



CITY OF PETALUMA

ENGINEER'S REPORT FOR
THE OAKS AT SUNNYSLOPE
BENEFIT ASSESSMENT DISTRICT 2021-02

October 2021

PREPARED BY



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ENGINEER'S CERTIFICATION

AGENCY: CITY OF PETALUMA
PROJECT: THE OAKS AT SUNNYSLOPE BENEFIT ASSESSMENT DISTRICT 2021-02
TO: CITY COUNCIL

ENGINEER'S REPORT

Pursuant to the provisions of Section 54703 through 54720 of the Benefit Assessment Act of 1982 ("1982 Act"), said Act being Part 1 of Division 2 of the Government Code of the State of California, Section 4 of Article XIII D of the California Constitution, and direction from the City Council of Petaluma, California, I submit herewith the following Engineer's Report ("Report"), consisting of five parts.

This Report provides for the formation of The Oaks at Sunnyslope Benefit Assessment District 2021-02 (Sunnyslope BAD, or BAD) and establishes the Maximum Assessment to be levied in the Fiscal Year commencing on July 1, 2022 and ending on June 30, 2023 (2022-2023) and continuing in all subsequent Fiscal Years, for this area to be known and designated as:

THE OAKS AT SUNNYSLOPE BENEFIT ASSESSMENT DISTRICT 2021-02

I do hereby assess and apportion the total amount of the costs and expenses upon several parcels of land within said designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said services.

NOW, THEREFORE, I, the ENGINEER, acting on behalf of the City Council of Petaluma, pursuant to the 1982 Act, do hereby submit the following:

Pursuant to the provisions of law, the costs and expenses of Sunnyslope BAD have been assessed upon the parcels of land in the BAD benefited thereby in direct proportion and relation to the estimated special benefits to be received by each of said parcels.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing Sunnyslope BAD, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within said BAD as they exist as of the date of this Report, each of which subdivisions of land or parcels or lots, respectively, have been assigned a parcel/lot number within the subdivision and indicated on said Assessment Diagram/Boundary Map and in the Assessment Roll contained herein.

The separate numbers given the lots and parcels of land, as shown on said Assessment Diagram/Boundary Map and Assessment Roll, correspond with the numbers assigned to each parcel by the Sonoma County

Assessor. Reference is made to the Sonoma County Assessor Parcel Map for a description of the lots or parcels.

As of the date of this Report, there are no parcels or lots within Sunnyslope BAD owned by a federal, state or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

DATED this ____ day of October 2021

_____  _____

_____ Jeff A. Stutsman, City Engineer
_____ R.C.E. No. 79843
_____ City of Petaluma
_____ State of California

Commented [PG1]: Add Jeff's seal and RCE#

EXECUTIVE SUMMARY

A. Introduction

Pursuant to the provisions of law, the costs and expenses of The Oaks at Sunnyslope Benefit Assessment District 2021-02 have been assessed upon the parcels of land in the BAD benefited thereby in direct proportion and relation to the estimated special benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map included herein. On this ____ day of _____, 2021, the Petaluma City Council, County of Sonoma, State of California, ordering the preparation of the Report providing for the formation of The Oaks at Sunnyslope Benefit Assessment District 2021-02 did, pursuant to the provisions of the 1982 Act, being Division 2 of the Government Code of the State of California, adopt Resolution No. _____ for a benefit assessment district known and designated as:

THE OAKS AT SUNNYSLOPE BENEFIT ASSESSMENT DISTRICT 2021-02

The boundary of Sunnyslope BAD includes the parcels of land within the residential development known as THE OAKS AT SUNNYSLOPE, also identified by the Assessor Parcel Numbers valid as of the date of this Report:

019-850-001-000	019-850-007-000	019-850-013-000
019-850-002-000	019-850-008-000	019-850-014-000
019-850-003-000	019-850-009-000	019-850-015-000
019-850-004-000	019-850-010-000	019-850-016-000
019-850-005-000	019-850-011-000	019-850-017-000
019-850-006-000	019-850-012-000	019-850-018-000

The Engineer submits this Report, consisting of five (5) parts, for the formation of said Sunnyslope BAD and the establishment of the Maximum Assessment to be levied and collected commencing Fiscal Year 2022-2023 and continuing in subsequent fiscal years.

