

# City of Yorba Linda

## Street Lighting and Landscaping Maintenance District

### Engineer's Report

#### ANNEXATION OF TERRITORY AND ESTABLISHMENT OF ANNUAL ASSESSMENTS (TRACT 17341)

**FISCAL YEAR 2022/2023**

**Intent Meeting: January 17, 2023**  
**Public Hearing: March 21, 2023**

**JANUARY 2023**  
**PREPARED BY**  
**WILLDAN FINANCIAL SERVICES**

27368 Via Industria  
Suite 200  
Temecula, CA 92590  
T 951.587.3500 | 800.755.6864  
F 951.587.3510

[www.willdan.com](http://www.willdan.com)



# Engineer's Report Affidavit

## Street Lighting and Landscaping Maintenance District

### Annexation of Territory and Establishment of Annual Assessments Cielo Vista Development (Tract 17341) Fiscal Year 2022/2023

#### City of Yorba Linda, County of Orange, State of California

As part of the Resolution of Intention packet presented for the Yorba Linda City Council consideration, this Report and the enclosed budgets, diagrams, and descriptions outline the proposed annexation of territory into the Street Lighting and Landscaping Maintenance District, Arterial Landscaping Zone A-3, Local Landscaping Zone L-2K, Traffic Signal Zone Traffic Signal Zone TS-2, and the Arterial Lighting Zone. The boundaries of the annexation territory include each lot, parcel, and subdivision of land within the Cielo Vista Development (Tract 17341) that will receive a special benefit from the proposed improvements to be provided and results in the establishment of new assessments related thereto commencing in Fiscal Year 2022/2023. Reference is hereby made to the Orange County Assessor's Maps for a detailed description of the lines and dimensions of the parcels within the annexation of territory and subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the City Council of the City of Yorba Linda.

Dated this 4<sup>th</sup> day of JANUARY, 2023.

Willdan Financial Services  
Assessment Engineer  
On Behalf of the City of Yorba Linda

By: 

Jim McGuire  
Principal Consultant, Project Manager

By: 

Tyrone Peter  
PE C # 81888



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## Introduction

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The City of Yorba Linda (the "City"), under the provisions of the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "1972 Act") and the provisions of the California Constitution Article XIII D ("Constitution"), annually levies and collects special assessments for the City's maintenance assessment district designated as:

### **Street Lighting and Landscaping Maintenance District**

(the "District") in order to provide and maintain various landscaping and lighting improvements throughout the City that provide special benefits to properties within the City.

The provisions of the 1972 Act provide for the annexation of territory into an existing district and zones when the territory in the annexation receives substantially the same proportional special benefits from the improvements and the costs associated with the installation, maintenance, and servicing of the improvements may be assessed to properties, which benefit from the improvements, both existing parcels and annexation parcels.

The Yorba Linda City Council being the legislative body for the District, may, pursuant to Chapter 2, Article 2 the 1972 Act, annex territory to the District and levy annual assessments related thereto. This Engineer's Report ("Report") has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the improvements and services to be provided to parcels with the territory to be annexed and the levy and collection of the proposed new annual assessments related thereto to fund the costs and expenses required to service and maintain the improvements that provide special benefits to those parcels.

This Report specifically addresses the annexation of Tract 17341, known as the Cielo Vista Development, (hereafter referred to as "Tract 17341" or "Annexation Territory") to the District. The territory that comprises the Annexation Territory was annexed to the City in or about early 2020, with the Orange County Local Agency Formation Commission Certificate of Completion being recorded at the County on or about December 20, 2019. Tract 17341 consists of 84.761 acres of land, proposed to be subdivided into seventy-four (74) single-family residential units. Tract 17341 and the parcels of land therein (the Annexation Territory) as addressed in this Report, is being annexed into the District and concurrently annexed into the Arterial Lighting Zone, Arterial Landscaping Zone A-3, Traffic Signal Zone TS-2, and Local Landscaping Zone L-2K and is proposed to be levied proportional assessments for the special benefits received from the improvements and services associated with those benefit zones commencing in Fiscal Year 2023/2024, including the additional local landscaping improvements being installed as part of Tract 17341 which will be incorporated into Local Landscaping Zone L-2K.

Annually, the City establishes the District's assessments for each Zone based on an estimate of the costs to maintain, operate and service the improvements in those Zones in conjunction with available revenues including fund balances, general benefit contributions, additional City contributions, and current assessment limits. To fully fund the improvements that are considered special benefits to properties in Tract 17341, the City Council has determined that it is appropriate and in the public's best interest to annex Tract 17341 into the applicable District Zones and ballot the parcels within the Annexation Territory for new/increased assessments that address the estimated special benefit improvement costs associated with those parcels and applicable benefit zones including, but not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District and

Zones; and the collection of funds for operational reserves and/or for periodic maintenance and improvement rehabilitation projects as authorized by the 1972 Act.

The annual assessments (new/increased maximum assessment) proposed to be levied on properties within the Annexation Territory as described herein will provide a funding source for the continued operation and maintenance of the landscaping and lighting improvements that provide special benefits to those properties and are consistent with the maximum assessments approved by the City Council for the Arterial Lighting Zone, Arterial Landscaping Zone A-3, Traffic Signal Zone TS-2, and Local Landscaping Zone L-2K in fiscal year 2022/2023.

The net annual cost to provide the improvements in each Zone is based on the various improvements and the types of improvements and services to be provided by the District for the properties that are directly associated with and benefit from those improvements. This net cost of providing the improvements and services is allocated to the benefiting properties within each Zone including the Annexation Territory using a weighted method of apportionment (refer to Assessment Methodology in Section II, Method of Apportionment) that calculates the proportional special benefit and assessment for each parcel as compared to other properties that benefit from those District improvements and services.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the Orange County Assessor's Office. The Orange County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the District assessments.

If any section, subsection, sentence, clause, phrase, portion, zone, or subzone of this Engineer's Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Engineer's Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, zones, or subzones might subsequently be declared invalid or unconstitutional.

## Ballot Proceedings

As part of this annexation proceeding, pursuant to the provisions of Article XIID, Section 4 of the California Constitution, the City shall conduct a property owner protest ballot proceeding (referred to as "Ballot Proceeding") for the proposed levy of new assessments as described in this Report. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the levy of the proposed new assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists:

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

With regards to the proceedings for the annexation of territory, pursuant to Section 22608 of the 1972 Act, the "right of majority protest shall be limited to the territory proposed to be annexed". Therefore, as part of these proceedings for annexation, only the properties within the Annexation

Territory shall be balloted for the proposed assessments and the determination of majority protest shall be limited to those parcels.

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the proposed new assessments, further proceedings to annex the territory and implement the proposed assessments (including the inflationary adjustments) for the parcels within the Annexation Territory shall be abandoned at that time. If tabulation of the ballots indicate that majority protest does not exist for the proposed assessments and the assessment range formula presented and described herein, the City Council may adopt this Report (as submitted or amended), approve the assessment diagrams, and confirm the assessment rates and assessments for the Annexation Territory and the corresponding Zones as presented herein. In such case, the Annexation Territory and the applicable Zone assessments as approved, shall by reference be made part of and incorporated into the District's "Engineer's Annual Report" and the annual assessments for these properties along with the other properties within the District, shall be submitted to the Orange County Auditor/Controller for inclusion on the property tax roll for each affected parcel commencing in fiscal year 2023/2024.

## Report Content

This Report consists of five (5) parts:

### Part I

**Plans and Specifications:** This section provides an overall description of the Annexation Territory, the District, the Zone applicable to the Annexation Territory, and the improvements to be provided and associated with the Annexation Territory. The Zones previously established for this District and in part associated with the Annexation Territory are based on the type of improvements and services provided to various properties within the District. The proposed new assessments as outlined in this Report are based on the landscaping and lighting improvements and appurtenant facilities that provide a special benefit to the properties within the Annexation Territory including operational expenses authorized pursuant to the 1972 Act. The plans and specifications contained in this section of the Report describe the overall nature and extent of the improvements. More detailed information regarding the specific plans and specifications are on file in the Engineering Department and by reference are made part of this Report.

### Part II

**Method of Apportionment:** This section includes a discussion of the general and special benefits associated with the various improvements to be provided to properties within the Annexation Territory (Benefit Analysis), which includes a discussion of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit necessary to calculate the property's annual assessment. This method of apportionment is consistent with the previously adopted method of apportionment for the District that was approved by the property owners in a ballot proceeding conducted in 1997 and/or any subsequent Ballot Proceedings conducted for new or increased assessments for various Zones.

