
ASSESSMENT REPORT

for

**Slope Stability Improvements
Within the Landslide Area
In Unincorporated La Honda Area
of San Mateo County**

TABLE OF CONTENTS

INTRODUCTION: History and Purpose of Work	1
SECTION 1: SCOPE OF WORK.....	3
SECTION 2: ASSESSMENT DISTRICT	4
Assessment District Limits	
Basis of Assessment	
Method of Distribution	
Basis for Determining the Approval Rate in a Proposition 218 Election	
SECTION 3: CALCULATION OF PROPOSED ASSESSMENTS	
Calculation of Proposed Assessments	6
SECTION 4: SUMMARY OF ASSESSMENTS	7

APPENDICES

APPENDIX A.....	A-1
Assessment District Boundary Map	
APPENDIX B	B-1
Itemized Breakdown of Project Cost	
APPENDIX C	C-1
Spreadsheet for Determining Proposed Assessments	
APPENDIX D.....	D-1
Assessments by Assessor’s Parcel Number	

INTRODUCTION

History and Purpose of Work

In 1998, in the unincorporated area of La Honda, two landslides occurred within close proximity of each other. One of the slides resulted in additional damage to the lower portion of Recreation Drive, and the other slide, located upslope from the first, damaged a portion of lower Scenic Drive.

The upper landslide affected the public roadway, water lines, vacant properties and eight single-family homes and their associated septic systems. A local disaster was declared and pursuant to FEMA's Hazard Mitigation Grant Program, ten separate parcels owned by the displaced residents were acquired by the County using the FEMA funds, and dedicated to open space. The County hired UPP Geotechnology, Inc. to investigate the landslide and to generate alternatives in addressing the slope instability and in reestablishing access along the portion of Scenic Drive that was damaged by the upper of the two landslides.

The UPP report presented a number of options for dealing with the slope and identified associated risks with each of the options. Upon review of the various repair alternatives, San Mateo County determined that the most appropriate mitigation measure was the establishment of a dewatering system, consisting of a network of wells; the regrading of the distorted slopes to allow for surface runoff; and the reconstruction of the damaged portion of lower Scenic Drive.

Lower Recreation Drive, which was previously damaged in 1996 and had not been accessible since that time, remained in a damaged non-accessible state.

Heavy winter rains in 2005 reinitiated landslide movement in the immediate vicinity of lower Scenic Drive. Lower Scenic Drive was once again displaced by landslide movement and, over the course of the following two years, significant movement resulted in a much larger landslide mass which currently encompasses all of the 1998 landslides and significantly larger areas both above and below these landslides. The segment of Scenic Drive located above the failure (Upper Scenic) is now located very near the uppermost limits of the visible slide, and tension cracks have developed in the road indicating that additional expansion of the slide would have a direct impact on this segment of road.

San Mateo County again contracted with UPP Geotechnology in order to reevaluate the lower Scenic Drive segment of the landslide and with Parikh Consultants in order to geotechnically evaluate the upper segments of the slide and to provide recommendations on possible remedial measures that could stabilize the slope failures and thus provide support for road reconstruction. San Mateo County also contracted with Soil Engineering Construction (hereinafter called "SEC"), an Engineering contractor, in order to develop further strategies for addressing the

large-scale slope failures that need to be mitigated or eliminated in order to protect and/or restore threatened or damaged segments of the road.

SEC has developed a repair scheme, which could address individual segments of the landslide or, if done in tandem, stabilize nearly the entire 2005 failure, and provide adequate support for the reconstruction of lower Scenic Drive. Parikh Consultants and Upp Geotechnology have confirmed that SEC's repair scheme summarized in this document is feasible. However, Parikh Consultants has stated that the construction of the upper wall would have to be a "design-build", which would involve finalizing appropriate engineering parameters and dimensions for the repair components in the field. The improvements and assessment district are being proposed pursuant to the Municipal Improvement Act of 1913 and are intended to provide funding to complete all segments of the road reconstruction and landslide mitigation plan. The proposed improvements are necessary and convenient for the reconstruction of lower Scenic Drive.

The total cost of construction, including design, management and contingency, is estimated to be approximately \$6,122,500. The Board of Supervisors has considered contributing a total of up to \$3,000,000 for completing the proposed improvements, with the remaining \$3,122,500 to be funded by the impacted community through the assessment district. The Assessment District, which includes County-owned parcels for which the County will pay an assessment, is intended to fund \$3,240,265.92 of the costs for constructing the improvements.

Proposition 218 was passed by the voters in November 1996, amending the State Constitution and revising procedures that local governments must follow in assessing for improvements. The implementation of Proposition 218 requires that public agencies conduct a special election prior to forming an assessment district for roadway and/or drainage improvements, including the specifics by which property owners' votes are weighted. The special election needs to be held in order to determine if there is enough opposition (i.e., ballots in opposition exceed the ballots in favor) to prevent the imposition of the assessment.

