

Assessment Deferment Program

On August 6, 2019, the City Council approved the creation of an Assessment Deferment Program (ADP) to provide financial assistance to help property owners with limited income cover the cost of utility undergrounding on their primary residence upon formation of a UUAD. The program allows qualifying property owners to defer all or a portion of their annual debt service assessments through a loan provided by the City at a fixed interest rate determined at the time the project commences. As part of the program, the cost associated with set up fees and lateral connections may be included as part of a qualified ADP loan. The amount loaned by the City will accrue interest until it is repaid.

Qualified property owners can opt to have the City assist with paying the annual property assessment amount due as a loan secured by the property, allowing participants to defer full assessment payments until either the assessment obligation is met or until the sale or transfer of the property occurs. In the case that the property is sold or transferred, the *remainder of the assessment plus any interest accrued* will be due and payable.

In order to qualify for the program, property owners are required to fill out an application and provide information about their age, income and assets so that the City may determine eligibility for the program. An applicant's income level is utilized to determine the level of support the City will provide.

Questions?

For more information about the Assessment Deferment Program, please contact us at

(310) 802-5550

or

FinanceADP@citymb.info

Additional information can be found on the City's website.

City of Manhattan Beach



City Hall

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Assessment Deferment Program

provided through the
Finance Department
in the
City of
Manhattan Beach



for
Underground Utility Assessment Districts
administered by
Public Works Department

Underground Utility Assessment District

An Underground Utility Assessment District (UUAD) is an area in which all utility wires are removed from existing overhead locations and placed underground. After a UUAD is formed, the City facilitates the design, financing, construction and cabling efforts required to complete the relocation project.

For more information, please visit

www.citymb.info/uuad

How Much Will This Cost Me?

The ultimate cost of undergrounding is dependent on various factors. As part of the district formation process, the City will help estimate the potential range of assessments that might be incurred. Actual assessments will be calculated once design plans have been finalized and released for construction bidding. Following a period wherein homeowners can pay off the balance of the assessment, bonds will be issued for the remainder of the assessments where:

- A fixed interest rate will be applied
- A multi-year-bond repayment schedule will be identified
- Lateral connections (hookups from the underground utilities to the residence) are not included in the bond cost

Property owners may pay off the balance of their bond-financed assessment at any time during the repayment period with a minor pre-payment penalty. Repayment of the balance is mandatory upon sale or transfer of the property or at the end of the bond term.

Assessment Deferment Program Criteria

General Requirements

- ⇒ If the City's contribution would total less than \$250, the applicant is not eligible for the ADP.
- ⇒ The applicant may only opt-in to the program during the first 90 days following the closing of the cash collection period.

Income Tiers

Gross Income	Program	Resident Contribution as a % of Gross Income
\$0 - \$35,500	State Program ¹	N/A
\$35,501 - \$50,900	City's Assessment Deferment Program	1%
\$50,901 - \$89,000		2%
\$89,001 - \$101,800		3%
\$101,801 - \$114,600		4%
\$114,601 - \$127,300		5%

Sample Loan Calculation

Sample Gross Income	Annual Assessment: \$2,000		Annual Assessment: \$5,000	
	Resident Contribution	City's Contribution (Loan)	Resident Contribution	City's Contribution (Loan)
\$25,000 ¹	\$0	N/A	\$0	N/A
\$42,000	\$420	\$1,580	\$420	\$4,580
\$71,000	\$1,420	\$580	\$1,420	\$3,580
\$95,000	At these Income Tiers for this Annual Assessment amount, the applicant is NOT ELIGIBLE for ADP		\$2,850	\$2,150
\$108,000			\$4,320	\$680
\$121,000			NOT ELIGIBLE	

Property Requirements

In order to apply for the program:

1. The property must be owned by the applicant, spouse, registered domestic partner, or be held in a revocable trust
2. The property must be the applicant's primary residence

Applicant Conditions

In order to Qualify for the program:

- The applicant must be 62 years of age or older or disabled
- The applicant's total available assets may not exceed \$1 million²
- Existing liens on the property cannot exceed 80% of its appraised value

Once an applicant has qualified for participation in the ADP, they will not need to requalify.

¹Homeowner qualifies for the California State Property Tax Postponement Program, for more information please visit: www.sco.ca.gov

²Excludes the value of the property in question and the cash value of any life insurance policy with a death benefit to age 100 at guaranteed rates

Required Documents

- City's ADP Application
- Applicant's Most Recent Tax Return
- Authorization for Appraisal and Title
- Property Appraisal Report
- Property Title Report
- Loan Payment Election Form
- Copy of Trust Document (if applicable)
- Proof of Property Insurance

Hardship Waiver

In the event that an applicant meets the:

- General Requirements
- Income Tiers
- Property Requirements

But does not meet the:

- Applicant Conditions

the applicant may apply for a Hardship Waiver to participate in the Assessment Deferment Program.

In order to be considered for a waiver, the applicant must submit a letter to the Finance Director requesting a review by the Finance Subcommittee. The letter must indicate which of the Applicant Conditions is not met and the reason why the applicant believes they should be exempt from this condition along with a copy of the applicant's previous year's tax return and an estimate of their monthly expenses. Once eligibility is confirmed, the Finance Subcommittee will evaluate each eligible request on a case-by-case basis.