### Part III

**Estimate of Costs:** An estimate of the annual costs to operate, maintain, and service the landscaping and lighting improvements and appurtenant facilities. The budget for the Annexation Territory reflects the proportional estimate of the maintenance costs and incidental expenses including, but not limited to, labor, materials, utilities, equipment, and administration expenses as well as the collection of other appropriate funding authorized by the 1972 Act and deemed necessary to fully support the improvements associated with each Zone improvements that directly benefit the Annexation Territory. Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution. While not shown as a budgeted expenditure at this time, if the proposed assessments are approved, the City Council may at their discretion, provide a temporary advance (loan) to fund and expedite various capital improvement projects (repair and rehabilitation of the improvements). Such loans will be paid back over time by the assessments. In addition to the general benefit costs, the City may provide additional funding to support the maintenance and operation of the improvements considered to be of special benefit, but City staff shall make the determination of which improvements, and the extent of the services and activities that shall be provided based on available revenues.

### Part IV

**Assessment Roll:** The Assessment Roll contains a listing of all Assessor Parcel Numbers of the properties within the Annexation Territory and each parcel's corresponding "Balloted Maximum Assessment" calculated for fiscal year 2022/2023. The proposed fiscal year 2022/2023 maximum assessment amounts balloted for each parcel including the assessment range formula is based on each parcel's calculated proportional special benefit as outlined in the Method of Apportionment (Part II of this Report) and the maximum assessment rates established for each applicable Zone associated with the Annexation Territory as summarized (Part III of this Report). A listing of the Assessor's Parcel Numbers and the corresponding fiscal year 2022/2023 Balloted Maximum Assessment amounts for each parcel within the Annexation Territory is contained in the Assessment Roll (Part IV of this Report) although the first assessment for the Annexation Territory will be levied and collected commencing in fiscal year 2023/2024.

### Part V

**Annexation Diagrams:** This section of the Report contains diagrams showing the boundaries of the Annexation Territory which incorporates the parcels determined to receive special benefits from the various District improvements and the Zones to which the Annexation Territory is being concurrently annexed into. Parcel identification, the lines and dimensions of each lot, parcel, and subdivision of land within the Annexation Territory as shown on these diagrams and listed on the Assessment Roll are inclusive of such parcels shown on the Orange County Assessor's Parcel Maps at the time this Report was prepared and shall include any subsequent lot line adjustments or parcel changes therein. Reference is hereby made to the Orange County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each lot and parcel of land within the Annexation Territory.

## Part I — Plans and Specifications

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### District Overview

Excluding the proposed Annexation Territory, the existing District consists of all lots or parcels of land within the City of Yorba Linda and the boundaries of the District are coterminous with the City boundaries. Upon successful annexation of the Annexation Territory, the District boundaries will once again be coterminous with the City boundaries. The purpose of the District is to provide in part through annual assessments, funding for the ongoing operation, maintenance, and servicing of landscaping, street lighting, traffic signal improvements and related facilities and services in various areas throughout the City that provided special benefit to the parcels within the City. Improvements currently provided within the District generally include but are not limited to:

- Landscape improvements within the street medians and parkway side-panels, including parkways, slopes, and entryways; and various non-street landscape areas including greenbelts, slopes, local trails, and open space areas within various landscape zones. These landscaped improvements and areas may include but are not limited to various combinations of trees; turf; ground cover; shrubs, plantings and other amenities including retaining walls, monuments, fencing, sidewalks, stamped concrete or pavers, irrigation and drainage systems, and related appurtenances.
- Lighting facilities on the public streets within the City including both street lights and traffic signals. These lighting improvements may include but are not limited to street lights located on the City's arterial streets, traffic signals located throughout the City and local street lights within or adjacent to the various developments and subdivisions.

### District Zones of Benefit

In accordance with the 1972 Act, the District utilizes benefit zones ("Zones") to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Parcels within the District are grouped and assigned to specific benefit zones based on the improvements and/or type of improvements that provide special benefit to each of the properties within that Zone.

For fiscal year 2022/2023 the District is comprised of the following Zones:

- Nine Arterial Landscaping Zones (A-1 through A-9);
- Thirty-three Local Landscaping Zones:
  - L-1A, through L-1E;
  - L-2A through L-2V;
  - L-3;
  - L-4A and L-4B;
  - L-5A, L-5B and L-5C;
- One citywide Arterial Street Lighting Zone,
- A non-contiguous Local Street Lighting Zone, and
- Three Traffic Signal Zones (TS-1, TS-2, and TS-3),

## Description of District Improvements

As authorized by the 1972 Act, the improvements provided by the District and associated with each Zone incorporate various landscaping or lighting improvements that are maintained and serviced for the benefit of real property within the District. The maintenance of the landscape improvements may also include various appurtenances that may include but is not limited to entry monuments; various types of fencing; retaining walls; ornamental lighting or other ornamental fixtures; signage; and irrigation, drainage, and electrical equipment. In most cases, these improvements were either installed in direct connection with the development of properties within the Zones or were installed for the benefit of those properties as a result of property development or potential development of those properties and were considered necessary for the development of those properties to their full and best use. The work to be performed within each respective Zone may include but is not limited to (as applicable), the personnel, materials, equipment, electricity, water, contract services, repair and rehabilitation of the improvements and incidental expenses required to operate the District and provide the improvements and services for each Zone. The improvements provided within the District and for which parcels receive special benefits are generally described in the following.

## Annexation Territory Overview

### Description of the Annexation Territory

The proposed Annexation Territory is inclusive of Tract 17341, known as the Cielo Vista Development. The Annexation Territory consists of approximately 84.761 acres of land, proposed to be subdivided into seventy-four (74) single-family residential units and related private streets, common areas and open spaces. As of the writing of this Report, the Annexation Territory is inclusive of four Assessor Parcel Numbers ("APNs") 351-031-18, 351-031-19, 351-031-20, and 351-031-21 which are generally located north of Via Del Agua and Stonehaven Drive within the existing residential developments identified as Tract 13800 and Tract 10455.

The Annexation Territory is being annexed into the District for fiscal year 2022/2023 and based on the improvements to be provided and maintained through the District and for which parcels within the Annexation Territory will receive special benefits, the Annexation Territory will be concurrently annexed into the following Zones:

- Arterial Lighting Zone;
- Arterial Landscaping Zone A-3 ("Zone A-3");
- Traffic Signal Zone TS-2 ("Zone TS-2"); and
- Local Landscaping Zone L-2K ("Zone L-2K"),

The properties associated with and identified herein as the Annexation Territory are shown on the Assessment Diagrams incorporated herein as Part V of this Report.

### Description of Improvements to be Maintained and Serviced

The improvements installed, maintained, and serviced within the District and which will provide special benefits to parcels within the Annexation Territory are generally described as: Arterial landscaping improvements in proximity to the Annexation Territory and surrounding properties of Zone A-3; Local landscaping improvements within or adjacent to the Annexation Territory and

surrounding properties of Local Landscaping Zone L-2K; Traffic signal improvements in proximity to the Annexation Territory and surrounding properties of Traffic Signal Zone TS-2; and, Arterial streetlighting improvements. Together these improvements provide special benefits to the parcels located within the Annexation Territory as well as various other properties within the associated District Zones identified above. These improvements collectively may include, but are not limited to, landscaping, lighting, planting, shrubbery, trees, grass, bark, other ornamental vegetation, irrigation systems, hardscapes, and fixtures; facilities which are appurtenant to any of the foregoing, or which are necessary or convenient for the maintenance or servicing thereof.

The Annexation Territory, as part of the District and specified Zones therein, will fund costs in connection with the maintenance and servicing including, but not limited to, labor, electrical energy, water, materials, contracting services, administration, and other expenses necessary for the satisfactory maintenance and servicing of the improvements.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the streetlights, landscaping, and appurtenant facilities, including repair, removal or replacement of all or part of any of the streetlights, landscaping, or appurtenant facilities; providing for the life, growth, health, and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; the removal of trimmings, rubbish, debris, other solid waste; and pest control; the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti. Servicing means the furnishing of electricity for the operation of streetlights and any appurtenant facilities, and water for the irrigation and control of the landscaping and the maintenance of any of the landscaping and appurtenant facilities.

The specific improvements to be provided and maintained for the special benefit of the parcel within the Annexation Territory are identified and summarized in the following Zone descriptions.

### **Arterial Landscaping Improvements (Zone A-3)**

Within the District there are nine (9) designated Arterial Landscaping Zones (A-1 through A-9), the boundaries of which collectively are intended to be coterminous with the City boundaries. Each of these nine Arterial Landscaping Zones have been established to reflect the proportional special benefit properties within the District receive from the District maintained arterial landscaping improvements. The boundaries of each Arterial Landscaping Zone are based on the improvements being maintained through the District assessments and the relationship and proximity of the developments and properties that derive special benefit from those improvements. The location, extent and types of improvements and the proximity of the various parcels and developments to those improvements were evaluated in developing the boundaries of the nine Arterial Landscaping Zones and proportional special benefit cost allocations with the boundaries of the nine Zones being defined primarily by streets that are considered primary arterials or other thoroughfares that may be considered secondary arterials. Therefore, some improvements (specifically medians) may be located between two Zones and those improvements would be shared by those two adjacent Zones. In such cases, the special benefit and cost of providing such improvements are shared by parcels in both Zones. However, because the extent and type of landscaping on either side of these streets (parkways, side panels, or adjacent landscape areas) may often times be dramatically different, the special benefit and the costs associated with these improvements on primary arterial streets are assigned and allocated to the adjacent Arterial Landscaping Zone and on other thoroughfares (including secondary arterials) these parkways, side panels, or adjacent landscape areas are typically funded by the abutting Local Landscaping Zone, instead of the Arterial Landscaping Zone.

