

STAFF REPORT



ITEM NO. **32**
CITY OF OCEANSIDE

DATE: July 12, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **PUBLIC HEARING REGARDING A PROPOSED ASSESSMENT INCREASE FOR THE MAR LADO HIGHLANDS AND SANTA FE MESA LANDSCAPE MAINTENANCE DISTRICTS FOR FY 2006-2007**

SYNOPSIS

The Landscaping and Lighting Act of 1972 requires the annual renewal of the landscape maintenance districts (LMADs) in order to levy and collect assessments for the following fiscal year. Any increase in existing assessments requires balloting of the affected property owners before the assessments can be confirmed and levied. The following districts are being considered for renewal and a proposed increased assessment for FY 2006-07:

Mar Lado Highlands, Assessment District No. 1-1988
Santa Fe Mesa, Assessment District No. 2-1987

The Santa Fe Mesa LMAD is also being considered for an annual escalator. At this hearing, the only action required by the City Council is to conduct the public input portion regarding the proposed increased assessments.

BACKGROUND

Revenues for both the Mar Lado Highlands and the Santa Fe Mesa LMADs are substantially short of expenditures. The assessment for the Mar Lado Highlands LMAD has not been increased since the district was formed, and the assessment for the Santa Fe Mesa LMAD has not been increased in 19 years; however, costs to maintain the districts have grown and continue to rise.

On May 10, 2006, the City Council adopted resolutions initiating the proceedings for the renewal and annual levy of assessments within the districts for FY 2006-07. A balloting of the property owners within each district was conducted regarding the proposed assessment increase for FY 2006-07. The ballots for the Santa Fe Mesa LMAD include a proposed annual escalator based on the Consumer Price Index (CPI) for the San Diego County area. The City met with citizens and board members from the Mar Lado Highlands LMAD. Since an annual escalator was not supported, it was not included on the ballot. The ballots received by the City Clerk must remain sealed until the public hearing is officially closed.

ANALYSIS

The City Council is required to conduct a public hearing regarding the proposed FY 2006-07 assessments to be levied within the districts, and the annual escalator within the Santa Fe Mesa District. The public hearing provides all interested person(s) an opportunity to be heard, either in writing or orally at the public hearing, regarding the renewal and proposed assessments. No other action is required by the City Council at this time.

A property owner balloting was conducted to determine whether a majority protest exists for a proposed increase in assessments. The votes for the assessment increases and the CPI Increase for the Santa Fe Mesa District are independent of each other. As required under the law, the ballots must remain sealed until the public hearing is officially closed.

Due to the estimated amount of time it would require to open and tabulate the ballots after the close of the public hearing on July 12, 2006, the ballots will be opened and tabulated on July 13, 2006, in the City Clerk's Office. The public hearing will be continued to August 2, 2006, at which time the City Council will be requested to adopt resolutions for each district: a) declaring the results of the property owner ballots regarding the proposed increased assessments for FY 2006-07; b) approving the Modified Engineer's Report either as submitted or further modified for FY 2006-07; and c) confirming the assessments and diagrams for FY 2006-07.

The proposed increased assessments will be used to pay the operation, maintenance and material costs associated with each district for FY 2006-07. An itemized outline of costs and the calculation of the average annual assessment per benefit unit are summarized in the attached Engineer's Reports and the accompanying exhibits. The report identifies the proposed assessment for each lot and parcel of real property within the district. Exhibit C of the Engineer's Reports contains an assessment roll showing the proposed amount to be assessed against each parcel within each district. Exhibit C is available for review in the City Clerk's office.

COST-SAVING ALTERNATIVES

Should the majority of the property owners in the Mar Lado Highlands and Santa Fe Mesa LMADs oppose an assessment increase, a program of reduced maintenance will be implemented in order to balance the budgets. Another alternative would be to dissolve each of the respective districts.

MAR LADO HIGHLANDS

As most areas in this district are of equal importance in regards to erosion and fire management control all areas shall, generally speaking, receive an equal reduction in services and water use.

Contract extras, contract maintenance and water utilities are the only three budget items where substantial reductions are possible. Contract extra funds are used each year for projects to replace aging landscaping, to repair and upgrade irrigation systems and to help ensure adequate fire and erosion control. The budget must continue to provide some funding to continue these functions at a modest level. After accounting for these remedial expenses, the budget for regular contract maintenance will be reduced by 25 percent and the budget for water utilities will be reduced by 15 percent in order to achieve a balanced budget for FY 2006-07.

Staff will continue to work with the district homeowner association (HOA) and/or ad hoc committee to modify the contract scope of work to achieve a 25 percent reduction in contract maintenance expenses. In general, based on experience in other districts, this will equate to a reduction in the frequency of maintenance. Currently, contract maintenance occurs on a four-week cycle. This is likely to change to every 6-8 weeks depending on the time of the year. Water savings will be accomplished by reduced irrigation programming based on past water-use history. Past renovation projects have included the use of more drought-tolerant plant materials which should translate to reduced maintenance requirements and future water savings.

At this reduced level of service, the landscape will remain healthy, but there may be a noticeable increase in weeds between maintenance visits, especially in the summer months.

SANTA FE MESA

Within the Santa Fe Mesa Landscape Maintenance District, the contract extra funds will be reduced by 55 percent by limiting expenditures to irrigation repairs and critical fire abatement work only. Contract maintenance costs will have to be cut by an additional 30 percent. Regular maintenance frequency will be further reduced from every 8 weeks to once every 10-12 weeks depending on the time of year and need. Water use will have to be reduced by an additional 30 percent. Emphasis will be focused in areas where erosion and fire concerns are the greatest as on steeper slopes and within 100 feet of structures. In areas where these concerns are not as crucial, maintenance frequency and water use will be further reduced.

At the current level of service, the landscape remains healthy, but there is already a noticeable increase in weeds between maintenance visits in the summer months. With a further reduction in services, with fewer maintenance trips and less water, the condition of the landscape, while remaining alive, may show signs of deterioration and stress.