SCOPE OF WORK

SEC's proposed repair schemes are designed to support the reconstruction of lower Scenic Drive by addressing the head scarp near upper Scenic Drive, the mid-section of the active slide area, and the area of the active slide near Recreation Drive. The work will be performed in stages beginning at the headscarp near upper Scenic Drive, and proceeding down slope towards Recreation Drive. The first phase of the project is the construction of two shotcrete walls with tie-back anchors. The first wall will be approximately 180 feet long and 46 feet high. The second wall will be approximately 105 feet long and 20 feet high.

The second phase of construction repairs is the installation of reinforced concrete piers along the mid-section of the active slide area (immediately down slope of the area where lower Scenic Drive will be reconstructed) and a subdrain line that will collect subsurface water from the upper portion of the slide area and redirect it down Scenic Drive and towards Cuesta Real.

The third phase of repairs is the installation of an additional set of reinforced concrete piers near the damaged portion of Recreation Drive, final rough grading (to ensure positive drainage) and the reconstruction of the damaged portion of Scenic Drive. The Scenic Drive reconstruction will be performed through a separate contract awarded by through the regular bidding process.

Should the total available funds prove insufficient to complete all of the intended improvements, those improvements not essential and required to restore lower Scenic Drive will be re-engineered in order to ensure that reconstruction of lower Scenic Drive with the available funds.

ASSESSMENT DISTRICT

Assessment District Limits

The limits of the Assessment District generally include the unincorporated area of the La Honda Subdivision east of Highway 84. A map of the District boundary titled “PROPOSED BOUNDARIES OF LA HONDA LANDSLIDE ASSESSMENT DISTRICT, SAN MATEO COUNTY, CALIFORNIA” can be found in Appendix A of this report.

Basis of Assessment

Assessments levied on the tax assessment parcels (“parcels”) within the assessment district boundary are based on the roadway reconstruction and improvements, and slide stabilization work that enures to the benefit of all of the parcels within the assessment district boundaries. As a whole, the assessments are a reflection of the impact of transportation circulation to the entire community. Everyone benefits when access and roads are open and residents and visitors need not crowd alternative roads or routes. If no improvements are made and upper Scenic Drive is required to be closed due to the advancement of the slide upslope beyond the current headscarp location, traffic and traffic movement throughout the entire assessment district will be adversely impacted. Even those residents who may not be required to deviate from their primary access routes will be impacted by the additional traffic being diverted onto their routes if lower Scenic Drive is not reconstructed and additional roadway closures are required. Those parcels closest to the physical location of the improvements (the “Inner Area Parcels”) gain an incidental additional benefit to the extent that the associated land and roadway stabilization work and improvements help to stabilize those properties.

Method of Distribution

In order to allocate the assessments in proportion to the beneficial impacts received, the assessment district was divided into two subareas: the General Area (Zone 1) and the Inner Area (Zone 2). There are 23 parcels, including ten (10) County owned parcels, within Zone 2. Zone 2 parcels are either: i) physically within the currently active landslide area or ii) immediately at risk of being within the currently active landslide area should the headscarp continue to migrate; or iii) the site where a planned slope stabilization improvement will be physically located. There are 532 parcels within Zone 1, including one (1) County-owned parcel.

The location of the Zones and the parcels within the Zones are as shown in Appendix A of this report. Each parcel in Zone 1 is equally assessed. The 532 Zone 1 parcels are assessed a total of \$2,982,297.73, which sum represents 92% of the total assessment of \$3,240,265.92, and 48.7%

of the total estimated cost of the improvements. Each parcel in Zone 2 is equally assessed at a rate which is double that of Zone 1. The 23 Zone 2 parcels are assessed a total of \$257,968.19, which sum represents 8% of the total assessment of \$3,240,265.92, and 4.2% of the total cost of the improvements.

Tables of proposed assessments to each parcel can be found in the section of this report entitled “Summary of Assessment Cost.”

Basis for Determining the Approval Rate in a Proposition 218 Election

Sections 53750, et. seq., of the Government Code, were promulgated to implement the changes in the State Constitution as approved by the voters with the passage of Proposition 218 and require a public hearing and a ballot on any new assessment with each vote weighted in proportion to the financial obligation of the property owner (e.g., a property owner with an assessment of \$1,000 has twice the weighted vote of a property owner with a \$500 assessment). Each parcel has a vote based on that single weighting factor – nothing else. County-owned parcels, or Guild-owned parcels are not exempted or given any greater weight.

Whether or not the project will go forward will depend on the result of the vote of those within the assessment district’s boundary that exercise their right to vote. All parcel owners on a particular street may be completely in favor of the assessment district, but the district would not go forward if a majority of the total weighted votes actually cast are cast in opposition. Conversely, all of the parcel owners on a particular street may be against the project, but the assessment district and the assessment of their parcels could still be approved and go forward if more than 50% of the total weighted vote is not in opposition.

