive and Gerald Ford Drive, as well as landscaping on the north side of Frank Sinatra Drive and the south side of Gerald Ford Drive on either side of Shepherd Lane.
- Street lights within and adjacent to the residential subdivision.

It has been determined upon review of the specific improvements that a portion of the street lighting and parkway landscape improvements associated with the College View Estates I, College View Estates II, Sundance East, and Petunia I Sub-zones provide some general benefit to properties outside of these Sub-zones. These improvements include the parkway/perimeter maintenance along Portola Avenue. A portion of the maintenance costs up to 15% have been identified by the

City as a general benefit component have been removed from the assessments and will be funded from other sources. The improvements associated with the remaining Sub-zones provide no measurable general benefit to properties outside the Zone or to the public at large, and therefore, their specific local landscaping improvements are allocated 100% as special benefit to parcels within the Sub-zones.

III. Method of Apportionment

A. General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“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.”

The formula used for calculating assessments in each Zone of the District therefore reflects the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on estimated benefit to each parcel.

In addition, pursuant to Article XIID Section 4 a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel and provides that only special benefits are assessable and the District must separate the general benefits from the special benefits. Therefore, in compliance with the new assessment requirements only assessments that are identified as either “Exempt Assessments” or “Special Benefit Assessments” are assessed. The costs of any improvements considered to be “General Benefit” have been eliminated from the District assessments.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments has been carefully reviewed by the City and has been identified and allocated based on benefit pursuant to the provisions of the 1972 Act and Article XIID of the California Constitution. Each improvement and the associated costs have been identified as either “general benefits” or “special benefits”. Although some existing assessments within the District qualified as exempt assessments pursuant to Article XIID, Section 5 of the Constitution and did not require a ballot proceeding under the provisions of Section 4, the improvements associated with these assessments are considered a special benefit to the assessed properties and are in compliance with the substantive requirements of Article XIID Section 4. The maximum assessment rates shown in this report are consistent with the provisions of Article XIID and any new or increased assessments shall be subject to the provisions of Section 4 therein.

Special Benefits

The method of apportionment (or method of assessment) is based on the premise that each of the assessed parcels within the District and Zones receives benefit from the improvements maintained and financed by District assessments. Specifically, the assessments associated with each Zone are for the maintenance of local street lighting and landscaped improvements installed as part of the original development of the parcels within the Zones or were later installed for the benefit of those properties. The desirability and security of properties within each Zone is enhanced by the presence of street lighting and well-maintained landscaping in close proximity to those properties.

The landscape improvements provided by the District may include landscaped medians, parkways, entryways, slopes and appurtenant facilities. Street lighting improvements may include energy costs and necessary maintenance to the facilities related thereto. The annual assessments outlined in this Report are proposed to cover the estimated costs to provide necessary service, operation, administration and maintenance required each year to keep these improvements in a healthy, vigorous and satisfactory condition.

The special benefits associated with the local landscaping improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties within the Zones providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, and dust and debris control.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels within the Zones by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting are the convenience, safety and security of property, improvements and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads and highways.
- Improved ability of pedestrians and motorists to see.

- Improved ingress and egress to property.
- Reduced vandalism and other criminal acts and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Increased promotion of business during nighttime hours in the case of commercial properties.

The preceding special benefits contribute to a specific enhancement and desirability of each of the assessed parcels.

General Benefit Contributions

Prior to the passage of Proposition 218, some of the District assessments included maintenance of landscaped medians on various arterial streets within the City. However, since the maintenance of most arterial medians within the City were funded by the City's General Fund, it was determined that the existing assessments for these improvements were not a special benefit and in Fiscal Year 1997/1998 the District assessments related to arterial medians were eliminated.

In addition, any improvement and the associated costs that are considered a general benefit to properties outside the respective Zones or to the public at large have been identified and excluded from the annual assessments. The improvements and associated costs considered to be a general benefit for each Zone are described in Specific Improvements and Special Benefit Zones (Section II). The General Benefit Contribution amount excluded from the annual assessment for each Zone is reflected in the District Budgets (Section IV B). In making this determination it should be noted that parkway, perimeter landscaping and interior landscaping within the City is either funded or maintained by individual property owners or through some type of association, except those maintained and funded through a special District. The City does not usually maintain these types of improvements from General Fund Revenues and, like other similar improvements within the City, the ongoing maintenance of these improvements are a special benefit to the properties associated with the improvements.