BEYOND 2006-07

The maintenance contract expires at the end of December 2007. Should proposals for the next contract period continue to increase and should water costs increase, the levels of maintenance and water use will have to be further reduced in both districts to achieve a balanced budget

FISCAL IMPACT

The revenues collected are substantially short of the expenditures within each of the districts. The proposed assessment increases will align district expenditures with assessments collected. The following table outlines the annual assessments currently levied and the proposed assessments for FY 2006-07:

District	Current Annual / Monthly	Proposed Annual / Monthly	CPI
Mar Lado Highlands	495.62/41.30	706.82/58.90	No CPI Increase
Santa Fe Mesa	162.78/13.56	222.78/18.56	Proposed CPI Increase

The proposed annual escalator for the Santa Fe Mesa LMAD would allow the City to increase the assessment within the district, incrementally, as the cost of living increases. It would also likely avoid another Proposition 218 vote to raise the assessments in the future beyond the increase of the annual escalator.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The City Attorney has reviewed and approved the resolutions as to form for each district.

The process for the levy of the proposed assessments meets the requirements of Article XIID of the California Constitution, "The Right to Vote on Taxes Act".

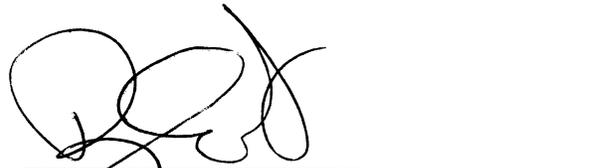
RECOMMENDATION

Staff recommends that the City Council conduct the public input portion of the public hearing for each district regarding the proposed assessments for FY 2006-07; and direct staff to continue the public hearing to August 2, 2006, to adopt resolutions declaring the results of the property owner ballots regarding the proposed increased assessments for each of the districts for FY 2006-07; approving the Modified Engineer's Report either as submitted or further modified for FY 2006-07; and confirming the assessments and diagrams for FY 2006-07.

PREPARED BY:

SUBMITTED BY:


Heidi Janz
Program Specialist

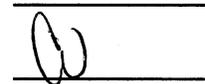

Barry E. Martin
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager

Peter A. Weiss, Public Works Director

Douglas E. Eddow, Real Property Manager




1 RESOLUTION NO.06-R0320-1

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE, CALIFORNIA, DECLARING ITS INTENTION TO
4 CONDUCT A PROPERTY OWNER BALLOTING ON THE MATTER
5 OF ANY NEW OR INCREASED ASSESSMENTS, TO LEVY AND
6 COLLECT ASSESSMENTS FOR FISCAL YEAR 2006-2007
7 WITHIN THE MAR LADO HIGHLANDS LANDSCAPE
8 MAINTENANCE DISTRICT, ASSESSMENT DISTRICT NO. 1-1988
9 AND SETTING A PUBLIC HEARING ON THE PROPOSED
10 ASSESSMENTS

11 WHEREAS, pursuant to the Landscape and Lighting Act of 1972, the City
12 Council of the City of Oceanside adopted Resolution No. 06-R0321-1 directing the
13 City Engineer to prepare a Report on the Mar Lado Landscape Maintenance
14 District for fiscal year 2006-2007;

15 WHEREAS, City has retained Harris and Associates for the purpose of
16 assisting with the establishment of the assessments and to assist the City Engineer
17 with the preparation of the Engineer's Report in accordance with the Act, and in
18 accordance with the requirements of the California Constitution, Articles XIIC and
19 XIID;

20 WHEREAS, said Report, on file with the City Clerk of the City of Oceanside,
21 contains a full and detailed description of the boundaries of the assessment district,
22 the proposed assessments to be levied against each assessable lot or parcel of
23 land within the district, and a description of the improvements to be maintained or
24 modified;

25 WHEREAS, said report proposes an increase in assessments which requires
26 a property owner balloting in order to levy and collect said assessment for fiscal
27 year 2006-2007; and

28 WHEREAS, the City Council of the City of Oceanside adopted Resolution
No. 06-R0322-1 approving the aforementioned report either as filed or modified
by this Council;

1 NOW THEREFORE, the City Council of the City of Oceanside does resolve as
2 follows:

3 SECTION 1. That it is the intent of this Council to levy and collect
4 assessments for fiscal year 2006-2007 within the Mar Lado Landscape
5 Maintenance District, Assessment District 1-1988, generally located in that area of
6 the City of Oceanside, California, commonly known as Mar Lado Highlands
7 subdivision.

8 SECTION 2. That the proposed assessments shall be used to pay the district
9 administrative costs and the maintenance and material costs incurred to maintain
10 landscaping and appurtenant structures within the parkways, slopes and open
11 space areas within or adjacent to certain sections of Southwood and Rivertree
12 Drives and Ashwood Court, in addition to the landscaped slopes located behind
13 certain homes within the Mar Lado Highlands subdivision.

14 SECTION 3. That the proposed assessments shall not be used to maintain
15 areas that have not been formally accepted by the City of Oceanside.

16 SECTION 4. That this City Council sets a public hearing on the proposed
17 assessments and an assessment ballot proceeding is hereby called on behalf of
18 the district on the matter confirming assessments for July 12, 2006, at 6:00 PM, or
19 as soon thereafter as possible, in the City Council Chambers located at 300 North
20 Coast Highway, Oceanside, California.

21 The assessment ballot proceeding for the district on the matter of authorizing
22 an increase in assessments, pursuant to California Constitution, Article XIID,
23 Section 4 consists of a ballot, included with mailed notice, distributed by mail, to
24 the property owners of record, not less than 45 days before the date of the public
25 hearing. Each property owner's ballot is weighted by the amount of their
26 assessment. Each property owner may return the ballot by mail or in person to the
27 City Clerk not later than the conclusion of the public hearing. The public hearing
28 will be officially closed on July 12, 2006 and continued to August 2, 2006. The

1 ballots will be opened and tabulated on July 13, 2006 in the City Clerk's Office.
2 The City Council will be presented with the ballot results on August 2, 2006 and
3 requested to adopt the appropriate resolutions.

4 The ballots shall be weighted according to the proportional financial obligation
5 of the affected property. A majority protest exists if upon the conclusion of the
6 hearing, ballots submitted in opposition to the assessment exceed the ballots
7 submitted in favor of the assessment.

8 Any interested person(s) will be heard at this public hearing. Prior to the
9 conclusion of this hearing, anyone may file with the City Clerk a written protest
10 regarding the proposed assessments. Said protest must state why the protest is
11 being made and contain a description sufficient to identify the property owned by
12 the protesting party.