The following is a brief description and summary of the landscaped areas within Zone A-3 which provide special benefit to the parcels within Zone A-3 including the Annexation Territory. A visual depiction of the current Zone A-3 boundaries and the proposed Annexation Territory as well as the location of the Zone A-3 landscape improvement areas is provided in the Annexation Diagrams in Part V of this Report. The existing properties within Zone A-3 and the Annexation Territory will proportionately share and receive special benefit from the maintenance, servicing, and operation of:

➤ **Existing Zone A-3 Improvements**

The properties within this Arterial Landscaping Zone including the Annexation Territory proportionately share and receive special benefit from the maintenance, servicing, and operation of approximately 294,820 square feet of designated landscape improvement area that incorporates an estimated 42,970 square feet of irrigated median landscaping and 12,130 square feet non-irrigated/hardscape median area; 123,690 square feet of irrigated sloped/mostly-sloped landscaped; and 116,030 square feet of flat/moderately-sloped landscaped area of which 88,790 square feet is irrigated and 27,240 square feet of non-irrigated area and trails. Portions of the medians associated with Zone A-3 are shared by properties in an adjacent Zone (shared by Zone A-2) and the median square footage presented above represents this Zone's proportional allocation of the total square footage of those shared medians. The improvement areas for which properties in this Zone receive special benefit are generally located in the following area(s):

- Esperanza Road from approximately 370 feet east of Via Del Cazador (the boundary line between Zones A-2 and A-3), east to a point approximately 1,450 east of New River Road;
- Yorba Linda Boulevard from approximately 450 feet northwest of Via Del Agua (approximately 500 feet southeast of Dorinda Road and the boundary line between Zones A-5 and A-3), south to Esperanza Road,
- The median improvements from approximately 450 feet northwest of Via Del Agua to approximately 400 feet south of Via De La Escuela are shared with Zone A-2.

➤ **New Zone A-3 Improvements (Installed in connection with Tract 17341)**

None.

### **Local Landscaping Improvements (Zone L-2K)**

The boundaries of each Local Landscaping Zone are established on the basis of the location, extent and types of improvements or similarities in the types of improvements being maintained through the District assessments as well as the particular and distinct benefits the various developments and properties derive from those improvements based on proximity of those developments and properties to those specific improvements and the nexus between the development of the properties that required or facilitated the installation of those improvements or would have otherwise been necessary for the development of the benefiting properties. While most local landscape improvements are specifically associated with specific developments or development areas, some improvements (most often greenbelts and/or trails) may be located between two or more Zones and/or extend from one Zone to the next and those improvements may reasonably be considered shared improvements. In such cases, the special benefits and

overall cost of providing such improvements are proportionately shared by parcels in each Zone. Also, the landscape improvements for various Zones may include various appurtenances such as monuments, fencing, retaining walls, ornamental lighting, signage, and related irrigation, drainage, and electrical equipment. These appurtenances are not specifically identified in this Report, but the cost of maintaining such appurtenances is incorporated in the City's estimated landscape budgets.

The following is a brief description and summary of the landscaped areas within Zone L-2K which provide special benefit to parcels within Zone L-2K including the Annexation Territory. A visual depiction of the current Zone L-2K boundaries and the proposed Annexation Territory as well as the location of the Zone L-2K landscape improvement areas is provided in the Annexation Diagrams in Part V of this Report. The existing properties within Zone L-2K and the Annexation Territory will proportionately share and receive special benefit from the maintenance, servicing, and operation of:

➤ **Existing Zone L-2K Improvements**

Approximately 612,000 square feet of designated landscape improvement area that incorporates an estimated 2,040 square feet of irrigated median landscaping area; 256,960 square feet of irrigated sloped/mostly-sloped landscaped area; 353,000 square feet of flat/moderately-sloped landscaped area of which 340,140 square feet is irrigated and 12,860 square feet is trails.

The maintenance, servicing, and operation of the above designated square feet of landscape improvement area, which is depicted on the improvement map contained in "Part V-Assessment Diagrams" of this Report, includes approximately 280,194 square feet of reduced service level area. Although the reduced service level area may be irrigated, the servicing of these improvements or any other such areas within the Zone may be performed only as needed or deemed necessary by the City.

➤ **New Zone L-2K Improvements (Installed in connection with Tract 17341)**

With the annexation of Tract 17341 and the development of properties therein, approximately 2,045 square feet of decomposed granite trail and approximately 170 linear feet equestrian trail fencing will be added to the existing Local Landscaping Zone L-2K improvements. The trail and fencing are located on the east side of Palo Verde (the entry street access to Tract 17341), just north of Stonehaven Drive. In addition, potential future improvements may also include the approximately 2.1 acres of connecting trail segments that traverse Tract 17341.

## **Traffic Signal Improvements (Zone TS-2)**

Within the District there are three (3) Traffic Signal Zones, designated as TS-1, TS-2 and TS-3, the boundaries of which collectively are intended to be coterminous with the City boundaries. Each of the three Traffic Signal Zones include traffic signal improvements on the City's major thoroughfares at specific intersections within the boundaries of each respective Zone that serve as the primary access points to the properties assessed within these Zones. A visual depiction of the current Traffic Signal Zone boundaries including Zone TS-2 and the proposed Annexation Territory is provided in the Annexation Diagrams in Part V of this Report. The following is a listing of the traffic signal locations (intersections) included in Traffic Signal Zone TS-2 which provide special benefit to parcels within Zone TS-2 including the Annexation Territory.

➤ **Existing Zone TS-2 Traffic Signal**

The zone comprises the majority of the properties within the City (both the central and western portions of the City) as well as the majority of the City's traffic signals. The proportional special benefit assessments on parcels within this Zone currently fund in part the ongoing maintenance and operation of the traffic signals located at the following intersections:

- Imperial Highway and Prospect Avenue;
- Imperial Highway and Bastanchury Road;
- Imperial Highway and Valley View Avenue;
- Imperial Highway and Casa Loma Avenue;
- Imperial Highway and Eureka Avenue;
- Imperial Highway and Lemon Drive;
- Imperial Highway and Lemon Drive East;
- Imperial Highway and Olinda Street;
- Imperial Highway and Yorba Linda Boulevard;
- Imperial Highway and Kellogg Drive;
- Yorba Linda Boulevard and Linda Vista Street (cost shared with the City of Placentia);
- Yorba Linda Boulevard and Rose Drive (cost shared with the City of Placentia);
- Yorba Linda Boulevard and Prospect Avenue (cost shared with the City of Placentia);
- Yorba Linda Boulevard and Jefferson Street (cost shared with the City of Placentia);
- Yorba Linda Boulevard and Van Buren Street;
- Yorba Linda Boulevard and Richfield Road;
- Yorba Linda Boulevard and Valley View Avenue;
- Yorba Linda Boulevard and Casa Loma Avenue;
- Yorba Linda Boulevard and Casa Loma Circle;
- Yorba Linda Boulevard and Eureka Avenue;
- Yorba Linda Boulevard and Mountain View Avenue;
- Yorba Linda Boulevard and Lakeview Avenue;
- Yorba Linda Boulevard and Avocado Avenue;
- Yorba Linda Boulevard and Ohio Street;
- Yorba Linda Boulevard and Palm Avenue;
- Yorba Linda Boulevard and Kellogg Drive;
- Yorba Linda Boulevard and Fairmont Boulevard;
- Yorba Linda Boulevard and Avenida Rio Del Oro;
- Yorba Linda Boulevard and Village Center Drive;
- Yorba Linda Boulevard and Paseo De Las Palomas;
- Yorba Linda Boulevard and San Antonio Road;
- Yorba Linda Boulevard and Yorba Ranch Road;
- Yorba Linda Boulevard and Via Esquela;
- Yorba Linda Boulevard and Stonehaven Drive;

- Yorba Linda Boulevard and Avenida Adobe;
  - Yorba Linda Boulevard and New River Road;
  - Fairmont Boulevard and Paseo De Las Palomas;
  - Fairmont Boulevard and Village Center Drive/Nob Hill;
  - Fairmont Connector and Esperanza Road;
  - Fairmont Boulevard and Fairmont Connector;
  - Fairmont Boulevard and Old Ranch Road;
  - Fairmont Boulevard and Futura Drive;
  - Esperanza Road and Lindsey Drive;
  - Esperanza Road and New River;
  - Lakeview Avenue and Lemon Drive;
  - Lakeview Avenue and Town Center Drive;
  - Mountain View Avenue and Kellogg Drive;
  - Rose Drive and Wabash Avenue;
  - Rose Drive School Crossing (at Rose Drive School);
  - Rose Drive Pedestrian Crossing (at El Cajon Trail);
  - Valley View Avenue and Orange Drive;
  - Valley View Avenue and Lakeview Avenue;
  - Valley View Avenue and Bastanchury Road;
  - Valley View Avenue and Pedestrian Crossing (EL Cajon Trail);
  - Bastanchury Road and Prospect Avenue;
  - Bastanchury Road and Rose Drive;
  - Bastanchury Road and Lakeview Avenue;
  - Bastanchury Road and Fairmont Boulevard;
  - Bastanchury Road and Village Center Drive;
  - Bastanchury Road and Secretariat Way;
  - Bastanchury Road and Grey Stone Drive;
  - Bastanchury Road and Clydesdale Drive;
  - Bastanchury Road and Plumosa Drive
  - Bastanchury Road and Yorba Linda High School
  - Buena Vista Avenue and Richfield Road; and
  - Grandview and Kellogg Drive.
- **New Zone TS-2 Improvements (Installed in connection with Tract 17341)**
- With the annexation of Tract 17341 and the development of properties therein, a traffic control device will be constructed and installed within Zone TS-2. The traffic signal will be located at the intersection of Via Del Agua and Yorba Linda Boulevard.

