Greenwich Village North Underground Utility Assessment District
FAQ

Q: What is the Greenwich Village Underground Association?

The Greenwich Village Underground Association (GVUA) is a neighborhood organization formed by property owners within the Greenwich Village neighborhood boundaries with the goal of forming an assessment district to remove the utility poles and underground the utility wires along a portion of Hermosa Ave. While two of the property owners within the district boundaries have been working with the City as the proponents for the assessment district, the GVUA is not governed by the City. The GVUA has been acting as the point of contact with the City and took the lead in paying a deposit so the City could obtain the services of the assessment engineer, a necessary step in determining the costs of establishing the assessment district.

Southern California Edison (SCE) is the lead for the design and construction project as it is the owner of the utility poles and wires. Currently, Frontier and Crown Castle also have wires that utilize the SCE poles thus they are also involved in this process. Because the poles and wires reside within the City's right-of-way, the City is working directly with these utility companies to obtain cost and other information needed to establish the assessment district.

It is common practice for a neighborhood to have one or two proponents take the lead in engaging with a local agency to move through the steps in determining if there is enough interest in creating a utility undergrounding assessment district.

Q: What outreach was done?

This is a neighborhood led initiative. It is entirely up to the proponents to not only gather support, but provide the documentation necessary to move forward, which includes coordination with residents in the proposed district. Until the assessment notices and ballots are mailed to the property owners, information dissemination related to the district primarily comes from the proponents (the property owners who initiated the process with the City and operate as liaisons for the district). According to the proponents, for the past 5+ years, they have engaged with property owners both within the neighborhood as well as those who may live elsewhere, and made numerous attempts to get petitions signed by property owners in the district.

The City is only legally required to give notice once the public hearing is set. The City mailed a combined notice and ballot to all property owners of record on August 14th, 2020, more than 45 days before the public hearing. These notices/ballots informed the property owners of the balloting process, their assessment amounts, and all other legally

required information. The City also held a public information meeting for residents in the proposed district on September 10, 2020, and the video of that meeting can be found on the City's website.

Q: How were petitions collected?

This effort is led by the property owners in order to demonstrate to the City that at least 60% of the property owners are interested in forming an assessment district. According to the district proponents, the petitions were distributed to the property owners by various methods and on multiple occasions, including door to door, e-mails, as well as banners and signs posted in the neighborhood. Outreach efforts by the proponents began in 2014 and have continued.

Q: What were the petition(s) for? What did signing a petition authorize?

The petitions are collected by the proponents to demonstrate to the City that there is enough neighborhood support to continue the administrative processes to form the district. They are simply a "show of interest" and do not bind the property owner to voting in favor of the district.

The proponents obtained signed petitions from more than 60% of property owners, which were provided to the City to show the City Council that adequate support for the district existed. Based on this support, the City Council directed the Assessment Engineer to prepare the Preliminary Engineer's Report, in which the assessment spread is determined. The petition does NOT authorize or approve any construction work.

Q: Why are the two poles to the north (near Hermosa Ave & 35th St) excluded from the district?

The two poles at the north end of Hermosa Avenue were excluded from the district because a resident in that area initiated a separate process with Southern California Edison to underground those poles privately.

Q: What is the legal process for forming an assessment district per state law?

Under the *Municipal Improvement Act of 1913*, a Resolution of Intention is passed by the legislative body, declaring its intention to order improvements, describing the improvements, specifying boundaries of the proposed assessment district, providing for the issuance of bonds, and declaring its intention to levy an assessment.

The Resolution of Intention also directs the assessment engineer to make and file the Preliminary Engineer's Report, which contains the following information: plans and specifications, an estimate of the cost of improvements, a map showing the boundaries of the district and parcels within, the total proposed assessment in proportion to the estimated benefits received by each property, and the proposed maximum assessment upon each parcel in the proposed district. The Preliminary Engineer's Report is prepared

in order to comply with *Article XIII D of the California Constitution (Prop 218)*, which requires an agency that proposes to levy an assessment must identify all parcels that will have a special benefit conferred upon them and an assessment imposed. The proportion of special benefit received is determined in relation to the entire cost of the improvement project. Assessments cannot be imposed that exceed the reasonable proportional special benefit conferred on that property. Only special benefits are assessable.