13 SECTION 5. That the City Clerk of the City of Oceanside is directed to give
14 notice of this public hearing as required by Section 22626 of the Streets and
15 Highways Code.

16 PASSED AND ADOPTED by the City Council of the City of Oceanside,
17 California, this 10th day of May 2006, by the following vote:

18 AYES: WOOD, CHAVEZ, FELLER, MACKIN, SANCHEZ
19 NAYS: NONE
20 ABSENT: NONE
21 ABSTAIN: NONE

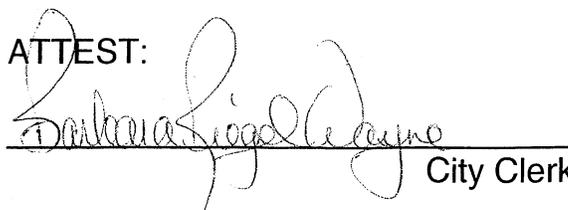
22 

23 Mayor of the City of Oceanside

24 APPROVED AS TO FORM:
25 OFFICE OF THE CITY ATTORNEY

26 

27 City Attorney

28 ATTEST:


City Clerk



Harris & Associates

Program Managers

Construction Managers

Civil Engineers

**CERTIFICATE OF COMPLIANCE
WITH NOTICE REQUIREMENTS**

**CITY OF OCEANSIDE
MAR LADO HIGHLANDS LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT INCREASE**

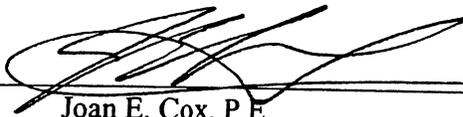
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF OCEANSIDE

The undersigned, under penalty of perjury, CERTIFIES AS FOLLOWS:

MAILING

The NOTICE OF PUBLIC HEARING and the ASSESSMENT BALLOT PACKAGE were mailed to the record owners of all real property proposed to be assessed according to the names and addresses of such owners as the same appear on the last County Assessment Roll, said mailing being accomplished on the 19th day of May, 2006, being at least forty-five (45) days prior to the date set for the public hearing. (Attached to this Certification is a complete copy of the Notice of Public Hearing and the Assessment Ballot Package)

EXECUTED this 19th day of May, 2006, at Irvine, California.



Joan E. Cox, P.E.

Title: PROJECT MANAGER
HARRIS & ASSOCIATES



May 19, 2006

Dear Property Owner:

The City of Oceanside has initiated proceedings to increase the assessments in the Mar Lado Highlands Landscape Maintenance District to maintain and improve the existing levels of maintenance and service for the landscaped areas being maintained.

The assessments in this District have not been increased in 15 years. The reserve funds in the District have been depleted and the current annual assessments are not sufficient to maintain the needed levels of maintenance. If the proposed increase in the maintenance assessment is not approved, the level of service of the landscaping will most probably be reduced to match the available funds.

A map of the area included in the District is provided on the back of the legal notice.

Please review the enclosed information, which will give you complete details of the proposed increase in the annual landscape maintenance assessments, how the assessments are determined for your property, and other information.

The Assessment Ballot, which is the yellow piece of paper with your name and address on it, shows the proposed assessment amount for your property for this next fiscal year.

The Assessment Ballot is an important document in this material. It must be marked, signed and returned by mail or in person to the City Clerk. The City Clerk must receive the Assessment Ballot no later than Wednesday, July 12, 2006 to be counted. (Please see the enclosed documentation for where to return your Assessment Ballot.)

On July 12, 2006, at 6:00 p.m., the City Council will hold a public hearing to hear public comment and tally the ballots received. The assessment amounts cast as "yes" and "no" votes will determine whether the City Council may approve the proposed increases in the assessment. The assessment, as proposed, can be implemented only if a majority of the Assessment Ballot votes are cast in favor. Ballots that are not returned, or are returned late, will not be counted, **so please return your ballot!**

If you have any questions about the proposed increases in the assessment or this process, please contact Heidi Janz at the City of Oceanside at (760) 435-5172, Monday - Thursday, 7:30 a.m. - 5:00 p.m. and alternating Fridays, 7:30 a.m. - 4:00 p.m., or email her at hjanz@ci.oceanside.ca.us.

Thank you for your consideration of this issue.

**NOTICE TO PROPERTY OWNERS AND ASSESSMENT BALLOT
FOR THE CITY OF OCEANSIDE
MAR LADO HIGHLANDS LANDSCAPE MAINTENANCE DISTRICT
AND THE PROPOSED INCREASE IN
LEVY OF ASSESSMENTS (COMMENCING FISCAL YEAR 2006-07)**

I. Notice

This notice informs you, as record owner of property within Mar Lado Highlands Landscape Maintenance District, that on May 10, 2006, the City Council adopted Resolution No. 06-R0320-1 in which it declared its intention to levy an increase in assessments therefore for Fiscal Year (FY) 2006-07, and has scheduled a Public Hearing concerning this item.

The Public Hearing will be held during a regular meeting of the Oceanside City Council, in City Hall Council Chambers, 300 North Coast Highway, Oceanside, California on

July 12, 2006, at 6:00 p.m.

or as soon thereafter as the matter may be heard. All interested persons are invited to attend the Public Hearing and express opinions on the matter of the proposed assessment increases.