Part I

Plans and Specifications: A description of Sunnyslope BAD's boundaries and the proposed improvements within said BAD ("Plans" as described in Part I). Sunnyslope BAD shall consist of a benefit zone encompassing all of the properties within the residential development known as THE OAKS AT SUNNYSLOPE.

Part II

Method of Apportionment: A narrative of the property benefits from the improvements and the method of calculating each property's proportional special benefit and annual assessment. The proposed initial Maximum Assessment and assessment formula established for Sunnyslope BAD is based on current property development Plans and estimated annual costs and expenses associated with all improvements to be accepted and maintained by Sunnyslope BAD at build-out.

Part III

Cost Estimate: An estimate of the costs of maintenance of storm water detention systems, including administrative costs and annual reserves in connection therewith for Fiscal Year 2022-2023.

Part IV

Assessment Diagram/Boundary Map: An Assessment Diagram/Boundary Map showing the parcels of land included within the boundaries of Sunnyslope BAD. For details concerning the lines and dimensions of the applicable Assessor's Parcel Number(s), refer to the Sonoma County Assessor's Parcel Map(s) as of the date of this Report.

Part V

Assessment Roll: A list of the separate numbers given to lots/parcels of land within Sunnyslope BAD, detailing the initial Maximum Assessment per parcel or lot to be applied on the tax roll for Fiscal Year 2022-2023.

B. Description of Assessment District

The services to be provided by Sunnyslope BAD include maintenance and cleaning of the storm water detention systems. All maintenance service areas are located within THE OAKS AT SUNNYSLOPE Planned Unit Development in the City of Petaluma as shown on Final Map of The Oaks at Sunnyslope, recorded on July 20, 2017 in Book 787 of Maps at Pages 22 – 27 of the Sonoma County Records.

The formation of Sunnyslope BAD, within THE OAKS AT SUNNYSLOPE, will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements and services will be funded. Sunnyslope BAD's structure, proposed improvements, method of apportionment and assessments described in this Report are based on the Plans provided to Harris & Associates as of the date of this Report, including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the proposed improvements.

PART I – PLANS AND SPECIFICATIONS

A. Description of Improvements and Services Permitted Under the Benefit Assessment Act of 1982

The Benefit Assessment Act of 1982, California Government Code Section 54710 et. seq., authorizes the creation of an assessment district for the maintenance of public storm drain and flood control facilities.

B. Improvements and Services for The Oaks at Sunnyslope Benefit Assessment District 2021-02

The services to be funded by Sunnyslope BAD include maintenance of storm water detention systems immediately adjacent to the residential subdivision designated as THE OAKS AT SUNNYSLOPE. Formation of the assessment district was a condition of approval for development of the subdivision as detailed in Resolution 2010-230.

The proposed improvements described in this Report are based on current development and improvement plans as of the date of this Report. The plans include the (1) Final Map of THE OAKS AT SUNNYSLOPE, A Planned Unit Development, by Steven J. Lafranchi & Associates, Inc., recorded July 20, 2017; and (2) Improvement Plans for THE OAKS AT SUNNYSLOPE by Steven J. Lafranchi & Associates, Inc, dated 7/21/2015 ("Plans").

The storm water detention improvements will be placed in a public easement and will be maintained by the City.

C. Location of The Oaks at Sunnyslope Benefit Assessment District 2021-02

Sunnyslope BAD is located within the City of Petaluma, County of Sonoma, State of California and is comprised of the Planned Unit Development known as THE OAKS AT SUNNYSLOPE. The area for Sunnyslope BAD is generally located north of Clearview Heights, west of Smith Drive, southwest of Sunnyslope Road, and southeast of Wallenberg Way. At full development, Sunnyslope BAD is projected to include 18 assessable residential lots/units. Sunnyslope BAD currently consists of the lots/parcels described below.