Additional General Fund Contributions

In some cases, a Zone's total operating cost may exceed the maximum assessment allowed. In such a case and at the City's discretion, the annual shortfall may be funded through an Additional General Fund Contribution or steps may be taken to reduce the total operating cost for the Zone (such as reducing the service levels). The Additional General Fund Contribution amount for each Zone is reflected in the District Budgets (Section IV B).

C. Assessment Methodology

Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed, among assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The apportionment of costs used for each Zone should reflect the composition of the parcels, and the improvements and services provided based on each parcel's estimated special benefit.

Equivalent Benefit Units: To assess benefits equitably, it is necessary to relate the different type of parcel improvements to each other. The Equivalent Benefit Unit method of assessment apportionment uses the single-family home as the basic unit of assessment. A single family home equals one Equivalent Benefit Unit (EBU). Every other land use is converted to EBUs based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home (SFR).

The EBU method of apportioning benefit is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of land use type, size and development.

Assessed parcels within Zones 2, 4, 5, 6, 7, 8, 9, 11, 14, 15 and 16 are single-family residential parcels and the application of the EBU method of spread results in an equal assessment.

The following table reflects the various property types and applicable EBUs that may be applied to properties within Zones 3 and 13.

LAND USE /EQUIVALENT BENEFIT UNITS (Zones 3 and 13)

Property Type	Land Use Code	EBU Type Factor	Multiplier to Calculate EBU
Commercial	COM	6.00	Acreage
Residential and Commercial Vacant	VAC	0.30	Acreage
Single Family Residential	SFR	1.00	Units
Condominiums	CON	0.80	Units
Multifamily Residential (Apartment, Duplex, Triplex, etc.)	MFR	0.80	Units
Single Family Vacant Lot	SFV	1.00	Lot
Exempt	NON	0.00	Parcels

Exempt parcels include easements and landscaped areas or common areas.

The benefit formula applied to parcels in each Zone is based on the preceding Equivalent Benefit Unit (EBU) tables. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels in the Zone.

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

$$\text{Total Balance to Levy in Zone} / \text{Total EBU in Zone} = \text{Levy per EBU}$$

$$\text{Parcel EBU} \times \text{Levy per EBU} = \text{Parcel Levy Amount}$$

D. Assessment Range Formula

Any new or increase in assessments, require certain noticing and meeting requirements by law. The Brown Act defines the terms "new or increased assessment" to exclude certain conditions. These certain 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 was later confirmed by Senate Bill 919 (the Proposition 218 implementing legislation).

An assessment range formula for the District assessments has been confirmed through property owner ballot proceedings in compliance with Article XIID, except those existing assessments within the District which qualified as exempt assessments pursuant to Article XIID, Section 5 of the Constitution and did not require a ballot proceeding under the provisions of Section 4. The assessment range formula shall be applied to the future assessments within the District. The following describes this assessment range formula:

Wherein, if the proposed assessment (levy per unit or rate) is less than or equal to, the prior year's maximum assessment plus the adjustments described in the following, then the proposed assessment is not considered an increased assessment. The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustments to the assessment amounts without requiring costly noticing and mailing procedures, which would be added to the District costs and assessments.

If the proposed assessment is less than the maximum assessment approved in the previous fiscal year adjusted by a percentage no greater than three percent (3.0%), or the annual percentage increase of the Consumer Price Index (CPI), whichever is the lesser of the two, the assessment shall not be considered as an increase.

Each year the City shall compute the percentage difference between the CPI on January 1, of each year and the CPI for the previous January 1, or a similar time period, as determined by the Bureau of Labor Statistics for all urban consumers for the Los Angeles, Anaheim and Riverside Area. This percentage difference shall then establish the range of increased maximum assessments allowed based on CPI each year. Should the Bureau of Labor Statistics revise such index or

discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. Starting fiscal year 2019/2020 the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the Riverside-San Bernardino-Ontario Area will be used.

If CPI is less than three percent (3.0%), then the allowable adjustment to the maximum assessment for each Zone may be increased by CPI. If CPI is greater than three percent (3.0%), then the allowable adjustment to the maximum assessment for each Zone may be increased by three percent (3.0%). The fact that an assessment range formula is adopted for District assessments does not require that the adjustment be applied each year, nor does it restrict the assessments to the adjustment amount. If the budget and assessments for a given Zone do not require an increase or the increase is less than the allowable adjustment, then the required budget and assessment shall be applied. If the budget and assessments for a given Zone require an increase greater than the allowable adjustment then the proposed assessment is considered an increased assessment and mailed notices, as well as property owner protest ballots are required by Article XIID to impose the assessment increase.

For Fiscal Year 2020/2021, the Bureau of Labor Statistics has established CPI at 3.03% for the January 2019 to January 2020 period. Therefore, the previous maximum assessment for each Zone within the District has been adjusted by 3.00% to establish the current maximum assessment allowed.