When the Preliminary Engineer's Report is completed, it is filed with the City and presented to the City Council for consideration, and if approved, the City Council passes a resolution setting the time and place for public hearing, and directs the assessment notices and ballots to be mailed to the property owners in the district.

The public hearing is conducted at least 45 days after the notices/ballots are mailed. At the public hearing the City Council will consider all protests against the proposed assessment and, after the close of the hearing, tabulate the ballots.

The district cannot be formed, and the assessment cannot be imposed, if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with each ballot weighted according to the dollar amount of the proposed assessment on property to which that ballot relates.

If the ballot process is in favor, the City Council has the option to adopt a resolution confirming the assessment and the Engineer's Report, declaring the district to be formed, and ordering the utility undergrounding project to be made.

Q: What is the Preliminary / Final Engineer's Report?

The Engineer's Report is a document required under Article XIII D of the California Constitution. The purpose of the report is to support all assessments to be imposed if the district is successfully formed. The report must be prepared by a registered professional engineer certified by the State of California. For the Greenwich Village North UUAD, the City appointed an outside engineer with 30+ years of experience in assessment engineering to complete this report.

The Preliminary Engineer's Report is the first completed report submitted to Council for preliminary approval, for the purposes of proceeding with the balloting process.

The Final Engineer's Report is the final report that is approved by Council if the district is formed. The Final Engineer's Report may include additional clarifications from the Preliminary Report. With the approval of the Engineer's Report, the assessment spread is approved, and assessments will be recorded.

Q: What is a special benefit?

The following is the legal definition of "special benefit" as described in Article XIII D, Section 2 of the California Constitution:

"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."

The proposed replacement of existing overhead utility facilities(power, telephone and cable facilities) with underground facilities and removal of the existing utility poles and the overhead wires will provide a special benefit to the parcels connected to and adjacent to, or in near proximity to, the facilities as follows:

- Aesthetics
- Safety
- Reliability

By virtue of such special benefits, the proposed improvements will provide a higher level of service, increase the desirability of the properties and will specifically enhance the values of the properties within the Assessment District. Therefore, the proposed improvements are of direct and special benefit to these properties.

Upon the conclusion of the public hearing, the City Council must make the final determination whether or not the assessment spread has been made in direct proportion to the special benefits received by each parcel within the Assessment District.

Q: How were the assessments determined?

The more a property is developed, the more it benefits from the proposed improvements. Most of properties within this Assessment District are zoned residential and some have one or two dwelling units on them. There is a direct correlation between the size of a property and the extent to which a property may develop. Because parcel size is one of the main limiting factors for what can be built on a property, or the extent the property is developed, the size of each parcel is used as the base unit for measuring benefit.

The special benefits from the undergrounding of overhead utilities are categorized into three (3) distinct special benefits: aesthetics, safety, and reliability. All parcels have an aesthetics benefit. Parcels on the east side of Hermosa Avenue receive a greater aesthetics benefit than the parcels on the west side of Hermosa Avenue by observation in the field and because the removal of overhead wires and utilities has a greater beneficial impact on these parcels as they front these parcels. Parcels on the west side receive an aesthetics benefit as described earlier, as the poles, wires, and guy wires are located adjacent and in proximity to the entrances of these properties. The parcels on the west side receive a safety benefit and a reliability benefit, because overhead wires and utility poles are adjacent to, or are in close proximity to, these parcels and because they also connect to the new system. The east side parcels do not receive a safety benefit, as the poles, wires, and guy wires are not adjacent or in close proximity to the east side

properties. The eastside parcels do not receive a reliability benefit, as they do not connect to the facilities to be undergrounded.