- THE OAKS AT SUNNYSLOPE – Assessor Parcel Numbers as of the date of this Report:
 - 019-850-001-000 019-850-007-000 019-850-013-000
 - 019-850-002-000 019-850-008-000 019-850-014-000
 - 019-850-003-000 019-850-009-000 019-850-015-000
 - 019-850-004-000 019-850-010-000 019-850-016-000
 - 019-850-005-000 019-850-011-000 019-850-017-000
 - 019-850-006-000 019-850-012-000 019-850-018-000

PART II – METHOD OF APPORTIONMENT

A. Benefit Analysis

The 1982 Act permits the establishment of benefit assessment districts by local agencies for the purpose of funding the maintenance and operation of drainage, flood control, street lighting, and for the maintenance of streets, roads or highways. The 1982 Act further provides that assessments may be apportioned upon all assessable lots or parcels of land within an assessment district in proportion to the estimated benefits to be received by each lot or parcel from the improvements rather than by assessed value.

Section 54711 of the 1982 Act states that “...the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service.”

The formula used for calculating assessments reflects the composition of the parcels and the improvements and services provided by Sunnyslope BAD to fairly apportion the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (“Article”) requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

The proposed improvements, the associated costs, and assessments have been carefully reviewed, and allocated based on the special benefit received by the parcels to be assessed as required by the 1982 Act and Article XIII D and are described in the following section.

Special Benefit

The storm water detention systems within and immediately adjacent to Sunnyslope BAD provide direct and special benefit to the lots or parcels within Sunnyslope BAD. Therefore, the proper maintenance of these improvements also provides direct and special benefit by maintaining the functionality and safety of the improvements.

Special Benefits of Sunnyslope BAD Authorized Improvements and Services:

The special benefits include:

- Conditions of Development, the parcels were conditioned to construct the improvements and provide a funding mechanism for the maintenance thereof. The residential parcels would not exist if these conditions were not satisfied.
- Protection of property within the development from erosion and flooding.

General Benefit

The total benefit from the works of improvement is a combination of the special benefits to the parcels within Sunnyslope BAD and the general benefits to the public at large and to adjacent property owners. A portion of the total costs for the improvements and their maintenance within the district associated with general benefits, if any, cannot be assessed to the parcels in Sunnyslope BAD, but would be paid from other City of Petaluma funds.

The Sunnyslope BAD is located within Sonoma County Water Agency Flood Control Zone 2A, and more specifically within the sub-basin known as Burdell Mountain-Frontal San Pablo Bay Estuaries (See map in Exhibit B). Erosion control and protection from flooding benefits areas within the estuary which are outside the boundaries of the Sunnyslope BAD. Since drainage is a function of parcel area, the general benefit of the storm drain improvements within the Sunnyslope BAD can be calculated by dividing the gross acreage of the development (8.89 acres) by the estimated area of the estuary (1,200 acres). This results in an estimated general benefit of less than one percent. To be conservative, the general benefit received from the improvements will be rounded up one percent (1%) for the Sunnyslope BAD.

Summary

In summary, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property. Additionally, because the benefiting properties consist of a uniform land use (residential), but vary in lot size, it is determined that each of the residential parcels or lots within Sunnyslope BAD, at buildout, will benefit equally as it pertains to condition of development benefit and based on the varying impervious area as it pertains to the erosion and flood control.

B. Maximum Assessment Methodology

The purpose of establishing a Maximum Assessment formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which would add to Sunnyslope BAD costs and assessments.

The Maximum Assessment formula shall be applied to all assessable residential parcels of land within Sunnyslope BAD. For Sunnyslope BAD, the initial Maximum Assessment for Fiscal Year 2022-2023 is as follows:

- The initial Maximum Assessment Rate established within Sunnyslope BAD shall be **\$324.20 per Benefit Unit**.

The initial Maximum Assessment Rate shall be increased annually based upon the Consumer Price Index (CPI) for all Urban Consumers in the San Francisco-Oakland-Hayward areas (Index), not to exceed three percent (3.00%) per year beginning July 1, 2023. The annual CPI adjustment will be based on the cumulative increase, if any, in the Index as it stands in April of each year over the base Index of 2022, starting in Fiscal Year 2023-2024.

