



January 24, 2022

Board of Directors
Dogpatch & NW Potrero Hill Green Benefit District
1459 18th St.
San Francisco CA 94107

RE: GBD Amended Services

Dear Board of Directors,

Since the formation of the Dogpatch/NW Potrero Hill GBD in 2015, the GBD services as outlined in the Management District Plan (“MDP”) need to be adjusted to reflect the actual needs of the district. Originally the MDP allocated funds to both Maintenance and Capital Improvements, which was sufficient for the first couple years. However, since then the need for additional Maintenance and less Capital Improvements became clear. Moving forward the district would like to allocate some of the funds allocated to Capital Improvements to Maintenance. In order to so and not violate the assessment methodology, the district asked the assessment engineer to determine if moving the funds was still in the purview of the benefit analysis and assessment methodology calculation.

Assessment Methodology

As outlined in the Engineer’s Report (“ER”), dated March 2015, the assessment methodology calculated the assessment rates based on an analysis of the proposed budget and the assessable building or lot square footage for each parcel. On Page 24 of the ER, it states “To calculate the standard assessment rate per assessable square foot, the total estimated budget, less general benefits, is divided by the total assessable square footage.” The assessment rate calculation did not differentiate between each of the GBD services but rather was a calculation of the entire GBD budget divided by the assessable square footage. What this indicates is that the assessment rate was the same for both the Maintenance and the Capital Improvements.

General Benefit Analysis

In addition to the assessment methodology, the ER analyzed to what degree the GBD services provided a general benefit to the public at large, page 20 of the ER, – “people who walk through the neighborhood and visit its homes, businesses, and parks, but who do not live or work regularly in the District. They are not specially benefitted by the District’s activities, and thus they do not



pay special assessments.” To determine what percentage of the GBD services may be general in nature, the Formation Committee distributed online and paper versions of a Green Spaces Survey, asking neighbors to share how they use green space in the neighborhood, as well as their opinions and priorities for potential services of the GBD and whether they lived and/or worked within the GBD boundary. The conclusion found 6.79% of those surveyed were people who lived outside the proposed District and indicated that they use spaces within the GBD. Therefore, for purposes of quantifying the general benefit to the public at large, a 6.79% general benefit factor was used for both the Maintenance and Capital Improvements.

Conclusion

Based on the fact that both the assessment methodology and the general benefit analysis did not differentiate between the Maintenance services or Capital Improvements, it is reasonable to conclude that shifting funds from Capital Improvements to Maintenance does not violate the integrity of the assessment methodology or the assessment rates.

Sincerely,

A handwritten signature in blue ink that reads "Terrance E Lowell".

Terry Lowell, P.E.
Assessment Engineer