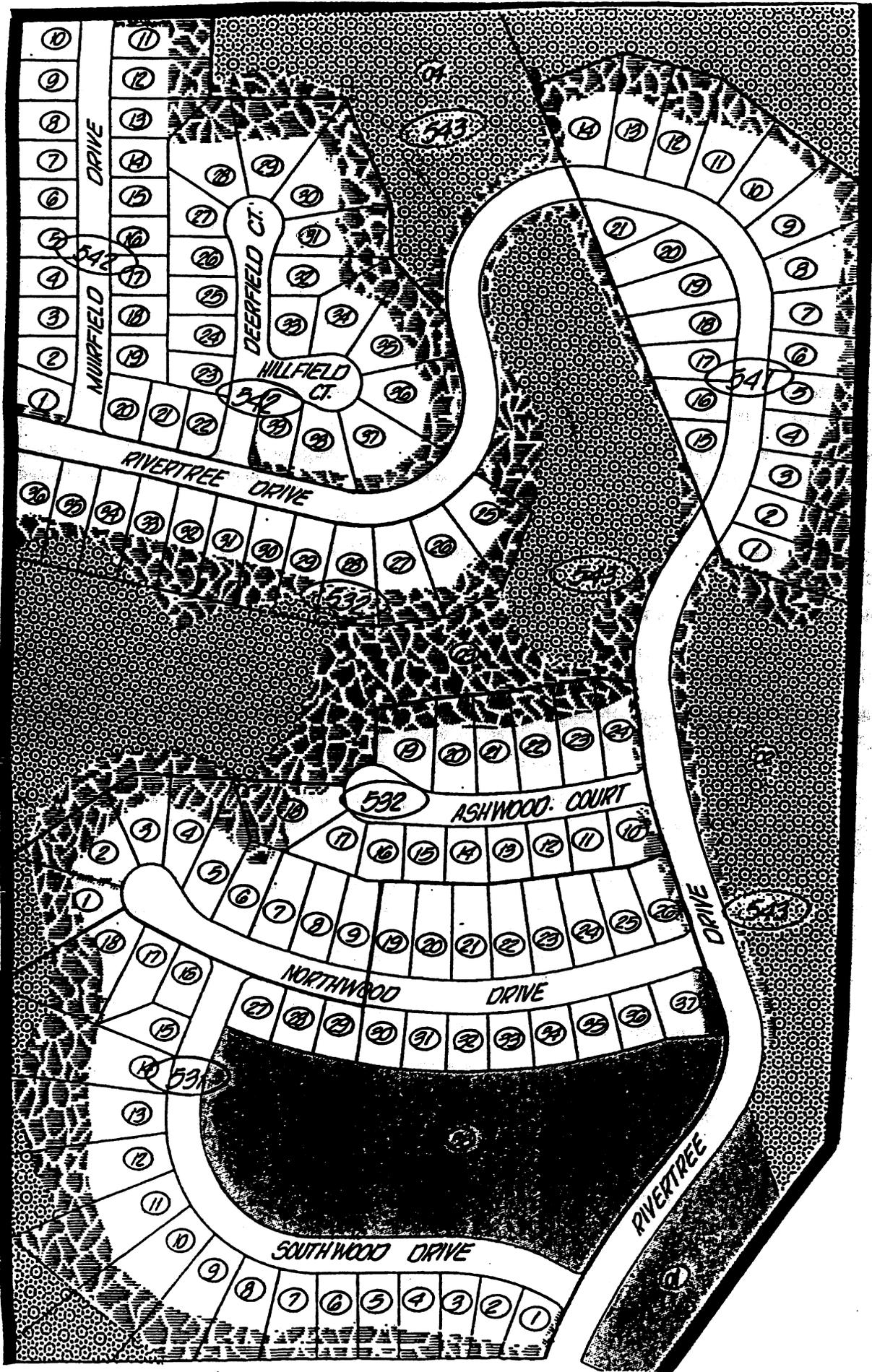
Property owners who wish to submit an assessment ballot should mail or personally deliver it to the City Clerk prior to the close of the scheduled Public Hearing in accordance with the directions provided on the back of the ballot in "Summary of Ballot Procedures."

II. Assessment Information

1. **Name of District:** Mar Lado Highlands Landscape Maintenance District. (A map of the area included in the district is provided on the back of this notice.)
2. **The total annual Assessment for the entire District for FY 2006-07:** \$99,520, which is an increase of \$29,730 over last year.
3. **Your Proposed Annual Assessment:** The proposed maximum Assessment on your parcel for on-going maintenance for FY 2006-07 is shown on the enclosed ballot.
4. **Duration of the Proposed Assessment:** The proposed assessment for the maintenance of the landscaping improvements will be levied annually. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase.
5. **Reason for the Assessment:** To maintain and improve the existing levels of maintenance and service for the landscaped areas in and around the Mar Lado Highlands development. The current annual assessments are not sufficient to maintain the needed levels of maintenance.
6. **Calculation of the Assessment:** The assessment, which has been in effect since 1988, is levied on all parcels that receive direct and special benefit from the maintenance of the landscaping improvements that were a condition of development for the Mar Lado Highlands Development. These improvements provide beautification and enhancement of the desirability of the surroundings, and therefore improve the quality of life and enhance the desirability of the area. There are 133 single-family residential lots within the assessment district. Those lots directly adjacent to the landscaped improvements are assessed 1.1 Assessment Units (which equates to a proposed annual assessment of \$777.50 per lot) and all other lots are assessed 1.0 Assessment Units (which equates to a proposed annual assessment of \$706.82 per lot).
7. **Balloting Results:** If a majority of the ballots returned are in support of the increase in assessment, the increase may be imposed. If a majority of the ballots returned are in opposition to the increase, the increase will not be imposed and the same assessment rate as in previous years will be levied. Ballots are weighted proportionally by each parcel's Assessment amount.

III. Questions Regarding These Proceedings

If you have any questions about the proposed Assessment or this process, please contact Heidi Janz at the City of Oceanside at (760) 435-5172, Monday - Thursday, 7:30 a.m. - 5:00 p.m. and alternating Fridays, 7:30 a.m. - 4:00 p.m., or email her at hjanz@ci.oceanside.ca.us



City Clerk
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

**PROPERTY OWNER ASSESSMENT BALLOT
ON THE PROPOSED INCREASE IN ASSESSMENT
CITY OF OCEANSIDE
MAR LADO HIGHLANDS LANDSCAPE MAINTENANCE DISTRICT**

Assessor's Parcel Number: «apn»

Parcel Address: «situs»

FY 2005-06 Assessment: \$ «asmt05»

FY 2006-07 Maximum Annual Maintenance
Assessment for this Parcel: \$ «asmt06»

«owner»
«madd»
«mcity»

The person completing and submitting this assessment ballot must be the owner of the property identified above or the representative of the owner of such property who is legally authorized to complete and submit this ballot for and on behalf of the record owner.

Upon completion, fold the ballot, place it in the return envelope and seal the envelope. Mail or deliver the Assessment Ballot to the address shown on the return envelope pursuant to the instructions on the back of this ballot sheet.