Method of Balloting

The prescribed method for the property owner balloting involves sending a written notice to the property owners, including an official ballot indicating the date, time, and location of a public hearing at which time the San Mateo County Board of Supervisors will consider all written or oral objections, if any, to the creation of the assessment district or the proposed assessments. Assessment ballots may be submitted until the close of the public hearing; or the ballot may be changed or withdrawn by the person who submitted the ballot until the close of the public hearing. A valid identification with picture (such as a driver’s license) is required for changing a ballot that has been previously submitted prior to the public hearing.

CALCULATION OF PROPOSED ASSESSMENTS

A spreadsheet summarizing the various costs associated with the mitigation measures and the development of the assessment district can be found in Appendix B of this report. A spreadsheet created to determine proposed assessments can be found in Appendix C of this report.

The section of this report entitled “Summary of Assessments,” presents this data in a simpler format with respect to the individual property assessments. A list of the assessments by Assessor’s Parcel Number can be found in Appendix D.

Calculation of Proposed Assessments

1. Assessments are based on the total project costs less the \$2,882,234.08 to be contributed by the County “in addition to” the County’s assessment as a parcel owner within the assessment district.
2. Each parcel in a Zone is assessed equally, regardless of size, whether improved or unimproved, vacant or occupied, one owner or multiple owners. The assessment does not vary or adjust for a parcel because it has multiple owners, nor because it is one of multiple parcels with one owner.
3. The cost is shared equally on a per parcel basis. For example, a property owner who owns two (2) parcels in Zone 1, will pay twice as much as a property owner who owns only one (1) parcel in Zone 1.
4. The annual assessment amount includes a \$1.25 per parcel handling fee, which the County of San Mateo Controller charges for placing the Assessment on the tax bill.
5. Annual assessments will be based on repayment of the total assessment amount over a fifteen (15) year period at five percent (5%) interest. The total assessment for any parcel may be paid at any time, there will be no pre-payment penalty.
6. Each of the 23 parcels within Zone 2 will have an assessment per parcel that is twice as much as the assessment on the 532 parcels in Zone 1.
7. The County has proposed contributing up to \$3,000,000, including any assessment, towards the cost of the proposed improvements. The County owns ten (10) parcels within Zone 2 and one (1) parcel within Zone 1. The assessments for each of the ten (10) County-owned Zone 2 parcels is the same as each of the other 13 Zone 2 parcels. Similarly, the assessment for the one (1) County parcel in Zone 1 is the same assessment

as every other parcel in Zone 1.

8. The proposed additional County contribution of \$2,882,234.08 will be expended as a “match” to the \$3,240,265.92 assessment district total in the ratio represented by those totals. Accordingly, for every \$612.25 spent on the Improvements, \$324.03 will be assessment district funds and \$288.22 shall be County “matching” funds. This means that for every \$1000 spent, approximately \$470 would come from the County’s additional contribution and \$530 would come from the assessment district.

SUMMARY OF ASSESSMENTS

Proposition 218 requires that the amount of the proposed assessment for each identified parcel be calculated and the record owner of each parcel be given written notice of the following items:

1. the proposed assessment;
2. the total charge thereof chargeable to the entire district;
3. the amount chargeable to the owner's particular parcel;
4. the duration of payments;
5. the reason for the assessment; and
6. the basis upon which the amount of the proposed assessment was calculated.

These items are all addressed in the body of this report or in the Appendixes hereto.

The total cost of the slope stabilization project is estimated to be \$6,122,500. This total project cost includes design, construction, property/easement acquisition, project management, the tax collection-handling fee and miscellaneous contingencies. The Board of Supervisors is apparently prepared to have the County contribute up to \$3,000,000, including any assessments, to complete the Improvements. Accordingly, the proposed assessment district would provide \$3,240,265.92 (which would include \$117,765.92 in assessments against the County for the parcels that it owns within the District) and the County would provide an additional \$2,882,234.08.

The annualized assessments shown in the following table were calculated using the Capital Recovery Formula:

$$A = \text{Annual Assessment} = P [i (1+i)^N] / [(1+i)^N - 1]$$

where, P = Present Value of Total Property Owner Assessment per Parcel
 i = Interest Compounded Annually = 5%
 N = Total Number of Interest Periods = 15 years

Assessment Zone	Total Assessment (per Zone)	Total Assessment (per parcel)	Annualized Assessments 15 Years @ 5% Interest (per parcel)
Zone 2	\$257,968.19	\$11,216.01	\$1,080.10
Zone 1	\$2,982,297.73	\$5,605.82	\$540.06

APPENDIX A

Assessment District Boundary Map

APPENDIX B

Itemized Breakdown of Project Cost

APPENDIX C

Spreadsheet for Determining Proposed Assessments

APPENDIX D

Assessment by Assessor's Parcel Number