IV. District Budgets

A. Description of Budget Items

The following describes the services and costs that are funded through the District, shown in the District Budgets.

DIRECT COSTS:

Maintenance Costs — Includes contracted labor, material and equipment required to properly maintain the landscaping, irrigation systems, drainage systems, fencing, and entry monuments within the Zone.

Landscape Utilities — Includes utility costs for water required for irrigation of landscaped areas and the utility costs for electricity required to operate irrigation systems and ornamental lighting for landscaped areas.

Landscape Extras — Includes the replacement of any materials and equipment needed to make repairs to irrigation systems.

Tree Pruning — Includes the cost of trimming and pruning trees located within the landscaped area.

Street Lighting — Utility costs for electricity required to operate streetlights, as well as the maintenance of the streetlights.

ADMINISTRATION COSTS:

District Administration — The cost to particular departments and staff of the City, for providing the coordination of District services and operations, response to public concerns and education, as well as procedures associated with the levy and collection of assessments. This item also includes the costs of contracting with professionals to provide administrative, legal or engineering services specific to the District including required notices, mailings or property owner protest ballot proceedings.

County Administration Fee — This is the cost to the Zone for the County to collect District assessments on the property tax bills.

Note: - *The administrative costs of the District are borne by each Zone in proportion to the aggregate costs of the entire District. Costs related to direct administration are identified as exempt, general and special benefits in the same proportion as the benefit finding for the Direct Service costs. All costs related to the levy of assessments such as county fees and contract administration is applied to each Zone regardless of any benefit findings (no general benefit).*

LEVY BREAKDOWN:

Reserve Collection/(Contribution)— This item includes funds collected or contributed by the Zone's Reserve Fund in order to cover the cost of operation for the Zone. Negative amounts shown for this budget item are contributions from the Reserve Fund that are used to reduce the Balance to Levy. Positive amounts shown for this budget item are collections for the Reserve Fund that would be used in future years to reduce the Balance to Levy. The Reserve Fund eliminates the need for the City to transfer funds from non-District accounts.

CIP Collection/(Contribution) — This item includes funds for the associated costs to perform Capital Improvements as indicated by the Zone's Capital Improvement Plan (CIP), also referred to as improvement renovations, provided during a property owner ballot. If a majority protest does not exist for the proposed renovations, then a CIP collection may be included on the Zone's budget to pay for future costs of the improvements. Positive amounts shown for this budget item are collections for CIP, and may be collected in installments over a period not to exceed five fiscal years. Negative amounts shown for this budget item are contributions to pay for CIP using funds previously collected and are used to reduce the Balance to Levy. The proposed Capital Improvements can include but are not limited to such things as maintenance and replacement of irrigation; maintenance and replacement of lighting; and replacement of shrubs, turf, trees, and other landscaping improvements.

General Benefit Contribution — This item includes funds for the associated costs of any improvements that are considered a general benefit to properties outside the respective Zones or to the public at large. The improvements and associated costs considered to be a general benefit for each Zone are described in Specific Improvements and Special Benefit Zones (Section II). These funds are added to the Zone account to reduce assessments, and may be from either non-District or District sources including City General Fund Contributions and interest earnings.

Additional General Fund Contribution — This item includes additional funds for Zones where the total operating cost exceeds the maximum assessment allowed by an amount greater than the maximum Reserve Collection. An additional General Fund Contribution is performed at the City's discretion and in lieu of taking steps to reduce the total operating cost for the Zone, such as reducing the service levels. These funds may be from either non-District or District sources including City General Fund Contributions and interest earnings.

Balance to Levy — This is the total amount to be collected for the current fiscal year through assessments (for special benefits) or from other revenue sources (for general benefits). The Balance to Levy represents the sum of Total Direct and Administration Costs, the Reserve Account/Other Revenue Source, the Beginning Balance, and the Contribution Replenishment. Only those costs related to the improvements identified as special benefits are levied and collected on the tax roll.

DISTRICT STATISTICS:

Active Parcels — The total number of parcels within the Zone boundary.

Parcels Levied — The total number of parcels within the Zone that are assessed. Non-assessable lots or parcels may include parcels of land principally encumbered by public right-of-ways, easements, common areas, and/or parcels within the boundaries of the Zone that currently do not benefit from the improvements due possibly to development restrictions.

Total Equivalent Benefit Units (EBU) — Equivalent Benefit Unit (EBU) is a numeric value calculated for each parcel based on the parcel's land use and size. The EBU shown in the Zone budget (Section IV B) represents the sum total of the parcel EBUs that receive special benefits from the improvements.