**Arterial Street Lighting Improvements**

The boundaries of the Arterial Street Lighting Zone are intended to be coterminous with the City boundaries and all parcels within the City receiving a special benefit are proportionately assessed for the net-special benefit costs for the operation and maintenance of these improvements. The following is a summary of the streetlights included in the Arterial Street Lighting Zone:

Type of Light	Wattage	Total No. of Lights
Light Emitting Diodes (LED)	31	39
Light Emitting Diodes (LED)	39	75
Light Emitting Diodes (LED)	71	180
Light Emitting Diodes (LED)	82	751
Light Emitting Diodes (LED)	90	3
Light Emitting Diodes (LED)	105	15
Light Emitting Diodes (LED)	136	12
Light Emitting Diodes (LED)	155	4
<b>Total Lights</b>		<b>1,079</b>

- **New Arterial Lighting Improvements (Installed in connection with Tract 17341)**  
 None.

A visual depiction of the current Arterial Lighting Zone boundaries and the proposed Annexation Territory is provided in the Annexation Diagrams in Part V of this Report.

**Local Street Lighting Improvements**

Although the Local Street Lighting Zone is also considered a city-wide zone, only parcels that receive special benefits from local street lighting improvements are proportionately assessed for the net special benefit cost of providing those improvements and are designated as “Local Street Lighting Zone A”. All other parcels in the City (parcels that do not receive special benefits from local street lighting improvements and are not assessed) are designated as “Local Street Lighting Zone B” parcels for administration purposes only (not an actual Zone). The local street lighting within the Annexation Territory is proposed to be provided and maintained by the homeowner’s association established for Tract 17341 and therefore the parcels within the Annexation Territory shall be designated as “Local Street Lighting Zone B” parcels and not assessed through the District for local street lighting improvements.

## Part II — Method of Apportionment

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### Legislative Authority and Provisions

#### 1972 Act

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

*“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.”*

Section 22574 provides for zones as follows:

*“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”*

The formulas used for calculating assessments and the designation of zones herein reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

#### California Constitution

The costs of the proposed improvements addressed in this Report have been identified and allocated to properties within The Annexation Territory based on special benefits as outlined by Article XIII D of the California Constitution. The improvements provided, maintained, and serviced in each Zone and for which properties may be assessed are considered local improvements and related amenities that were installed in connection with the development of the properties and/or would otherwise be necessary or required for the development of properties within each respective Zone including the Annexation Territory. The assessments and method of apportionment is based on the premise that the maintenance of these local improvements and/or property-related services would otherwise not have been required without the development of the parcels within each Zone and these parcels receive a particular and distinct benefit (special benefit) from the ongoing maintenance of such improvements as outlined in Article XIII D of the California Constitution:

Article XIII D Section 2d defines District as follows:

*“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;*

Article XIII D Section 2i defines Special Benefit as follows:

*“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”*

Article XIII D Section 4a defines proportional special benefit assessments as follows:

*“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”*

## Benefit Analysis

### Special Benefits

The ongoing maintenance of landscaped areas within the District provide aesthetic benefits to the properties within each respective Zone and a more pleasant environment to walk, drive, live, and work. The primary function of the landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within the Zones. These improvements are an integral part of the physical environment associated with the parcels in each Zone and while some of these improvements may in part be visible to properties outside the Zone, collectively if these Zone improvements are not properly maintained, it is the parcels within the Zone that would be aesthetically burdened. Additionally, the street landscaping in these Zones serves as both a physical buffer as well as a sound reduction buffer between the roadways and the properties in the District and also serves as a pleasant aesthetic amenity that enhances the approach to the parcels. Likewise, in many of the Zones, the landscaped areas include green space areas (slopes, greenbelts, and trails) that provide a physical buffer and open space between properties and these areas serve as an extension of the physical attributes of the parcels assessed, such as their front or rear yards. These green space areas may also provide a greater opportunity for recreation. As a result, the maintenance of these landscaped improvements provides particular and distinct benefits to the properties and developments within each Zone.

Likewise, street lighting in the District is primarily useful for illuminating the streets that provide access to the properties in the District as well as the sidewalks and parking lanes associated with those properties. While it is recognized that both street lights and traffic signals serve in part to enhance traffic safety, installation and construction of these improvements were clearly required by the development of properties within the district and these improvements provide three main special benefits to those properties: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Furthermore, because traffic circulation in the City is largely the result of local traffic to and from these properties by the property owners and guests, it is reasonable to assume that these properties derive a particular and distinct benefit from the street lights and traffic signals that support the safe access to the properties and essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with the

assessed properties. As a result, the maintenance of these lighting improvements is a particular and distinct benefit to the properties and developments within each Zone.

## General Benefit

### General Benefit Within Landscaping Zones

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements were primarily installed in connection with the development of properties in each respective Zone or are improvements that would otherwise be shared by and required for development of properties in those Zones. It is also evident that the maintenance these improvements and the level of maintenance has a direct and particular impact (special benefit) on those properties in proximity to those improvements. Furthermore, this level of maintenance is beyond that which is required to ensure the safety and protection of the general public and property in general, and such maintenance has no quantifiable benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Zone, the City would typically provide only limited tree management, minimal weed abatement, and as-needed rodent control and erosion control services for the various landscape easement areas. This baseline level of service would typically provide for periodic servicing of the improvement areas (generally twice annually) or on an as-needed basis. This baseline level of service provides for general public safety and essential property protection to avoid negative impacts on adjacent roadways and vehicles traveling on those roadways and potential property damage resulting from slope failures but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the regular landscape maintenance currently provided in the various District Zones.

Based on service provider cost estimates provided to the City, the cost to provide the baseline level of service for flat/moderately-sloped landscaped areas is currently estimated to be approximately \$986 per acre (\$0.022629 per square foot) including medians, parkway side panels, greenbelts, trails and/or areas identified natural vegetation or minimal/modified/fallow-landscaped areas; and approximately \$1,407 per acre (\$0.032299 per square foot) for slope landscaping. These baseline level of service rates are approximately 3.83% greater than the rates applied in the previous fiscal year.

This baseline servicing, unlike the enhanced aesthetic services funded through the District assessments, would provide benefits to the general public and to the properties both within and outside of the specific benefit zones. These costs of providing this baseline service along with a five percent (5%) cost factor for City overhead and administration is treated as the cost of general benefits from landscape maintenance services. Therefore, for flat/moderately-sloped landscaped areas a rate of \$0.023760 per square foot (\$0.022629 +5%) is applied to calculate the general benefit costs for the assessed improvements and for sloped landscaped areas a rate of \$0.033914 per square foot (\$0.032299 +5%) is applied to calculate the general benefit costs for the assessed improvements.

Utilizing the per square foot costs outlined above and the square footages of the improvement areas in each Zone, the following summarizes the estimated general benefit costs calculated for Local Landscaping Zone L-2K and Arterial Landscaping Zone A-3 and the estimated general benefit for the Zone specifically associated with the Annexation Territory:

**Fiscal Year 2022/2023 Estimated Zone General Benefit Landscaping Costs**

Landscape Zone	General Benefit Cost <sup>(1)</sup>	Landscape Zone	General Benefit Cost <sup>(1)</sup>
Local Zone L-2K	\$17,150	Arterial Zone A-3	\$7,973

**Fiscal Year 2022/2023 Estimated Annexation General Benefit Landscaping Costs**

Landscape Zone	General Benefit Cost <sup>(1)</sup>	Landscape Zone	General Benefit Cost <sup>(1)</sup>
Local Zone L-2K	\$2,714	Arterial Zone A-3	\$423

<sup>(1)</sup> As with most landscape maintenance costs, the General Benefit Costs shown above will be impacted by inflation and in subsequent fiscal years the General Benefit Cost contributions will be adjusted for inflation.