Please see the "Summary of Assessment Ballot Procedures" on the back of this sheet.

For additional information about the **Mar Lado Highlands Landscape Maintenance District**, please see the enclosed legal notice.

This is not a bill.

✂ Please cut along this line, fold the ballot, seal it in the provided envelope, and return the ballot to the City Clerk ✂

PROPERTY OWNER ASSESSMENT BALLOT

Assessor's Parcel Number: «apn»

Owner Name: «owner»

Proposed FY 2006-07 Maximum Annual Assessment Amount: \$ «asmt06»



Yes, I am **IN FAVOR** of the increase in assessments

No, I am **OPPOSED** to the increase in assessments

I hereby declare under penalty of perjury under the laws of the State of California that I am the owner, or the authorized representative of the owner, of the parcel identified above.

BALLOT

Date

Printed Name

Signature

SUMMARY OF ASSESSMENT BALLOT PROCEDURES

If you are the owner of the property described on the enclosed ballot, or the authorized representative of the owner, you may submit the enclosed Assessment Ballot to the City to support or oppose the proposed increase in assessment. Please follow the instructions below to complete and return your ballot.

1. Register your vote on the enclosed ballot by placing an "X" in the appropriate box.
2. Mark, sign and date your ballot in pen. (Assessment Ballots received without a signature will not be counted.) Do not use pencil. If there are two or more property owners, only one needs to sign and return the ballot.
3. Fold your ballot, place it into the provided return envelope, and seal the envelope.
4. Mail or personally deliver your ballot to the City Clerk of the City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054.
5. Assessment Ballots must be received by the City Clerk prior to the close of the Public Hearing concerning the proposed assessment increase on Tuesday, July 12, 2006, at the Oceanside City Hall Council Chambers. Any ballots received after the close of the Public Hearing cannot legally be counted. **Postmarks will not be accepted.**
6. Following the close of the Public Hearing, the City Clerk or designee will tabulate the Assessment Ballots received. The ballots are weighted by the assessment amount for each property.
7. The assessment increase may be confirmed unless a majority protest exists. A majority protest exists if, upon the close of the July 12, 2006, Public Hearing, the monetary value of the ballots submitted in opposition to the assessment increase exceeds the monetary value of the ballots submitted in favor of the assessment increase.
8. If a majority protest exists based upon the value of the ballots received by the City Clerk prior to the close of the July 12, 2006, Public Hearing, the proposed increase will not be imposed.
9. Your assessment ballot is not confidential and may be subject to public disclosure during and after the tabulation.

The City of Oceanside complies with the Americans with Disabilities Act. If you are a qualified individual with a disability and need assistance with completing or returning the enclosed ballot, please contact the City Clerk's office at (760) 435-3000.

The information in this notice and the accompanying materials were compiled and is distributed at public expense by the City of Oceanside in compliance with Proposition 218. This information is presented in the public interest. It is not intended to influence or attempt to influence the actions of the voters to vote "yes" or "no" on the enclosed ballot.

1 RESOLUTION NO. 06-R0323-1

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE,
3 CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A
4 PROPERTY OWNER BALLOTING ON THE MATTER OF ANY NEW OR
5 INCREASED ASSESSMENTS, TO LEVY AND COLLECT ASSESSMENTS
6 FOR FISCAL YEAR 2006-2007 WITHIN THE SANTA FE MESA
7 LANDSCAPE MAINTENANCE DISTRICT, ASSESSMENT DISTRICT NO.
8 2-1987 AND SETTING A PUBLIC HEARING ON THE PROPOSED
9 ASSESSMENTS

10 WHEREAS, pursuant to the Landscape and Lighting Act of 1972, the City
11 Council of the City of Oceanside adopted Resolution No. 06-R0324-1 directing the
12 City Engineer to prepare a report on the Santa Fe Mesa Landscape Maintenance
13 District, Assessment District No. 2-1987 for fiscal year 2006-2007;

14 WHEREAS, City has retained Harris and Associates for the purpose of
15 assisting with the establishment of the assessments and to assist the City Engineer
16 with the preparation of the Engineer's Report in accordance with the Act, and in
17 accordance with the requirements of the California Constitution, Articles XIIC and
18 XIID;

19 WHEREAS, said Report, on file with the City Clerk of the City of Oceanside,
20 contains a full and detailed description of the boundaries of the assessment district,
21 the proposed assessments to be levied against each assessable lot or parcel of land
22 within the district, and a description of the improvements to be maintained or
23 modified;

24 WHEREAS, said report proposes an increase in assessments which requires a
25 property owner balloting in order to levy and collect said assessment for fiscal year
26 2006-2007; and

27 WHEREAS, the City Council of the City of Oceanside adopted Resolution No.
28 06-R0325-1 approving the aforementioned report either as filed or modified by this
Council;

1 NOW THEREFORE, the City Council of the City of Oceanside does resolve as follows:

2 SECTION 1. That it is the intent of this Council to levy and collect assessments for
3 fiscal year 2006-2007 within the Santa Fe Mesa Landscape Maintenance District,
4 Assessment District 2-1987, generally located in that area of the City of Oceanside, California,
5 commonly known as Mission Santa Fe, Lark Place, Palmera and Lago Vista subdivisions.

6 SECTION 2. That the proposed assessments shall be used to pay the district
7 administrative costs and the maintenance and material costs incurred to maintain landscaping
8 and appurtenant structures within the parkways, medians and slopes within or adjacent to
9 certain sections of Mesa, Sumerhill, Overlook, Muirwood, Sagewood, Palmera and
10 Woodhaven Drives, North Santa Fe Avenue, Avenida de la Plata, Wohlford, Chaplain and
11 Wendela Streets, and Paseo Hermosa all within the areas commonly known as Mission
12 Santa Fe, Lark Place, Palmera and Lago Vista subdivisions.

13 SECTION 3. That the proposed assessments shall not be used to maintain areas that
14 have not been formally accepted by the City of Oceanside.

15 SECTION 4. That this City Council sets a public hearing on the proposed
16 assessments and an assessment ballot proceeding is hereby called on behalf of the district
17 on the matter of confirming assessments for July 12, 2006, at
18 6:00 PM, or as soon thereafter as possible, in the City Council Chambers located at 300 North
19 Coast Highway, Oceanside, California.