Applied Rate per EBU — This amount represents the rate being applied to each parcel's individual EBU. The Levy per Equivalent Benefit Unit is the result of dividing the total Balance to Levy, by the sum of the Zone EBUs, for the fiscal year.

B. District Budgets

	CANYON COVE ⁽¹⁾	VINEYARDS	PARKVIEW ESTATES ⁽²⁾	DESERT MIRAGE ⁽³⁾	SANDCASTLES	PRIMROSE II
	Zone 02	Zone 03	Zone 04	Zone 05 DM	Zone 05 SC	Zone 05 PR
Maintenance Costs	23,325.00	2,630.00	0.00	6,040.00	0.00	3,875.00
Landscape Utilities (Water/Electrical)	60,000.00	3,000.00	0.00	5,000.00	0.00	2,000.00
Landscape Extras (Materials/Special Maintenance)	15,000.00	2,500.00	0.00	3,500.00	0.00	2,000.00
Tree Pruning	12,000.00	500.00	0.00	2,500.00	0.00	750.00
Street Lighting	350.00	1,250.00	3,000.00	750.00	1,500.00	250.00
Annual Direct Costs (Subtotal)	110,675.00	9,880.00	3,000.00	17,790.00	1,500.00	8,875.00
District Administration	13,038.82	2,032.15	721.80	2,601.65	743.41	1,655.66
County Administration Fees	192.42	157.32	170.37	104.22	109.62	107.82
Administration Costs (Subtotal)	13,231.24	2,189.47	892.17	2,705.87	853.03	1,763.48
Total Operating Costs	123,906.24	12,069.47	3,892.17	20,495.87	2,353.03	10,638.48
Reserve Fund Collection/(Contribution)	3,771.60	(1,215.47)	1,711.14	(5,473.49)	(157.07)	(3,077.16)
CIP Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
General Benefit Contribution (General Fund)	(100,772.94)	0.00	(389.22)	(3,074.38)	0.00	0.00
General Fund Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	0.00
Levy Adjustments (Subtotal)	(97,001.35)	(1,215.47)	1,321.92	(8,547.87)	(157.07)	(3,077.16)
Balance To Levy	26,904.89	10,854.00	5,214.09	11,948.00	2,195.96	7,561.32
District Statistics:						
Active Parcels	225	147	176	29	41	37
Parcels Levied	222	132	172	29	41	37
Total Equivalent Benefit Units (EBU)	222.00	134.00	172.00	29.00	41.00	37.00
Maximum Rate Per EBU	121.1932	87.1790	30.3145	520.7171	71.2639	239.7568
Prior Year Maximum Rate per EBU	117.6633	84.6398	29.4315	505.5506	69.1882	232.7736
Applied Rate per EBU	121.1932	81.0000	30.3145	412.0000	53.5600	204.3600
Prior Applied Rate per EBU	117.6633	81.0000	29.4315	412.0000	52.0000	204.3600
Above/Below Maximum Rate	(\$0.00)	(\$6.18)	\$0.00	(\$108.72)	(\$17.70)	(\$35.40)
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVE FUND						
Estimated Beginning Reserve Balance - June 30, 2020	(865.33)	11,110.39	(1,805.64)	17,325.04	1,019.20	11,579.76
Reserve Fund Collection/(Contribution)	3,771.60	(1,215.47)	1,711.14	(5,473.49)	(157.07)	(3,077.16)
Estimated Ending Reserve Balance - June 30, 2021	2,906.27	9,894.92	(94.50)	11,851.54	862.13	8,502.60
CIP FUND						
Estimated Beginning CIP Fund Balance - June 30, 2020	0.00	22,000.00	0.00	18,000.00	3,906.38	12,000.00
CIP Fund Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Ending CIP Fund Balance - June 30, 2021	0.00	22,000.00	0.00	18,000.00	3,906.38	12,000.00