The Maximum Assessment Rate is adjusted annually and is calculated independent of Sunnyslope BAD's annual budget and proposed annual assessment. The proposed annual assessment applied in any fiscal year is not considered to be an increased assessment if less than or equal to the calculated Maximum Assessment amount (Maximum Assessment Rate x each parcel's total Benefit Units). In no case shall the annual assessment exceed the Maximum Assessment.

Although the Maximum Assessment will increase each year, the actual Sunnyslope BAD annual assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on Sunnyslope BAD annual assessment and to allow for adjustment for annual inflation. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment. If the budget and assessments for the fiscal year require an increase

and the increase is more than the adjusted Maximum Assessment, it is considered an increased assessment. Annual assessments may be levied up to, but not exceed, the Maximum Assessment.

To impose an increased assessment, the City of Petaluma must comply with the provisions of the California Constitution Article XIII D Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners, through the balloting process, must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for Sunnyslope BAD. If the proposed assessment is not approved, the City may not levy an assessment greater than the adjusted Maximum Assessment previously established for Sunnyslope BAD.

C. Annual Assessment

The Method of Apportionment of the Assessment is based upon the relative special benefit derived from the improvements and conferred upon the assessable real property within Sunnyslope BAD over and above general benefit conferred upon the assessable real property within Sunnyslope BAD or to the public at large. It is determined that each residential parcel or lot within Sunnyslope BAD, at buildout, will benefit from the improvements as follows:

- **Condition of Development Benefit:** Each parcel receives equal benefit from the condition of development benefit and will be assigned 1 benefit unit each.
- **Erosion Control & Flood Protection Benefit:** The amount of runoff making its way into the storm water detention system relates directly to a parcel's impervious area, which is a function of lot size and land use. The impervious fraction by land use and lot size shown in the Sonoma County Flood Management Design Manual, dated March 2020, was utilized to determine the estimated design capacity runoff from each parcel. Because all parcels in this district have the same land use (single family residential), but are of varying sizes, each lot will benefit in proportion to its estimated impervious area. Benefit units are calculated by determining a parcel's estimated impervious area, determine by multiplying a parcels acreage by the impervious fraction based on the table below, and dividing by the impervious area for a 0.25 acre lot (0.1225). A 0.25 acre lot was used as it is the most common impervious fraction within the development.

Approximate Lot Size (acres)	Impervious Fraction
0.25	0.49
0.33	0.41
0.50	0.32
1.00	0.24
2.00	0.11

* Based on Appendix C, Table C-1,
 Runoff Coefficients, Sonoma
 County Flood Management Design
 Manual, March 2020

Therefore, the proportionate share of the costs and expenses for the maintenance and servicing of storm water detention systems are apportioned to each parcel using the following formula:

$$\text{Condition of Development Benefit Units} + \text{Erosion \& Flood Protection Benefit Units} = \text{Total Benefit Units}$$

$$1.00 + \frac{\text{Gross Acreage X Impervious Fraction}}{\text{Typical Lot Impervious Area (0.1225)}} = \text{Total Benefit Units}$$

Any Exempt Property within Sunnyslope BAD is specifically excluded from the apportionment calculation and is exempt from assessment. The Maximum Assessment Rate per Benefit Unit within Sunnyslope BAD is calculated by dividing the total annual Assessment Balance to Levy by the total amount of benefit units within the Sunnyslope BAD. The Maximum Assessment Rate per Benefit Unit is multiplied by each Parcel's total benefit units. The annual Assessment Balance to Levy is located in Part III – Cost Estimate And the Total Benefit Units is shown in Part 5 – Assessment Roll.

The Maximum Annual Assessment for each Assessable Parcel for FY 2022-2023 is calculated as follows:

$$\text{Maximum Assessment Rate per Benefit Unit} \times \text{Total Benefit Units of each parcel that is not Exempt} = \text{Maximum Annual Assessment for each Assessable Parcel}$$