20 The assessment ballot proceeding for the district on the matter of authorizing an increase in
21 assessments, pursuant to California Constitution, Article XIID Section 4 consists of a ballot,
22 included with mailed notice, distributed by mail, to the property owners of record not less than 45
23 days before the date of the public hearing. Each property owner's ballot is weighted by the
24 amount of their assessment. Each property owner may return the ballot by mail or in person to
25 the City Clerk not later than the conclusion of the public hearing. The public hearing will be
26 officially closed on July 12, 2006 and continued to August 2, 2006. The ballots will be opened
27 and tabulated on July 13, 2006 in the City Clerk's Office. The City Council will be presented with
28 the ballot results on August 2, 2006 and requested to adopt the appropriate resolutions. The

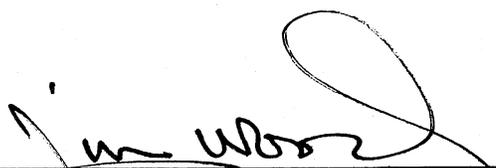
1 ballots shall be weighted according to the proportional financial obligation of the
2 affected property. A majority protest exists if, upon the conclusion of the hearing,
3 ballots submitted in opposition to the assessment exceed the ballots submitted in
4 favor of the assessment.

5 Any interested person(s) will be heard at this public hearing. Prior to the
6 conclusion of this hearing, anyone may file with the City Clerk a written protest
7 regarding the proposed assessments. Said protest must state why the protest is
8 being made and contain a description sufficient to identify the property owned by the
9 protesting party.

10 SECTION 5. That the City Clerk of the City of Oceanside is directed to give
11 notice of this public hearing as required by Section 22626 of the Streets and
12 Highways Code.

13 PASSED AND ADOPTED by the City Council of the City of Oceanside,
14 California, this 10th day of May 2006, by the following vote:

15 AYES: WOOD, CHAVEZ, FELLER, MACKIN, SANCHEZ
16 NAYS: NONE
17 ABSENT: NONE
18 ABSTAIN: NONE

19 

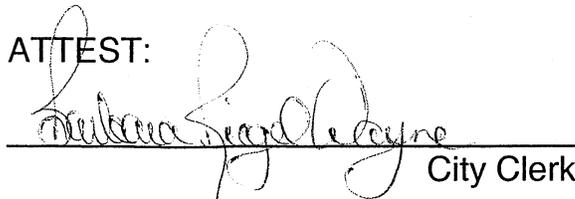
20 Mayor of the City of Oceanside

21 APPROVED AS TO FORM:
22 OFFICE OF THE CITY ATTORNEY

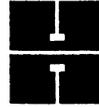
23 

24 City Attorney

25
26 ATTEST:

27 

28 City Clerk



Harris & Associates

Program Managers
Construction Managers
Civil Engineers

**CERTIFICATE OF COMPLIANCE
WITH NOTICE REQUIREMENTS**

**CITY OF OCEANSIDE
SANTA FE MESA LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT INCREASE**

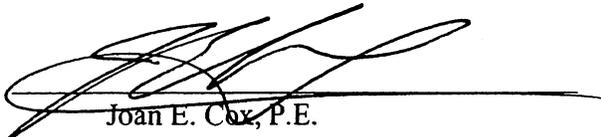
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF OCEANSIDE

The undersigned, under penalty of perjury, CERTIFIES AS FOLLOWS:

MAILING

The NOTICE OF PUBLIC HEARING and the ASSESSMENT BALLOT PACKAGE were mailed to the record owners of all real property proposed to be assessed according to the names and addresses of such owners as the same appear on the last County Assessment Roll, said mailing being accomplished on the 19th day of May, 2006, being at least forty-five (45) days prior to the date set for the public hearing. (Attached to this Certification is a complete copy of the Notice of Public Hearing and the Assessment Ballot Package)

EXECUTED this 19th day of May, 2006, at Irvine, California.



Joan E. Cox, P.E.

Title: PROJECT MANAGER
HARRIS & ASSOCIATES



May 19, 2006

Dear Property Owner:

The City of Oceanside has initiated proceedings to increase the assessments in the Santa Fe Mesa Landscape Maintenance District to maintain and improve the existing levels of maintenance and service for the landscaped areas being maintained.

The assessments in this District have not been increased in 19 years. The reserve funds in the District have been depleted and the current annual assessments are not sufficient to maintain the needed levels of maintenance. If the proposed increase in the maintenance assessment is not approved, the level of service of the landscaping will most probably be reduced to match the available funds.

A map of the area included in the District is provided on the back of the legal notice.

Please review the enclosed information, which will give you complete details of the proposed increase in the annual landscape maintenance assessments, how the assessments are determined for your property, and other information.

The Assessment Ballot, which is the yellow piece of paper with your name and address on it, shows the proposed assessment amount for your property for this next fiscal year.

The Assessment Ballot is an important document in this material. It must be marked, signed and returned by mail or in person to the City Clerk. The City Clerk must receive the Assessment Ballot no later than Wednesday, July 12, 2006 to be counted. (Please see the enclosed documentation for where to return your Assessment Ballot.)

On July 12, 2006, at 6:00 p.m., the City Council will hold a public hearing to hear public comment and tally the ballots received. The assessment amounts cast as "yes" and "no" votes will determine whether the City Council may approve the proposed increases in the assessment. The assessment, as proposed, can be implemented only if a majority of the Assessment Ballot votes are cast in favor. Ballots that are not returned, or are returned late, will not be counted, **so please return your ballot!**

If you have any questions about the proposed increases in the assessment or this process, please contact Heidi Janz at the City of Oceanside at (760) 435-5172, Monday - Thursday, 7:30 a.m. - 5:00 p.m. and alternating Fridays, 7:30 a.m. - 4:00 p.m., or email her at hjanz@ci.oceanside.ca.us.

Thank you for your consideration of this issue.

**NOTICE TO PROPERTY OWNERS AND ASSESSMENT BALLOT
FOR THE CITY OF OCEANSIDE
SANTA FE MESA LANDSCAPE MAINTENANCE DISTRICT
AND THE PROPOSED INCREASE IN
LEVY OF ASSESSMENTS (COMMENCING FISCAL YEAR 2006-07)**

I. Notice

This notice informs you, as record owner of property within Santa Fe Mesa Landscape Maintenance District, that on May 10, 2006, the City Council adopted Resolution No. 06-R0323-1 in which it declared its intention to levy an increase in assessments therefore for Fiscal Year (FY) 2006-07, and has scheduled a Public Hearing concerning this item.