**Other Landscaping General Benefits**

In addition to the general benefit identified above, it is recognized that there are indirect or incidental general benefits to properties within the District as well as the general public that are associated with regular landscape maintenance services, including:

- Minimization of dust and debris; and
- Decreased potential water runoff from both properties and the landscaped areas.

Although these types of benefits might best be characterized as indirect consequences of the special benefit of the landscape maintenance provided to parcels served by the District, for the purposes of this Report, these types of benefits are assumed to be general benefits, albeit general benefits that are extremely difficult to quantify. It is estimated that the costs associated with these indirect benefits do not exceed one percent of the annual maintenance expenditures for Local Landscaping Zone improvements. With respect to arterial landscaping improvements, it is recognized that these improvements are not as localized and these indirect or incidental general benefits may extend to properties that are in proximity to those improvements but are outside of the City and District boundaries, such as the unincorporated areas within the City (county islands) and development areas immediately adjacent to the City located primarily on its southern and western borders. Collectively, these areas of development represent an area that is less than ten percent (10%) of the area (square miles) within the City of Yorba Linda. Therefore, the costs associated with these indirect or incidental general benefits have been calculated based on 1.0% of the estimated "Total Annual Maintenance Expenditures" budgeted for each Local Landscaping Zone and 1.1% of the estimated "Total Annual Maintenance Expenditures" budgeted for each Arterial Landscaping Zone. Together with the baseline general benefit costs previously identified, these indirect/incidental general benefit costs are excluded from the potential assessment funding and together are shown in the budgets for each Zone ("Part III - Estimate of Costs" of this Report) as the "General Benefit Expenses (City Funded)".

## General Benefit Within Lighting Zones

In reviewing the location and extent of the specific lighting improvements (local street lighting, arterial street lighting and traffic signals) to be funded by District assessments and the proximity and relationship to properties to be assessed, like the landscaping improvements, it is evident that these improvements were primarily installed in connection with the development of properties to be assessed, or are improvements that would otherwise be shared by and required for the development of properties to be assessed. It is also evident that the maintenance and servicing of these improvements has a direct and particular impact (special benefit) on those properties in proximity to those improvements and such improvements and maintenance beyond that which is required for traffic circulation to ensure the safety and protection of the general public and property in general, has no measurable benefit to the public at large or properties outside each respective Zone. The following specifically addresses the two lighting zones associated with the Annexation Territory:

### Arterial Street Lighting

In regard to street lighting on the arterial streets (Arterial Street Lighting Zone), similar to the local street lights located on the collector streets and development perimeters, it is certainly reasonable to recognize that arterial street lights provide a measure of general benefit to the public and to properties in general resulting from nighttime traffic safety and circulation on these primary streets. The American National Standard Practice for Roadway Lighting and various related traffic and street lighting studies suggest that over seventy-five percent (75%) of the street lights installed on primary streets in urban areas are directly the result of property development (both residential and non-residential development). In turn, these developments increase traffic circulation and ultimately dictate the type of lighting, spacing and number of lights required and without such development, both the need and quantity of those lights would be dramatically reduced. Therefore, based on these estimates, it is reasonable to conclude that no more than twenty-five percent (25%) of the arterial street lights and associated costs to service and maintain those street lights would be considered a general benefit. However, to ensure that no parcel is assessed for more than its proportional special benefit for arterial street lighting, for fiscal year 2022/2023, the City will contribute for general benefit an amount equal to thirty percent (30%) of the combined estimated "Total Annual Maintenance Expenditures" and "Annual Administration Expenses" budgeted for arterial street lighting.

### Traffic Signal Lighting

Similar to arterial street lights, traffic signals are located throughout the City on streets and at intersections that provide direct access to each property in the District. However, similar to local lighting improvements within the District, the number and extent of these traffic signals varies in different areas of the City and therefore three Traffic Signal Zones have been established to identify and quantify the proportional special benefit to properties in different parts of the City. Like street lights (both arterial and local), it is certainly reasonable to recognize the general benefit to the public and properties in general associated with nighttime traffic safety and circulation associated with traffic signals. However, as clearly reflected by the need to establish different zones of benefit for these traffic signals, the number of traffic signals, the location of those signals and even the type of signalization is clearly the result of property development and the concentration of that development and thus the special benefit nexus to the properties within each Traffic Signal Zone. However, while these improvements are clearly required by development within the City and respective Zones, traffic signals are inherently installed in part to control traffic,

not only traffic directly associated with surrounding properties (special benefit) but also general City traffic that is associated with the general public and properties outside each respective Traffic Signal Zone (general benefit). General traffic circulation within the City suggests that location and extent of such improvement is directly correlated to property development and such development increase traffic circulation and ultimately the spacing and number of traffic signals required to ensure proper traffic circulation to and from those properties and the overall need for such public improvements is dramatically reduced in areas with less property development. However, to ensure that no parcel is assessed for more than its proportional special benefit for traffic signal improvements, for fiscal year 2022/2023 the City will contribute for general benefit an amount equal to fifty percent (50%) of the combined estimated "Total Annual Maintenance Expenditures" and "Annual Administration Expenses" budgeted within each Traffic Signal Zone.

## Assessment Methodology

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The Equivalent Benefit Unit (EBU) method of assessment apportionment is utilized in this District and establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. The EBU method of apportioning special benefits 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 comparable property characteristics which may include but is not limited to land use and property size. The method of apportionment originally developed for the Yorba Linda Street Lighting and Landscaping Maintenance District was based on an assessment formula appropriate for the various land uses, identifiable property characteristics and improvements within the District and utilizes the number of comparative dwelling units or dwelling spaces for other residential land uses and comparative lot sizes (acreage) for non-residential and undeveloped properties.

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the various Zone improvements by a single family residential parcel. The single family residential parcel has been selected as the basic unit for calculation of assessments since it represents over 90% of the parcels in the District. Thus, the "benchmark" property (the single family residential parcel) derives one EBU of benefit and is assigned 1.00 Equivalent Benefit Unit.

## Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office. It has been determined that a parcel use and size are the appropriate factors necessary to identify and calculate the proportional special benefits conveyed to each property within the District and respective Zones for the cost of improvements associated with that property. The following provides an overall description of the various land use classifications assigned to properties in the District and the proportional special benefit (weighted allocation) for those land uses. For reference purposes, the following addresses all land use designations currently applied in the District, however the properties within The Annexation Territory are comprised of properties identified as Planned Residential Development (future Single-Family Residential Parcels), Vacant/Undeveloped Parcels, or Exempt Parcels.

**Residential Single-Family Parcels** — This classification may include but is not limited to, all subdivided residential tract lots (with or without structures); condominiums; or other single-family residential units on a single parcel. As previously noted, the single family residential parcel has

been selected as the basic unit for calculation of assessments and each is assigned 1.00 Equivalent Benefit Unit.

**Planned Residential Development** – This land use is defined as a parcel and/or development (group of parcels) that are not fully subdivided, but based on an Approved Development Map, Final Tract Map or other Approved Development Plan, the specific number of residential single-family lots or units has been approved for development, and the improvements and services associated with the development and/or parcel have been accepted or will be accepted by the City for maintenance.

For balloting purposes to establish the property's maximum assessment and proportional special benefit, these parcels shall be assigned an EBU that reflects the total EBU's associated with that parcel at build-out (1.0 EBU per residential single-family lot/unit). However, for calculation of the annual assessments each fiscal year, the City and Assessment Engineer shall apply an EBU that reflects the property's estimated proportional special benefit from existing improvements and/or portion of the new improvements to be installed and accepted during the upcoming fiscal year. If the parcel is not expected to be subdivided and no new improvements are being accepted for maintenance in the upcoming fiscal year, the Assessment Engineer may assign such parcels a weighted proportional EBU comparable to that assigned to Vacant/Undeveloped parcels. If the parcel is anticipated to be partially or fully subdivided, and/or new improvements associated with the development of the property are anticipated to come online for maintenance during the fiscal year, the Assessment Engineer may assign to such parcels an EBU that reasonably reflects the parcel's proportional special benefit from the improvements and services provided as compared to other properties in the Zone up to the maximum EBU for which the property was ballot.

**Vacant/Undeveloped Parcels** — This classification includes properties that are identified as parcels with no development but have development potential. Although it is recognized that the improvements provided within the various Zones of the District were primarily constructed and installed as the result of property development, it is also recognized that the majority of these improvements were constructed in part to support the overall development of properties within the District and/or Zone to their full and best use, including vacant undeveloped properties. Therefore, when the District was established, it was determined that parcels identified as Vacant/Undeveloped Parcels shall be assigned a proportional EBU that is 25% of the developed non-residential property, or 0.75 EBU per acre, up to a maximum of 5 acres per parcel. (e.g., A 6.00-acre parcel identified as a vacant-rural parcel is assigned 3.75 EBU [5.0 acres' x 0.75 EBU/acre]).