PART III – COST ESTIMATE

THE OAKS AT SUNNYSLOPE BENEFIT ASSESSMENT DISTRICT 2021-02 FOR FISCAL YEAR 2022-2023

Cost Description	Total Costs for Sunnyslope BAD ¹
Storm Drain Maintenance Costs	\$5,000.00
Administrative Costs	\$3,650.00
Maintenance and Admin. Cost Subtotal	\$8,650.00
Annual Reserves	
Annual Operating Reserve (25%)	\$2,162.50
Less: Fund Balance from previous Fiscal Year	\$0.00
Annual Capital Reserve	\$2,000.00
Reserves Subtotal	\$4,162.50
Total Annual Costs for Sunnyslope LAD	\$12,812.50
Less: General Benefit Amount (1%)	(\$128.13)
Assessment Balance to Levy	\$12,684.38
Total Benefit Units ²	39.1257
Initial Maximum Assessment Rate per Benefit Unit ³	\$324.20

¹ Projected cost of services for Fiscal Year 2022-2023 were provided by the City of Petaluma.

² See Part 5 for Total Benefit Unit calculations.

³ The initial Maximum Assessment Rate shall be increased annually based upon the Consumer Price Index (CPI) for all Urban Consumers in the San Francisco-Oakland-Hayward areas, not to exceed three percent (3.00%) per year beginning July 1, 2023.

⁴ Rounded to 2 decimals.

PART IV – ASSESSMENT DIAGRAM/BOUNDARY MAP

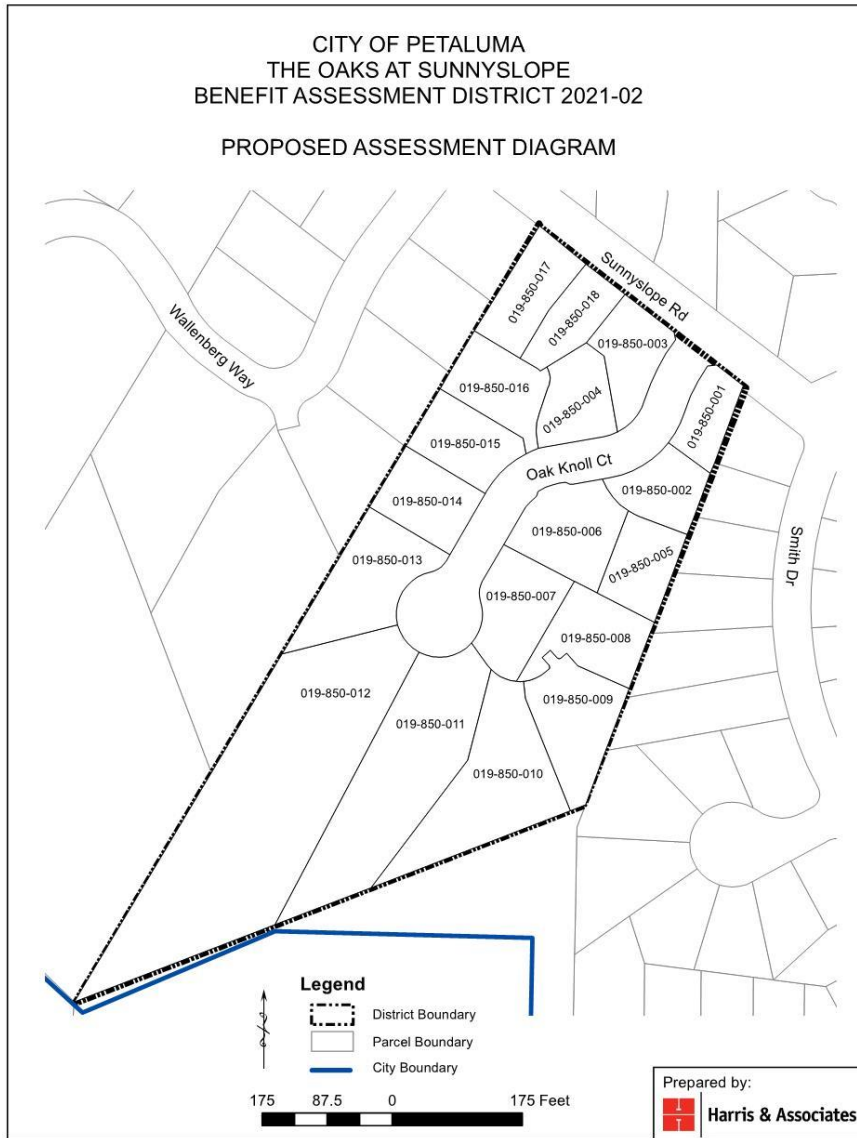
Part IV – Assessment Diagram/Boundary Map

The Assessment Diagram/Boundary Map for The Oaks at Sunnyslope Benefit Assessment District 2021-02 by this reference is incorporated and made a part of this Report. Only the parcels identified within the Sunnyslope BAD Assessment Diagram are within said boundary.