Benefit Table

Benefit	West Side [1]	East Side[2]	Parcels with special consideration on the East Side [3]
Aesthetics	1	3	1.5
Safety	1	0	0
Reliability*	1	0	0
Sum	3	3	1.5

[1] Assessment Nos. 1-51

[2] Assessment Nos. 52-101 (Nos. 61 and 63 not used)

[3] Assessment Nos. 57, 64, 80, 81, 82, and 92

* Undergrounding design has not been completed. It is anticipated that only the west side parcels will connect.

It is the opinion of the Assessment Engineer that the benefits on the west side and the east side of Hermosa Avenue are approximately equal in total, as shown in the Benefit Factor Table above. The assessed benefit area for each parcel in the district is equal to the sum of the area for each parcel multiplied by the benefit factor for each parcel, and then divided by 3. The assessment for each parcel is determined by the ratio of the individual assessed benefit area to the total assessed benefit area multiplied by the total assessment for the district.

Q: How do underground utilities improve safety and reliability?

According to the California Public Utilities Commission, "[c]onverting powerlines to underground can eliminate safety issues that arise from vehicles crashing into poles or from vegetation igniting fire when contacting the overhead conductors. Infrastructure that is converted underground is also more reliable than overhead infrastructure. For example, it is less vulnerable to high winds brought about by Santa Ana winds, hurricanes and winter storms that can damage the poles and wires." Due to the density of houses in the area, the negative effects of falling lines and poles are more widespread including blocked driveways and alleys, and property damage due to impact. Reliability is also enhanced because all new wires and equipment will be installed. (sources: CPUC, Preliminary Engineer's Report)

Q: Why is the balloting process happening now?

The proponents of this district have been working towards this vote for the past 5+ years. With all the necessary pieces completed, they requested that the balloting process move forward.

Q: If approved, when will construction begin?

Construction will not begin until the design is complete. Design will begin after the district is approved and the utility companies receive payment for design. Southern California Edison takes the lead on design and typically takes 18-24 months to finalize the plans.

Q: If the final cost of construction is under the amount assessed in the district, what happens to the excess amount?

The total assessment amount was based on preliminary estimates by Southern California Edison, Frontier and Crown Castle for the total project. Note that these are preliminary estimates for construction that will be refined upon design completion. The bonds will not be sold until the final cost estimates for construction are known. If the construction costs (plus all other incidental costs) come in below the total amount assessed for the district, the assessment amounts per parcel will be adjusted proportionally to account for the difference.

The Assessment Engineer is required to use a conservative estimate of the total project cost, including a contingency, with the intent that the assessments are sufficient to cover the entire cost of the project. If the design and construction costs are lower than the estimates and total assessment amount contained in the engineer's report, those actual costs will be used as the basis for the annual assessment levies. If actual design costs and construction bids are higher than these estimates and the final approved assessment amount, the property owners would be responsible for paying those additional costs, which may require either a cash contribution from the property owners or a supplemental assessment that would need to be approved by the property owners through a second assessment ballot process.

Q: How will driveway access be impeded during construction? For how long?

If approved, this construction project will cause a number of disruptions to residents of the district. During the City allowed working hours of 8:00 am to 6:00 pm Monday through Friday, residents will encounter noise from equipment operations, vehicle traffic, limited street thru access and some road closures along with other possible disturbances.

When construction begins near your home, you will typically have limited or no access to your driveway/garage intermittently for a 4-6 week period during the City allowed working hours. This duration is due to the number of construction stages occurring (i.e.,

cutting, digging, installing, backfilling and paving). When this occurs, you will be encouraged to make alternative parking arrangements to meet your daily schedule and needs. Notifications of upcoming construction will be distributed to the residents and efforts will be made to phase the work to minimize any disruptions of access to properties.