The Public Hearing will be held during a regular meeting of the Oceanside City Council, in City Hall Council Chambers, 300 North Coast Highway, Oceanside, California on

July 12, 2006, at 6:00 p.m.

or as soon thereafter as the matter may be heard. All interested persons are invited to attend the Public Hearing and express opinions on the matter of the proposed assessment increases.

Property owners who wish to submit an assessment ballot should mail or personally deliver it to the City Clerk prior to the close of the scheduled Public Hearing in accordance with the directions provided on the back of the ballot in "Summary of Ballot Procedures."

II. Assessment Information

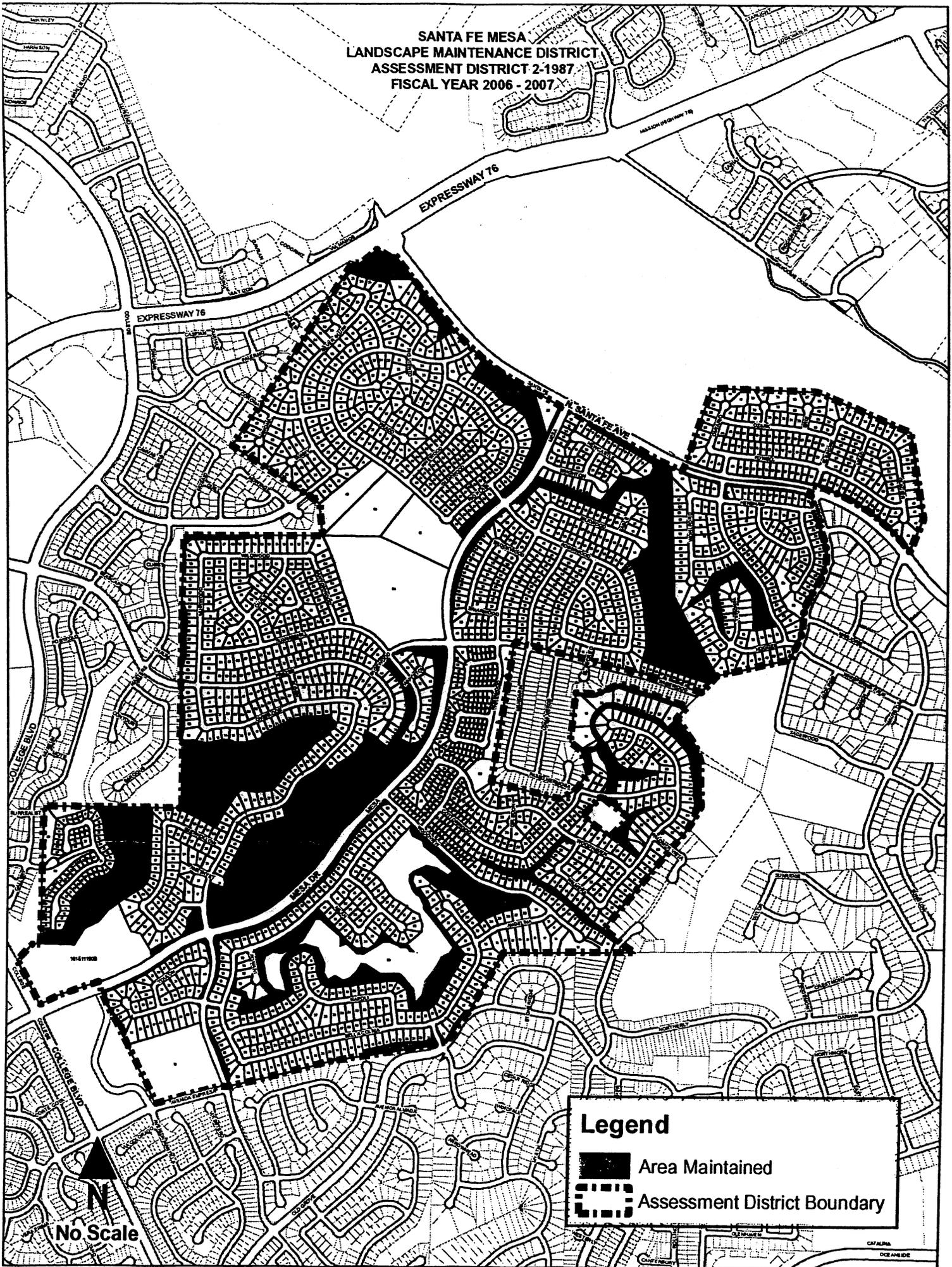
1. **Name of District:** Santa Fe Mesa Landscape Maintenance District. (A map of the area included in the district is provided on the back of this notice.)
2. **The total annual Assessment for the entire District for FY 2006-07:** \$461,912, which is an increase of \$124,387 over last year.
3. **Your Proposed Annual Assessment:** The proposed maximum Assessment on your parcel for on-going maintenance for FY 2006-07 is shown on the enclosed ballot.
4. **Duration of the Proposed Assessment:** The proposed assessment for the maintenance of the landscaping improvements will be levied annually. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase. If the annual escalator is included in the assessment, then the annual assessment for FY 2006-07 will be considered the maximum assessment and this maximum assessment for FY 2006-07 will be escalated each year according to the annual change in the Consumer Price Index (CPI) for the San Diego County area. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase. (This annual CPI adjustment is a separate question on the enclosed Ballot.)
5. **Reason for the Assessment:** (1) To maintain and improve the existing levels of maintenance and service for the landscaped areas in and around the Santa Fe Mesa development. The current annual assessments are not sufficient to maintain the needed levels of maintenance. (2) To allow the annual assessments to keep up with annual increases in the cost of living. Adding an annual CPI adjustment would allow the City to adjust assessment rates up to the maximum amounts without going back to the property owners with an assessment balloting process.
6. **Calculation of the Assessment:** The assessment, which has been in effect since 1987, is levied on all parcels that receive direct and special benefit from the maintenance of the landscaping improvements that were a condition of development for the Santa Fe Mesa Development. These improvements provide beautification and enhancement of the desirability of the surroundings, and therefore improve the quality of life and enhance the desirability of the area. There are 2,017 single-family residential lots within the assessment district and 1 assessable non-residential lot. Those residential lots directly adjacent to the landscaped improvements are assessed 1.1 Assessment Units (which equates to a proposed annual assessment of \$245.06 per lot) and all other lots are assessed 1.0 Assessment Units (which equates to a proposed annual assessment of \$222.78 per lot). The non-residential lot is assessed 1 Assessment Unit per acre for the 7.4 acres within the boundaries of the Assessment District.
7. **Balloting Results:** (1) If a majority of the ballots returned are in support of the increase in assessment, the increase may be imposed. If a majority of the ballots returned are in opposition to the increase, the increase will not be imposed and the same assessment rate as in previous years will be levied. (2) If a majority of the ballots returned are in support of the annual CPI escalator, the escalator for future years' assessments may be added. If a majority of the ballots returned are in opposition to the annual CPI escalator, the escalator will not be added and the assessments approved for FY 2006-07 will not be increased in future years without receiving property owner approval for the increase. These two items will be considered separately.