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 number 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 according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

Information identified on this Assessment Diagram/Boundary Map was provided by the City of Petaluma and parcel numbers verified on the County Assessor's Parcel Map current at the time of preparation of this Report.

The Sunnyslope BAD Assessment Diagram/Boundary Map identifying the boundaries of parcels within Sunnyslope BAD is included in this Report for reference on the following page. For details concerning the lines and dimensions of the applicable Assessor's Parcel Numbers, refer to the County Assessor's Maps as of the date of this Report.



PART V – ASSESSMENT ROLL

Parcel identification for each lot or parcel within The Oaks at Sunnyslope Benefit Assessment District 2021-02 shall be the parcel as shown on the Sonoma County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. Sunnyslope BAD includes the following APNs as of the date of this Report:

019-850-001-000	019-850-007-000	019-850-013-000
019-850-002-000	019-850-008-000	019-850-014-000
019-850-003-000	019-850-009-000	019-850-015-000
019-850-004-000	019-850-010-000	019-850-016-000
019-850-005-000	019-850-011-000	019-850-017-000
019-850-006-000	019-850-012-000	019-850-018-000

The initial Maximum Assessment for Sunnyslope BAD is as follows:

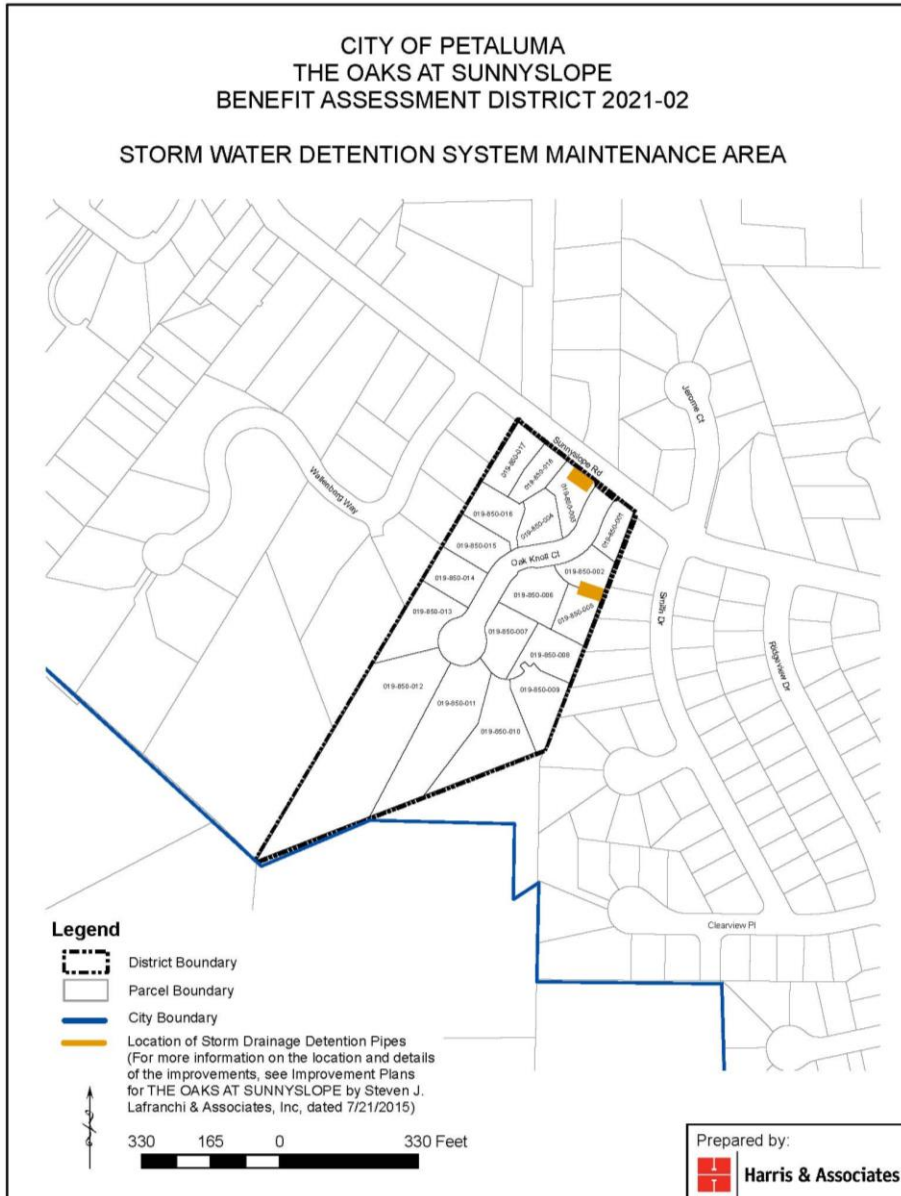
**THE OAKS AT SUNNYSLOPE BENEFIT ASSESSMENT DISTRICT 2021-02
PROPOSED FISCAL YEAR 2022-2023 MAXIMUM ASSESSMENT¹**