**Exempt Parcels** — Exempt from District assessments are the areas of public streets, private streets, and other roadways, dedicated public easements and open spaces, rights-of-ways including public greenbelts and parkways or that portion of public property that is not developed and used for business purposes similar to private commercial, industrial, and institutional activities. (These types of properties are not usually assigned an Assessor's Parcel Number by the County). Also exempt from assessment are utility rights-of-ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed. It has been determined that these types of properties receive no direct benefit from the improvements and receive no special benefit or general benefits from the continued operation and maintenance of those improvements.

\* **The following Land Use Classifications are not germane to the Annexation Territory but are provided herein for reference purposes only.**

\* **Residential Multi-Family Parcels and Mobile Home Parks** — This land use classification identifies properties that are used for residential purposes but contain more than a single residential unit on the parcel (parcels with more than one dwelling). Due in part to the development and population densities associated with these types of dwelling units (reduced unit size compared to the typical density and size of single-family units), Multi-Family Residential Parcels and Mobile Home Parks have been assigned a weighted proportional special benefit factor of 0.8 EBU per Unit and 0.5 EBU per space, respectively. Studies have consistently shown that the average apartment unit impacts infrastructure approximately 80% as much as a single-family residence and the average mobile home unit impacts infrastructure approximately 50%. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991). Therefore, it is reasonable to conclude that the proportional special benefit these properties receive from the public improvements funded by the assessments has a similar proportionality.

Therefore, the EBUs assigned to a multi-residential or a mobile home parcel are calculated based on the number of dwelling units identified for that parcel, with each multi-residential parcel being assigned an EBU equal to 0.8 EBU multiplied by the number of dwelling units on the parcel and each mobile home park parcel being assigned an EBU equal to 0.5 EBU multiplied by the number of mobile home units or available spaces on the parcel.

\* **Non-Residential Parcels** — This classification includes developed properties that are identified or zoned for commercial, industrial, or other non-residential use including offices, hotels, recreational facilities (excluding parks and golf courses), and institutional facilities including, hospitals, churches or facilities utilized by other non-profit organizations, whether those facilities are publicly owned (non-taxable) or privately owned. Based on an overall evaluation of development in the City when the District was established, it was determined that the average single-family residential development yielded approximately three (3) dwelling units per acre of land. Thus, it was determined that the special benefit for these non-residential properties compared to a single-family residential parcel is proportional to 3.0 EBU multiplied by the acreage of the parcel. Therefore, the EBU assigned to each non-residential property is 3.0 EBU per acre (e.g., A 2.25-acre parcel identified as non-residential is assigned 6.75 EBU).

\* **Public School Parcels** — This classification includes those parcels that are identified specifically as school sites that include playground or recreational areas (both public and private). Based on an evaluation of the various school sites in the City, it is estimated that on average, 1/3<sup>rd</sup> (approximately 33.33%) of the total acreage for these parcels is actually developed with structures and parking facilities similar to non-residential developed parcels. The remaining parcel acreage (approximately 66.67%) is generally associated with playground areas and/or sports fields similar to park facilities (e.g., Vacant/Rural/Park Parcels). In recognition of the overall development and use of these properties it has been determined that parcels identified as Schools shall be assigned a proportional EBU that reflects the 1/3<sup>rd</sup> of the parcel's acreage being developed non-residential acreage (33.33% of acreage x 3.0 EBU/acre) and 2/3<sup>rd</sup> of the parcel's acreage being vacant/rural/park acreage (66.67% of acreage x 0.75 EBU/acre). The average of these two calculations results in an EBU of 1.50 EBU per acre. (e.g., A 12.00-acre school parcel is assigned 18.00 EBU [12.0 acres' x 1.50 EBU/acre]).

\* **Golf Course Parcels** — This classification includes all parcels that are identified as all or a portion of a golf course. Such properties, like schools are somewhat unique in that the property use is a combination of developed non-residential and vacant/rural/park use. However, unlike schools, a more significant portion of the acreage for such development would be considered vacant/rural/park. In order to establish a proportional calculation of the special benefits for such properties from the District improvements as compared to other property uses, parcels identified as Golf Course Parcels shall be assigned a proportional EBU of 1.50 EBU per acre (similar to School Parcels), but recognizing that much of the acreage associated with these parcels is vacant/rural/park acreage, the maximum acreage applied in the special benefit calculation shall be limited to a maximum of 5 acres per parcel (APN). (e.g., A 10.00-acre parcel identified as a golf course parcel is assigned 7.50 EBU [5.0 acres' x 1.50 EBU/acre]).

**Special Case Parcels** — In many landscaping and lighting districts (particularly districts that have a wide range of land uses and property development) there may be one or more parcels that the standard land use classifications and proportionality identified above do not accurately identify the use and special benefit received from the improvements. Properties that are typically classified as Special Case Parcels usually involve some type of development or land restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefit. Examples of such restrictions may include situations where only a small percentage of the parcel's total acreage can actually be developed. In such a case, the net usable acreage of the parcel rather than the gross acreage of the parcel may be applied to calculate the parcel's proportional special benefit. Each such parcel shall be addressed on a case-by-case basis by the assessment engineer and the EBU assigned to such parcels shall be based on the specific issues related to that parcel and its proportional special benefit compared to other properties that receive special benefits from the improvements.

A summary of the applied Equivalent Benefit Units (EBUs) for the various land use classifications within the District is shown in the following table:

Land Use	Equivalent Benefit Unit Formula	
(1) Residential Single-Family	1.000	EBU per Unit/Lot
Residential Multi-Family	0.800	EBU per Unit
Mobile Home Park	0.500	EBU per Unit/Space
Non-Residential Developed	3.000	EBU per Acre
School (Public/Private)	1.500	EBU per Acre
(1) Planned Residential Development	1.000	EBU per Unit/Lot
Park	0.750	EBU per Acre (Maximum of 5 Acres)
Golf Course	1.500	EBU per Acre (Maximum of 5 Acres)
(1) Vacant/Rural (Undeveloped)	0.750	EBU per Acre (Maximum of 5 Acres)
Special Case	Varied	EBU per Adjusted Acreage or Units
(1) Exempt	0.000	EBU per Acre

(1) Land Use Classification that are or may be applicable to properties in the Annexation Territory.

## Calculation of Assessments

An assessment amount per EBU in each Zone is calculated by:

Taking the "Total Annual Expenses" (Total budgeted costs) and subtracting the "General Benefit Expenses (City Funded)", to establish the "Total Eligible Special Benefit Expenses";

### **Total Annual Expenses – General Benefit Expenses = Total Eligible Special Benefit Expenses**

To the resulting "Eligible Special Benefit Expenses", various "Funding Adjustments/Contributions" may be applied that may include, but are not limited to:

- "Available Ad Valorem Revenues Applied", represents an adjustment (reduction) in the amount to be collected utilizing ad valorem revenue that may be available for the Zone that was not applied for general benefit expenses.
- "Unfunded Reserve Fund Collection", represents an adjustment (reduction) in the amount to be collected for "Operational Reserve Funding" that was budgeted as part of the Total Annual Expenses.
- "Unfunded CIP/Rehabilitation Fund Collection", represents an adjustment (reduction) in the amount to be collected for "CIP & Rehabilitation Reserve Fund Collection" that was budgeted as part of the Total Annual Expenses.
- "Reserve Fund Transfer/Deduction", represents an amount of available existing funds from the "Operational Reserve Fund Balances" being applied to pay a portion of the Special Benefit Expenses for the fiscal year.
- "Additional City Contribution and/or Service Reductions", represents a further adjustment that addresses the funding gap between the amount budgeted to provide the improvements and services ("Special Benefit Expenses"); and the amount that will be collected through the assessments. This funding gap may be addressed by an additional City contribution, reductions in service and service expenses, or a combination of the two.

These adjustments to the Special Benefit Expenses result in the net special benefit amount to be assessed "Balance to Levy":

### **Eligible Special Benefit Expenses +/- Funding Adjustments/Contributions =Balance to Levy**

The amount identified as the "Balance to Levy" is divided by the total number of EBUs of parcels that benefit to establish the "Assessment Rate" or "Assessment per EBU" for the fiscal year. This Rate is then applied back to each parcel's individual EBU to calculate the parcel's proportionate special benefit and assessment for the improvements.

$$\text{Balance to Levy} / \text{Total EBU} = \text{Assessment per EBU (Assessment Rate)}$$

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

### Annual Inflationary Adjustment (Assessment Range Formula)

In fiscal year 1997/1998, in part as a result of Proposition 218, which was approved on the November 1996 statewide ballot and added Article XIII D to the California State Constitution, the City took steps to reorganize the District to more fully reflect the special benefits associated with the District improvements and conducted a protest ballot proceeding for the proposed District assessments. Notices and ballots were mailed to all property owners within the District, outlining the changes to the method of apportionment and the resulting assessment amount proposed for each property and that such assessments would include an annual inflationary adjustment (often referred to as an Assessment Range Formula or escalator) based on the Consumer Price Index (CPI). On July 1, 1997, the ballot results were tabulated with eighty-three percent (83%) of the returned assessment ballots approving the assessment rates and annual inflationary adjustment. The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment that are inevitably associated with providing for the maintenance and operation of landscaping and lighting improvements, thereby reducing the need for additional noticing and balloting procedures simply because of inflationary factors.