Ballots are weighted proportionally by each parcel's Assessment amount.

III. Questions Regarding These Proceedings

If you have any questions about the proposed Assessment or this process, please contact Heidi Janz at the City of Oceanside at (760) 435-5172, Monday - Thursday, 7:30 a.m. - 5:00 p.m. and alternating Fridays, 7:30 a.m. - 4:00 p.m., or email her at hjanz@ci.oceanside.ca.us

SANTA FE MESA
LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT DISTRICT 2-1987
FISCAL YEAR 2006 - 2007



Legend

-  Area Maintained
-  Assessment District Boundary


No Scale

CATALINA
OCEANSIDE

City Clerk
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

**PROPERTY OWNER ASSESSMENT BALLOT
ON THE PROPOSED INCREASE IN ASSESSMENT
CITY OF OCEANSIDE
SANTA FE MESA LANDSCAPE MAINTENANCE DISTRICT**

Assessor's Parcel Number: «apn»

Parcel Address: «situs»

FY 2005-06 Assessment: \$ «asmt05»

FY 2006-07 Maximum Annual Maintenance
Assessment for this Parcel: \$ «asmt06»

«owner»
«madd»
«mcity»

The person completing and submitting this assessment ballot must be the owner of the property identified above or the representative of the owner of such property who is legally authorized to complete and submit this ballot for and on behalf of the record owner.

Upon completion, fold the ballot, place it in the return envelope and seal the envelope. Mail or deliver the Assessment Ballot to the address shown on the return envelope pursuant to the instructions on the back of this ballot sheet.

Please see the "Summary of Assessment Ballot Procedures" on the back of this sheet.

For additional information about the Santa Fe Mesa Landscape Maintenance District, please see the enclosed legal notice.

This is not a bill.

✂ Please cut along this line, fold the ballot, seal it in the provided envelope, and return the ballot to the City Clerk ✂

PROPERTY OWNER ASSESSMENT BALLOT

Assessor's Parcel Number: «apn»

Owner Name: «owner»



Proposed FY 2006-07 Maximum Annual Assessment Amount: \$ «asmt06»

Yes, I am **IN FAVOR** of the increase in assessments

No, I am **OPPOSED** to the increase in assessments

Proposed inclusion of an annual Consumer Price Index (CPI) escalator such that the assessment levied in FY 2006-07 will be escalated each year thereafter according to the annual change in the CPI for the San Diego County area. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase

Yes, I am **IN FAVOR** of the annual CPI escalator

No, I am **OPPOSED** to the annual CPI escalator

BALLOT

I hereby declare under penalty of perjury under the laws of the State of California that I am the owner, or the authorized representative of the owner, of the parcel identified above.

Date

Printed Name

Signature

SUMMARY OF ASSESSMENT BALLOT PROCEDURES

If you are the owner of the property described on the enclosed ballot, or the authorized representative of the owner, you may submit the enclosed Assessment Ballot to the City to support or oppose the proposed increase in assessment. Please follow the instructions below to complete and return your ballot.

1. Register your vote on the enclosed ballot by placing an "X" in the appropriate boxes.
2. Mark, sign and date your ballot in pen. (Assessment Ballots received without a signature will not be counted.) Do not use pencil. If there are two or more property owners, only one needs to sign and return the ballot.
3. Fold your ballot, place it into the provided return envelope, and seal the envelope.
4. Mail or personally deliver your ballot to the City Clerk of the City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054.
5. Assessment Ballots must be received by the City Clerk prior to the close of the Public Hearing concerning the proposed assessment increase on Tuesday, July 12, 2006, at the Oceanside City Hall Council Chambers. Any ballots received after the close of the Public Hearing cannot legally be counted. **Postmarks will not be accepted.**
6. Following the close of the Public Hearing, the City Clerk or designee will tabulate the Assessment Ballots received. The ballots are weighted by the assessment amount for each property. The assessment increase and the inclusion of an annual CPI escalator will be considered separately.
7. The assessment increase or inclusion of the annual CPI escalator may be confirmed unless a majority protest exists as to that item. A majority protest exists if, upon the close of the July 12, 2006, Public Hearing, the monetary value of the ballots submitted in opposition to the assessment increase exceeds the monetary value of the ballots submitted in favor of the assessment increase.
8. If a majority protest exists based upon the value of the ballots received by the City Clerk prior to the close of the July 12, 2006, Public Hearing, the proposed increase and/or the inclusion of the annual CPI escalator will not be imposed. These two items will be considered separately.
9. Your assessment ballot is not confidential and may be subject to public disclosure during and after the tabulation.

The City of Oceanside complies with the Americans with Disabilities Act. If you are a qualified individual with a disability and need assistance with completing or returning the enclosed ballot, please contact the City Clerk's office at (760) 435-3000.

The information in this notice and the accompanying materials were compiled and is distributed at public expense by the City of Oceanside in compliance with Proposition 218. This information is presented in the public interest. It is not intended to influence or attempt to influence the actions of the voters to vote "yes" or "no" on the enclosed ballot.