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

	MONTEREY MEADOWS	HOVLEY GLEN ⁽³⁾	HOVLEY ESTATES	SONATA I ⁽³⁾	SONATA II	HOVLEY COLLECTION
	Zone 06 MM	Zone 06 HG	Zone 06 HE	Zone 06 S1	Zone 06 S2	Zone 06 HC
Maintenance Costs	1,700.00	3,350.00	1,750.00	4,075.00	5,500.00	4,400.00
Landscape Utilities (Water/Electrical)	1,300.00	1,250.00	1,500.00	2,400.00	2,000.00	1,500.00
Landscape Extras (Materials/Special Maintenance)	1,000.00	3,000.00	1,000.00	2,500.00	3,000.00	800.00
Tree Pruning	625.00	3,500.00	1,450.00	1,500.00	4,000.00	650.00
Street Lighting	700.00	0.00	0.00	150.00	350.00	300.00
Annual Direct Costs (Subtotal)	5,325.00	11,100.00	5,700.00	10,625.00	14,850.00	7,650.00
District Administration	1,276.50	1,697.71	1,287.96	1,590.44	2,258.22	1,568.24
County Administration Fees	109.17	98.37	98.82	98.37	133.47	108.27
Administration Costs (Subtotal)	1,385.67	1,796.08	1,386.78	1,688.81	2,391.69	1,676.51
Total Operating Costs	6,710.67	12,896.08	7,086.78	12,313.81	17,241.69	9,326.51
Reserve Fund Collection/(Contribution)	(2,042.71)	(4,806.39)	(121.38)	(4,451.54)	(3,893.69)	(1,850.52)
CIP Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
General Benefit Contribution (General Fund)	0.00	(1,934.41)	0.00	(1,847.07)	0.00	0.00
General Fund Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	(771.27)
Levy Adjustments (Subtotal)	(2,042.71)	(6,740.80)	(121.38)	(6,298.61)	(3,893.69)	(2,621.79)
Balance To Levy	4,667.96	6,155.28	6,965.40	6,015.20	13,348.00	6,704.72
District Statistics:						
Active Parcels	40	16	17	16	94	38
Parcels Levied	40	16	16	16	94	38
Total Equivalent Benefit Units (EBU)	40.00	16.00	16.00	16.00	94.00	38.00
Maximum Rate Per EBU	121.1938	388.6402	547.3968	451.4737	170.8735	176.4399
Prior Year Maximum Rate per EBU	117.6638	377.3206	531.4532	438.3240	165.8966	171.3009
Applied Rate per EBU	116.6990	384.7050	435.3378	375.9500	142.0000	176.4399
Prior Applied Rate per EBU	113.3000	373.5000	465.6400	365.0000	123.0000	171.3009
Above/Below Maximum Rate	(\$4.49)	(\$3.94)	(\$112.06)	(\$75.52)	(\$28.87)	(\$0.00)
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVE FUND						
Estimated Beginning Reserve Balance - June 30, 2020	6,509.00	11,950.32	5,790.81	9,671.85	12,114.29	1,850.52
Reserve Fund Collection/(Contribution)	(2,042.71)	(4,806.39)	(121.38)	(4,451.54)	(3,893.69)	(1,850.52)
Estimated Ending Reserve Balance - June 30, 2021	4,466.30	7,143.93	5,669.43	5,220.31	8,220.61	0.00
CIP FUND						
Estimated Beginning CIP Fund Balance - June 30, 2020	7,500.00	2,500.00	8,796.73	5,000.00	596.78	0.00
CIP Fund Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Ending CIP Fund Balance - June 30, 2021	7,500.00	2,500.00	8,796.73	5,000.00	596.78	0.00