#### **The Assessment Range Formula for the Annexation Territory District Zones is defined by the following:**

Commencing in fiscal year 1998/1999 and each fiscal year thereafter, the maximum assessment rates established for the improvements in the previous fiscal year for each Zone may be adjusted by the percentage increase of the Local Consumer Price Index (CPI). The Consumer Price Index used for the inflationary adjustment shall be for the Los Angeles-Riverside-Orange County Area for All Urban Consumers, as developed by U.S. Bureau of Labor Statistics. The CPI used shall be as determined by the Bureau of Labor Statistics for a similar period of time.

Each fiscal year the City shall identify the annual percentage change in the CPI, using the difference over a 12-month period between the current year and of the previous year. This annual percentage change is generally established based on the annual percentage change from the prior year, but a similar 12-month time period may be used if more current data is available. This percentage difference shall then establish the range of increase to the maximum assessment rates allowed. If the percentage change in the CPI is negative, the maximum assessment rates shall not be adjusted from the previous fiscal year (unchanged). Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City may use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

## Part III — Estimate of Costs

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The following outlines provides an estimate of the Annexation Territory's proportional cost allocation to maintain and service the various landscaping and lighting improvements described in "Part I - Plans and Specifications" of this Report and the resulting assessment rates for each Zone are consistent with the maximum assessment rates approved for fiscal year 2022/2023. In recent fiscal years, the total eligible special benefit expenses identified to ensure adequate and proper servicing and maintenance of the improvements for some Zones have not been fully funded by the assessment revenues generated at the maximum assessment rates, particularly in some of the local landscaping zones. Therefore, although the following estimated costs for the Annexation Territory reflects a proportional estimate of the expenses and funding for the improvements that benefit properties within the Annexation Territory, some of the desired services and activities, particularly those associated with long term repairs, replacements, and rehabilitation, may not be fully funded at the current maximum assessment rates. City staff will ultimately determine which services and activities may be eliminated or reduced to keep the actual costs and expenditures for the fiscal year within the available revenues. To the extent any assessment funds remain after those funds are used to pay the cost of the special benefit in any particular Zone, those monies shall be placed in a reserve account for the respective Zone.

The City annually receives ad valorem funding for lighting and landscaping. These General Fund revenues are used to fund in whole or in part, the General Benefit Expenses and/or Additional City Contributions in specified Zones. For fiscal year 2022/2023, the ad valorem revenues are currently allocated and utilized for Traffic Signals, Arterial Lighting, Local Lighting, Local Landscaping Zones L-4A or L-4B, and any of the nine Arterial Landscaping Zones.

The following budget table identifies the estimated expenses and the resulting "Calculated Assessment Rates per EBU" for the Annexation Territory, and these rates are consistent with the maximum assessment rates approved for each respective Zone in fiscal year 2022/2023. However, for balloting purposes the "Calculated Assessment Rates per EBU", (calculated to four decimal places), have been rounded up to the nearest penny to establish the "Proposed Balloted Maximum Assessment Rates per EBU" for fiscal year 2022/2023, which is being presented to the property owners of record within the Annexation Territory in the property owner protest ballot proceeding required pursuant to the provisions of the Constitution.

## Estimated Expenses and Proposed Maximum Assessment Rates

BUDGET ITEMS	Local Landscaping Zone L-2K	Arterial Landscaping Zone A-3	Arterial Lighting	Traffic Signals Zone TS-2	Balloted Annexation Assessment
<b>ANNUAL OPERATING EXPENSES</b>					
<b>Annual Maintenance Expenses</b>					
Personnel, Maintenance, Operations	\$ 4,391	\$ 659	\$ 6	\$ 96	\$ 5,152
Contractual Services	12,178	2,482	61	440	15,161
Landscape Utilities	12,000	1,340	-	-	13,341
Lighting Electrical Service	-	-	492	310	802
<b>Total Annual Maintenance Expenses</b>	<b>\$ 28,569</b>	<b>\$ 4,481</b>	<b>\$ 559</b>	<b>\$ 846</b>	<b>\$ 34,455</b>
<b>Incidental Operational Expenses</b>					
Operational Reserve Funding	\$ -	\$ -	\$ -	\$ 114	\$ 114
Annual Administration Expenses	3,689	660	36	39	4,424
<b>Total Annual Incidental Expenses</b>	<b>\$ 3,689</b>	<b>\$ 660</b>	<b>\$ 36</b>	<b>\$ 153</b>	<b>\$ 4,538</b>
<b>TOTAL ANNUAL EXPENSES</b>	<b>\$ 32,258</b>	<b>\$ 5,141</b>	<b>\$ 595</b>	<b>\$ 999</b>	<b>\$ 38,993</b>
General Benefit Expenses (City Funded)	(3,004)	(471)	(179)	(445)	(4,099)
<b>TOTAL ELIGIBLE SPECIAL BENEFIT EXPENSES</b>	<b>\$ 29,254</b>	<b>\$ 4,670</b>	<b>\$ 416</b>	<b>\$ 553</b>	<b>\$ 34,894</b>
<b>FUNDING ADJUSTMENTS/CONTRIBUTIONS</b>					
Available Ad Valorem Revenues Applied	\$ -	\$ -	\$ (292)	\$ -	\$ (292)
Reserve Fund Transfer/Deduction	-	-	-	-	-
<b>Total Funding Adjustments / Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (292)</b>	<b>\$ -</b>	<b>\$ (292)</b>
<b>BALANCE TO LEVY</b>	<b>\$ 29,254</b>	<b>\$ 4,670</b>	<b>\$ 124</b>	<b>\$ 553</b>	<b>\$ 34,602</b>
<b>DISTRICT STATISTICS</b>					
Total Parcels	76	76	76	76	76
Parcels Levied	74	74	74	74	74
Total Benefit Units	74.00	74.00	74.00	74.00	74.00
<b>Calculated Assessment Rates per EBU</b>	<b>\$395.3305</b>	<b>\$63.1107</b>	<b>\$1.6739</b>	<b>\$7.4778</b>	<b>\$467.59</b>
<b>Proposed Balloted Maximum Assessment Rates per EBU</b>	<b>\$395.34</b>	<b>\$63.12</b>	<b>\$1.68</b>	<b>\$7.48</b>	<b>\$467.62 *</b>
<b>Total Balloted Assessment Amount</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$34,603.88</b>

\* The Balloted Annexation Assessment rate (Proposed Balloted Maximum Assessment Rate per EBU) of \$467.62 represents the fiscal year 2022/2023 combined maximum assessment rates for Local Landscaping Zone L-2K, Arterial Landscaping Zone A-3, Arterial Lighting Zone, and Traffic Signals Zone TS-2. All of these rates are subject to the Annual Inflationary Adjustment described in Part II – Method of Apportionment.

## Part IV — Assessment Roll

The following Assessment Roll incorporates each parcel identified within the Annexation Territory at the time this Report was prepared and the balloted maximum assessment amounts for fiscal year 2022/2023. Each parcel listed on the Assessment Roll is currently shown and illustrated on the County Assessor's Roll and the County Assessor's Parcel Number Maps (APN maps). These records are, by reference, made part of this Report and shall govern for all details concerning the description of the lots or parcels. All assessments presented on the Assessment Roll are subject to change pending the outcome of the Ballot Proceedings and/or as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for each fiscal year.

APN	Land Use	Units	Acres	Balloted EBU	Local Landscaping Zone L-2K Maximum Assessment	Arterial Landscaping Zone A3 Maximum Assessment	Arterial Lighting Maximum Assessment	Traffic Signal Zone TS-2 Maximum Assessment	Total Maximum Assessment Balloted
351-031-18	Exempt	-	29.717	-	\$ -	\$ -	\$ -	\$ -	\$ -
351-031-19	Exempt	-	10.037	-	\$ -	\$ -	\$ -	\$ -	\$ -
351-031-20	Planned Residential Development	64	32.236	64.00	\$ 25,301.76	\$ 4,039.68	\$ 107.52	\$ 478.72	<b>\$29,927.68</b>
351-031-21	Planned Residential Development	10	12.771	10.00	\$ 3,953.40	\$ 631.20	\$ 16.80	\$ 74.80	<b>\$ 4,676.20</b>
	<b>Totals</b>	<b>74</b>	<b>84.761</b>	<b>74.00</b>	<b>\$ 29,255.16</b>	<b>\$ 4,670.88</b>	<b>\$ 124.32</b>	<b>\$ 553.52</b>	<b>\$ 34,603.88</b>

## Part V — Annexation Diagrams

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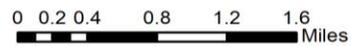
As of the writing of this Report, excluding the proposed Annexation Territory, the boundaries of the Yorba Linda Street Lighting and Landscaping Maintenance District consists of all lots or parcels of land within the City of Yorba Linda and the boundaries of the District are coterminous with the City boundaries. Upon successful annexation of the Annexation Territory, the District boundaries will once again be coterminous with the City boundaries. The following section contains diagrams that show the proposed Annexation Territory in reference to the Arterial Lighting Zone, the Arterial Landscaping Zone A-3 and the associated landscape improvement areas, the Traffic Signal Zones (specifically Zone TS-2), and Local Landscaping Zone L-2K and the location of the associated landscape improvement areas for which properties within the Annexation Territory are being balloted for new/increased special benefit assessment to support the ongoing annual expenses associated with the maintenance and operation of the improvements proposed to be maintained.

