



Utility Undergrounding in Manhattan Beach

This document describes Utility Undergrounding Assessment Districts in the City of Manhattan Beach, Calif. This is informational only and is in no way intended to replace or substitute for consultation with legal counsel or for Buyer's own research and disclosure of assessments, liens, or other conditions associated with a property.

Real estate agents and brokers are not qualified to provide legal, tax or financial advice about the impacts of a Utility Undergrounding Assessment District. Buyers are urged, before signing any agreements, to consult with the City of Manhattan Beach, the Los Angeles County Assessor and their legal and financial advisors regarding such Assessment Districts.

- 1. The Utility Undergrounding Program.** The City of Manhattan Beach has implemented a program to allow the removal of overhead utility wires and place them underground at the request of local residents. Residents located in Districts who request and vote for undergrounding will assume the associated costs for this program. At the date of this writing, the City has ten proposed and approved Utility Underground Assessment Districts. At any point in the future, additional districts may be created under the process described below.
- 2. How is a home designated for undergrounding?** When 60% of homeowners in a defined neighborhood area sign a petition agreeing to undergrounding, the City will validate that request with a homeowner survey and will then establish a Proposed Utility Underground Assessment District. When a Proposed District is formed (i.e., approved by voters following CA Prop 218 procedures), the City mails a notice to property owners informing them of the creation of the assessment district and the amount due. Property owners will then have three payment options: 1) pay within 30 days of the Notice to Pay Assessment; 2) Do nothing; any unpaid assessments will be recorded as a **lien** on the property and can be paid over a period not to exceed 20 years; 3) apply to the City's Assessment Deferment Program (see below). The City will provide the County Assessor with a list of all of the unpaid assessments. The unpaid portion will be added to the Assessor's tax roll and will be billed annually with other property taxes. ***Please note that if there is no lien on the property, the assessment district may not appear on the title report. However that is not a guarantee that no financial obligation exists.***

If a buyer closes escrow on a property in which this assessment district has already been proposed for formed, that buyer cannot opt out of the undergrounding program. In the event that a property's financial obligations under the assessment district have not been fully paid at the time the property is sold, the new owner must continue to meet the financial obligation of the assessment until it is paid off. The City does not emphasize whether Buyer or the Seller should meet the assessment's obligations when the property is transferred and will not take part in negotiations between Buyer and Seller.

3. **Comprehensive research on the property is strongly recommended.** The Utility Underground Assessment District is an assessment district recorded with the County Assessor, and as such it may have a financial impact on the Buyer by way of higher property taxes, certain city deadlines for code compliance or other means. Real estate agents and brokers are not qualified to make these determinations. Regardless of where in Manhattan Beach the property is located, Buyer is advised to contact the City with the address in question in order to get complete information on the presence of an assessment district and any financial or tax obligations related thereto. *The financial or tax obligations related to utility undergrounding in Manhattan Beach may not appear on a title report, and as such the title report should not be the only source of information on the property's conditions.* Please note that only neighborhoods in the sand section and hill section of Manhattan Beach have proposed and/or formed underground districts at this time, while neighborhoods located in tree section and those east of Sepulveda Blvd. have not shown such interest. Additional information about utility undergrounding and a detailed summary of all proposed and formed districts can be found on the City's Utility Undergrounding Home Page (www.citymb.info under "What's New"). See the district map for a cursory look at the City's underground districts.
4. **What if a homeowner doesn't want undergrounding?** A homeowner may choose not to sign a petition during the petition phase if he or she is opposed to undergrounding. Before a Utility Underground Assessment District is formed and assessments levied, there will be an election among the homeowners to determine whether there is majority support for undergrounding. If the election is successful and the District is formed, everyone in the district will be assessed. The homeowner may not opt out of the program or choose to withhold associated payments to the County Assessor for the assessment as it will result in a default on property taxes. Please contact the City of Manhattan Beach or see the Web link below for specific information on the homeowners' financial obligations.
5. **What financing options are available to people on fixed incomes or at lower income levels?** The City offers an *Assessment Deferment Program* which may help certain homeowners defer all

or part of the assessment until the sale or transfer of the home, at which time the assessment plus interest accrued will be due and payable. Please see the City's Web site or contact the City for more information.

6. **Legal and financial advice.** Real estate agents and brokers are not qualified to provide legal or financial advice to Buyer or Seller on the implications of a Utility Undergrounding Assessment District. Only a lawyer or qualified financial planner can advise on such matters. *Before signing any agreements, Buyer should consult with the City of Manhattan Beach to determine whether the property lies in an assessment district and subsequently determine what, if any, financial obligation exists under this assessment.*

Where can I get more information?

City of Manhattan Beach

General Information

Phone: (310)802-5000

<http://www.citymb.info/>

Undergrounding Program, Department of Public Works

Contact: Stephanie Katsouleas at (310) 802-5368 or skatsouleas@citymb.info

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