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

	LA PALOMA I Zone 06 L1	LA PALOMA II Zone 06 L2	LA PALOMA III Zone 06 L3	SANDPIPER COURT Zone 06 SP	SANDPIPER WEST Zone 06 SW	HOVLEY COURT WEST ⁽³⁾ Zone 06 HW
Maintenance Costs	1,850.00	1,850.00	1,650.00	2,000.00	2,000.00	2,775.00
Landscape Utilities (Water/Electrical)	1,500.00	1,500.00	1,000.00	1,750.00	1,750.00	800.00
Landscape Extras (Materials/Special Maintenance)	1,500.00	1,250.00	1,500.00	2,000.00	1,500.00	1,000.00
Tree Pruning	0.00	500.00	950.00	1,500.00	1,600.00	500.00
Street Lighting	200.00	150.00	0.00	150.00	150.00	150.00
Annual Direct Costs (Subtotal)	5,050.00	5,250.00	5,100.00	7,400.00	7,000.00	5,225.00
District Administration	1,237.01	1,237.01	1,217.86	1,438.02	1,411.20	1,255.66
County Administration Fees	98.82	99.72	98.82	99.72	99.72	99.27
Administration Costs (Subtotal)	1,335.83	1,336.73	1,316.68	1,537.74	1,510.92	1,354.93
Total Operating Costs	6,385.83	6,586.73	6,416.68	8,937.74	8,510.92	6,579.93
Reserve Fund Collection/(Contribution)	(1,385.49)	(1,945.45)	(2,441.68)	(1,897.74)	(1,855.63)	(312.94)
CIP Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
General Benefit Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	(986.99)
General Fund Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	0.00
Levy Adjustments (Subtotal)	(1,385.49)	(1,945.45)	(2,441.68)	(1,897.74)	(1,855.63)	(1,299.93)
Balance To Levy	5,000.34	4,641.29	3,975.00	7,040.00	6,655.28	5,280.00
District Statistics:						
Active Parcels	17	19	17	19	19	18
Parcels Levied	16	16	15	16	16	16
Total Equivalent Benefit Units (EBU)	16.00	16.00	15.00	16.00	16.00	16.00
Maximum Rate Per EBU	518.1026	533.3486	388.8278	532.1312	528.0547	410.7757
Prior Year Maximum Rate per EBU	503.0122	517.8142	377.5027	516.6322	512.6745	398.8113
Applied Rate per EBU	312.5215	290.0804	265.0000	440.0000	415.9552	330.0000
Prior Applied Rate per EBU	312.5215	290.0804	265.0000	440.0000	415.9552	330.0000
Above/Below Maximum Rate	(\$205.58)	(\$243.27)	(\$123.83)	(\$92.13)	(\$112.10)	(\$80.78)
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVE FUND						
Estimated Beginning Reserve Balance - June 30, 2020	6,153.09	8,698.26	11,393.81	8,968.00	8,610.60	5,528.19
Reserve Fund Collection/(Contribution)	(1,385.49)	(1,945.45)	(2,441.68)	(1,897.74)	(1,855.63)	(312.94)
Estimated Ending Reserve Balance - June 30, 2021	4,767.60	6,752.82	8,952.13	7,070.26	6,754.97	5,215.25
CIP FUND						
Estimated Beginning CIP Fund Balance - June 30, 2020	10,000.00	10,000.00	22,000.00	8,300.00	10,000.00	14,000.00
CIP Fund Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Ending CIP Fund Balance - June 30, 2021	10,000.00	10,000.00	22,000.00	8,300.00	10,000.00	14,000.00

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

	DIAMONDBACK Zone 06 DB	PALM COURT Zone 06 PC	WARING COURT Zone 07	PALM GATE Zone 08	THE GROVE Zone 09	PORTOLA PLACE Zone 11
Maintenance Costs	1,300.00	1,300.00	2,500.00	1,500.00	5,850.00	2,350.00
Landscape Utilities (Water/Electrical)	750.00	750.00	750.00	600.00	4,000.00	1,500.00
Landscape Extras (Materials/Special Maintenance)	1,000.00	850.00	750.00	750.00	1,500.00	500.00
Tree Pruning	500.00	650.00	800.00	850.00	5,500.00	1,050.00
Street Lighting	150.00	150.00	0.00	0.00	3,400.00	0.00
Annual Direct Costs (Subtotal)	3,700.00	3,700.00	4,800.00	3,700.00	20,250.00	5,400.00
District Administration	1,105.19	950.43	1,198.92	1,135.93	2,899.27	1,250.51
County Administration Fees	100.17	100.17	98.37	107.82	138.42	101.52
Administration Costs (Subtotal)	1,205.36	1,050.60	1,297.29	1,243.75	3,037.69	1,352.03
Total Operating Costs	4,905.36	4,750.60	6,097.29	4,943.75	23,287.69	6,752.03
Reserve Fund Collection/(Contribution)	(33.40)	(50.60)	(257.29)	0.00	(2,739.19)	(2,382.03)
CIP Collection/(Contribution)	0.00	0.00	0.00	6,832.24	0.00	0.00
General Benefit Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	0.00
General Fund Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	0.00
Levy Adjustments (Subtotal)	(33.40)	(50.60)	(257.29)	6,832.24	(2,739.19)	(2,382.03)
Balance To Levy	4,871.96	4,700.00	5,840.00	11,775.99	20,548.50	4,370.00
District Statistics:						
Active Parcels	20	20	16	37	105	23
Parcels Levied	20	20	16	37	105	23
Total Equivalent Benefit Units (EBU)	20.00	20.00	16.00	37.00	105.00	23.00
Maximum Rate Per EBU	522.3665	362.8320	596.6564	318.2700	292.4535	269.8251
Prior Year Maximum Rate per EBU	507.1520	352.2641	579.2781	309.0000	283.9354	261.9662
Applied Rate per EBU	243.5982	235.0000	365.0000	318.2700	195.7000	190.0000
Prior Applied Rate per EBU	243.5982	235.0000	365.0000	309.0000	190.0000	190.0000
Above/Below Maximum Rate	(\$278.77)	(\$127.83)	(\$231.66)	\$0.00	(\$96.75)	(\$79.83)
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVE FUND						
Estimated Beginning Reserve Balance - June 30, 2020	3,411.35	5,224.16	6,230.32	10,435.17	13,979.57	9,886.52
Reserve Fund Collection/(Contribution)	(33.40)	(50.60)	(257.29)	0.00	(2,739.19)	(2,382.03)
Estimated Ending Reserve Balance - June 30, 2021	3,377.95	5,173.57	5,973.03	10,435.17	11,240.38	7,504.48
CIP FUND						
Estimated Beginning CIP Fund Balance - June 30, 2020	14,048.16	18,440.15	26,684.92	5,000.00	60,000.00	22,000.00
CIP Fund Collection/(Contribution)	0.00	0.00	0.00	6,832.24	0.00	0.00
Estimated Ending CIP Fund Balance - June 30, 2021	14,048.16	18,440.15	26,684.92	11,832.24	60,000.00	22,000.00