Lot#	APN	Gross Acreage (A)	Impervious Fraction* (B)	Impervious Area (A) x (B) = (C)	Erosion & Flood Protection Benefit Units (C)/0.1225 = (D)	Condition of Development Benefit Units (E)	Total Benefit Units (D) + (E) = (F)	FY 2022-23 Maximum Assessments (F) x Max. Asmt. Rate**
1	019-850-001-000	0.174	0.49	0.0853	0.6963	1	1.6963	\$ 549.93
2	019-850-002-000	0.224	0.49	0.1098	0.8963	1	1.8963	\$ 614.77
3	019-850-003-000	0.250	0.49	0.1225	1.0000	1	2.0000	\$ 648.39
4	019-850-004-000	0.238	0.49	0.1166	0.9518	1	1.9518	\$ 632.76
5	019-850-005-000	0.239	0.49	0.1171	0.9559	1	1.9559	\$ 634.09
6	019-850-006-000	0.356	0.41	0.1460	1.1918	1	2.1918	\$ 710.57
7	019-850-007-000	0.332	0.41	0.1361	1.1110	1	2.1110	\$ 684.38
8	019-850-008-000	0.312	0.41	0.1279	1.0441	1	2.0441	\$ 662.69
9	019-850-009-000	0.381	0.41	0.1562	1.2751	1	2.2751	\$ 737.58
10	019-850-010-000	0.651	0.32	0.2083	1.7004	1	2.7004	\$ 875.46
11	019-850-011-000	0.938	0.24	0.2251	1.8376	1	2.8376	\$ 919.94
12	019-850-012-000	1.962	0.11	0.2158	1.7616	1	2.7616	\$ 895.30
13	019-850-013-000	0.437	0.41	0.1792	1.4629	1	2.4629	\$ 798.46
14	019-850-014-000	0.272	0.49	0.1333	1.0882	1	2.0882	\$ 676.98
15	019-850-015-000	0.272	0.49	0.1333	1.0882	1	2.0882	\$ 676.98
16	019-850-016-000	0.289	0.49	0.1416	1.1559	1	2.1559	\$ 698.93
17	019-850-017-000	0.272	0.49	0.1333	1.0882	1	2.0882	\$ 676.98
18	019-850-018-000	0.205	0.49	0.1005	0.8204	1	1.8204	\$ 590.16
		7.80		2.5879	21.1257	18	39.1257	\$ 12,684.35

* Based on Appendix C, Table C-1, Runoff Coefficients, Sonoma County Flood Management Design Manual, March

** Total assessment amount is less than total cost due to rounding to 2 decimal places. The assessment applied to each parcel cannot exceed the Maximum Assessment Rate per Benefit Unit.

APPENDIX A – STORM WATER DETENTION SYSTEM



APPENDIX B – FLOOD CONTROL ZONE 2A