The parcels within the Annexation Territory consist of all lots, parcels and subdivisions of land identified as Tract 17341, known as the Cielo Vista Development as depicted by these diagrams. The Annexation Territory consists of 84.761 acres of land currently comprised of Assessor Parcel Numbers 351-031-18, 351-031-19, 351-031-20, and 351-031-21 which will be subdivided into seventy-four (74) single-family residential lots and shall ultimately consist and be dictated by the lines and dimensions of those lots, parcels and subdivisions of land shown on the Orange County Assessor's parcel maps for fiscal year 2022/2023 and by reference the Orange County Assessor's parcel maps are incorporated herein and made part of this Report.

## Annexation Diagram — Arterial Lighting Zone

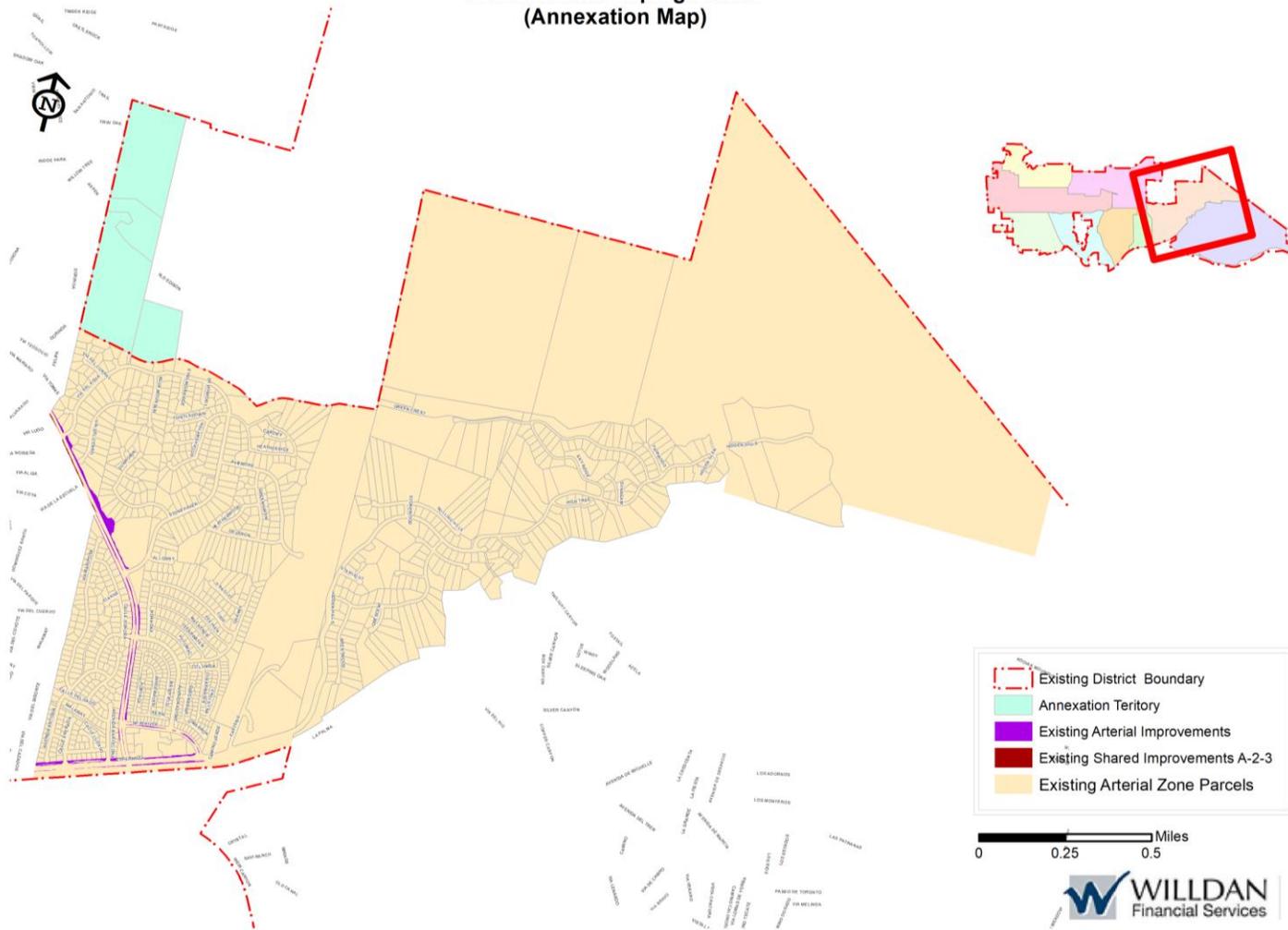


### City of Yorba Linda Arterial Street Lighting Zone (Annexation Map)



## Annexation Diagram — Arterial Landscaping Zone A-3

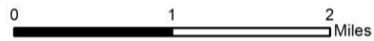
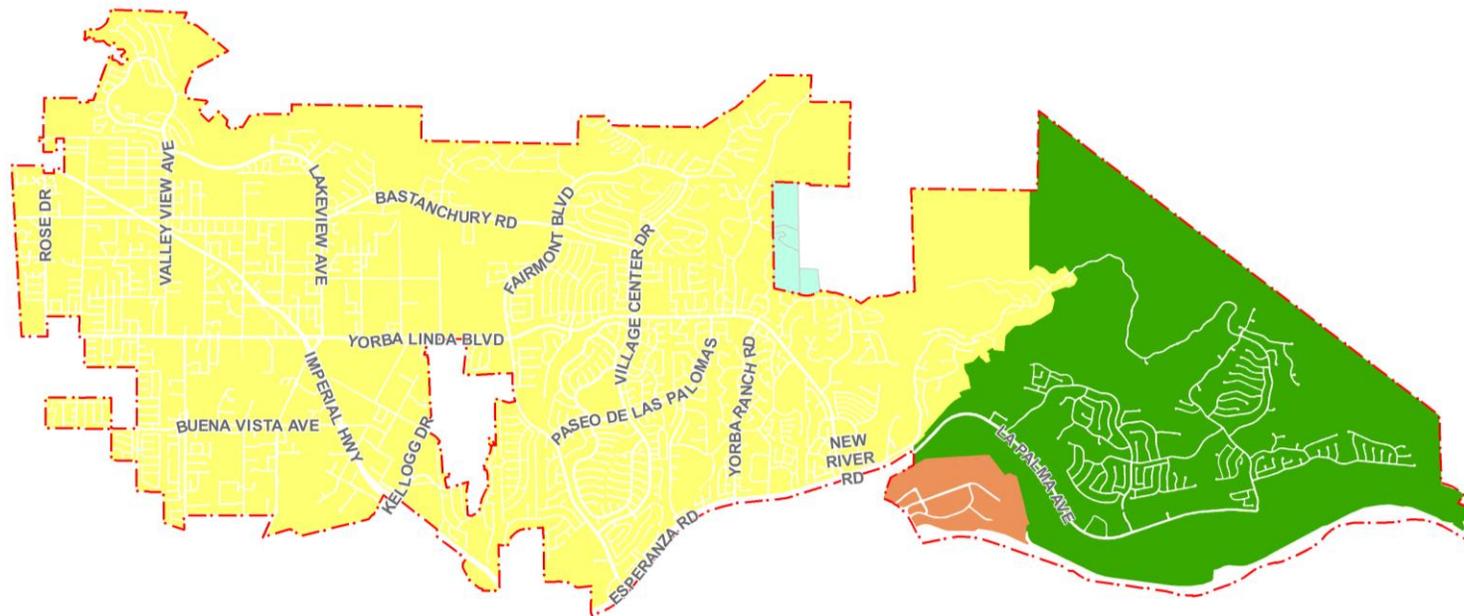
### City of Yorba Linda Arterial Landscaping Zone 3 (Annexation Map)



## Annexation Diagram — Traffic Signal Zone TS-2



City of Yorba Linda  
Traffic Signal Zones  
(Annexation Map)



# Annexation Diagram — Local Landscaping Zone L-2K