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

	PD COUNTRY CLUB Zone 13	K & B AT PALM DESERT ⁽³⁾ Zone 14	CANYON CREST Zone 15	COLLEGE VIEW ESTATES II ⁽³⁾ Zone 16 CV2	SUNDANCE WEST Zone 16 SD	COLLEGE VIEW ESTATES I ⁽³⁾ Zone 16 CV1
Maintenance Costs	5,950.00	11,500.00	3,310.00	3,525.00	3,175.00	3,125.00
Landscape Utilities (Water/Electrical)	6,000.00	1,500.00	750.00	1,750.00	750.00	2,300.00
Landscape Extras (Materials/Special Maintenance)	15,000.00	2,500.00	1,750.00	900.00	1,000.00	1,500.00
Tree Pruning	4,500.00	6,400.00	1,050.00	2,300.00	1,225.00	2,500.00
Street Lighting	32,000.00	300.00	0.00	300.00	150.00	0.00
Annual Direct Costs (Subtotal)	63,450.00	22,200.00	6,860.00	8,775.00	6,300.00	9,425.00
District Administration	11,277.69	3,065.33	1,605.57	1,491.12	1,390.29	1,459.28
County Administration Fees	930.42	165.42	123.12	105.57	107.37	105.57
Administration Costs (Subtotal)	12,208.11	3,230.75	1,728.69	1,596.69	1,497.66	1,564.85
Total Operating Costs	75,658.11	25,430.75	8,588.69	10,371.69	7,797.66	10,989.85
Reserve Fund Collection/(Contribution)	(11,102.31)	(5,316.13)	(548.69)	(1,903.94)	(757.66)	(1,821.37)
CIP Collection/(Contribution)	0.00	0.00	0.00	0.00	0.00	0.00
General Benefit Contribution (General Fund)	0.00	(3,814.61)	0.00	(1,555.75)	0.00	(1,648.48)
General Fund Contribution (General Fund)	0.00	0.00	0.00	0.00	0.00	0.00
Levy Adjustments (Subtotal)	(11,102.31)	(9,130.75)	(548.69)	(3,459.69)	(757.66)	(3,469.85)
Balance To Levy	64,555.80	16,300.00	8,040.00	6,912.00	7,040.00	7,520.00
District Statistics:						
Active Parcels	1,865	165	71	32	36	32
Parcels Levied	1,678	163	67	32	32	32
Total Equivalent Benefit Units (EBU)	2,151.86	163.00	67.00	32.00	32.00	32.00
Maximum Rate Per EBU	39.7955	164.7447	215.2787	629.7046	611.3637	453.0478
Prior Year Maximum Rate per EBU	38.6364	159.9464	209.0084	611.3637	593.5570	439.8522
Applied Rate per EBU	30.0000	100.0000	120.0000	216.0000	220.0000	235.0000
Prior Applied Rate per EBU	30.0000	100.0000	120.0000	231.7426	240.1069	255.0687
Above/Below Maximum Rate	(\$9.80)	(\$64.74)	(\$95.28)	(\$413.70)	(\$391.36)	(\$218.05)
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVE FUND						
Estimated Beginning Reserve Balance - June 30, 2020	70,503.48	21,542.91	10,552.26	8,959.82	8,493.11	10,595.29
Reserve Fund Collection/(Contribution)	(11,102.31)	(5,316.13)	(548.69)	(1,903.94)	(757.66)	(1,821.37)
Estimated Ending Reserve Balance - June 30, 2021	59,401.17	16,226.78	10,003.57	7,055.88	7,735.44	8,773.92
CIP FUND						
Estimated Beginning CIP Fund Balance - June 30, 2020	68,538.28	94,000.00	35,078.15	75,704.01	38,385.86	57,757.54
CIP Fund Collection/(Contribution)	0.00		0.00	0.00	0.00	0.00
Estimated Ending CIP Fund Balance - June 30, 2021	68,538.28	94,000.00	35,078.15	75,704.01	38,385.86	57,757.54

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

	PETUNIA I ⁽³⁾	SUNDANCE EAST ⁽³⁾	THE BOULDERS	L&L TOTAL
	Zone 16 P1	Zone 16 SE	Zone 16 BD	District
Maintenance Costs	3,810.00	1,750.00	5,910.00	125,625
Landscape Utilities (Water/Electrical)	1,000.00	1,500.00	750.00	112,900
Landscape Extras (Materials/Special Maintenance)	900.00	1,000.00	750.00	73,700
Tree Pruning	1,150.00	1,500.00	800.00	63,300
Street Lighting	300.00	150.00	150.00	46,450
Annual Direct Costs (Subtotal)	7,160.00	5,900.00	8,360.00	421,975.00
District Administration	1,278.71	1,135.27	1,411.19	70,924.01
County Administration Fees	105.57	97.47	98.37	4,569.66
Administration Costs (Subtotal)	1,384.28	1,232.74	1,509.56	75,493.67
Total Operating Costs	8,544.28	7,132.74	9,869.56	497,468.67
Reserve Fund Collection/(Contribution)	(1,022.64)	(1,582.83)	(5,789.56)	(66,753.23)
CIP Collection/(Contribution)	0.00	0.00	0.00	6,832.24
General Benefit Contribution (General Fund)	(1,281.64)	(1,069.91)	0.00	(118,375.41)
General Fund Contribution (General Fund)	0.00	0.00	0.00	(771.27)
Levy Adjustments (Subtotal)	(2,304.28)	(2,652.74)	(5,789.56)	(179,067.68)
Balance To Levy	6,240.00	4,480.00	4,080.00	318,400.99
District Statistics:				
Active Parcels	32	14	16	3,469
Parcels Levied	32	14	16	3,235
Total Equivalent Benefit Units (EBU)	32.00	14.00	16.00	3,710.86
Maximum Rate Per EBU	402.1627	642.0266	445.9072	
Prior Year Maximum Rate per EBU	390.4493	623.3268	432.9197	
Applied Rate per EBU	195.0000	320.0000	255.0000	
Prior Applied Rate per EBU	213.4832	340.0000	255.0000	
Above/Below Maximum Rate	(\$207.16)	(\$322.03)	(\$190.91)	
CPI Increase for Fiscal Year 2020/2021	3.00%	3.00%	3.00%	
RESERVE FUND				
Estimated Beginning Reserve Balance - June 30, 2020	6,895.84	8,291.37	21,809.53	352,412.83
Reserve Fund Collection/(Contribution)	(1,022.64)	(1,582.83)	(5,789.56)	(66,753.23)
Estimated Ending Reserve Balance - June 30, 2021	5,873.20	6,708.54	16,019.97	285,659.60
CIP FUND				
Estimated Beginning CIP Fund Balance - June 30, 2020	47,658.68	30,367.04	50,000.00	798,262.68
CIP Fund Collection/(Contribution)	0.00	0.00	0.00	6,832.24
Estimated Ending CIP Fund Balance - June 30, 2021	47,658.68	30,367.04	50,000.00	805,094.92

(1) Designates a Percentage of Direct and Administrative Fees as General Benefit

(2) Designates 10% of Direct and Administrative Fees as General Benefit

(3) Designates 15% of Direct and Administrative Fees as General Benefit

Appendix A — District Boundary Maps

The Boundary Maps for the District and/or Zones are on file in the office of Public Works and are by reference made part of this Report. The Boundary Maps are also available for inspection at the Office of Public Works.

Appendix B — 2020/2021 Assessment Roll

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor's map for the year in which this Report is prepared.

Non-assessable lots or parcels may include areas of public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas and rights-of-ways including public greenbelts and parkways; utility rights-of-ways; common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment. Properties outside the District boundary receive no direct or special benefits from the improvements provided by the District and are not assessed.

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor's map for the year in which this Report is prepared. The land use classification for each parcel is based on the Riverside County Assessor's Roll. A listing of parcels assessed within this District, along with the proposed assessment amounts, shall be submitted to the City Clerk, under a separate cover, and by reference is made part of this Report.

Approval of this Report (as submitted or as modified) confirms the method of apportionment and the maximum assessment rate to be levied against each eligible parcel and thereby constitutes the approved levy and collection of assessments for the fiscal year. The parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for the fiscal year.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.