

Policy Number: 24.4 Pavement Management System Self-Assessment Practices Manual	Subject: Directed Special Assessments for Road Improvements
Revised: N/A Issued: 4/27/15	Page: 1 of 2
Intent: Establish a policy and procedure for submitting a directed road improvement special assessment district project to City Council.	
Applies to: All divisions of the Public Services Department (DPS) Employees.	

I. Objective

Current City Charter, Ordinances and Policies prescribe a special assessment district (SAD) process for improvements/reconstruction of neighborhood streets. In the past, SADs have been brought to City Council based on a neighborhood petitioning process. However, in instances where road conditions have become seriously degraded and become an issue of safety and overall community appearance, it may become necessary for City Council to initiate a road reconstruction project without a petition. The objective of this policy is to establish a process for DPS staff to evaluate and recommend a directed road reconstruction SAD to the City Manager and City Council

II. Procedures Relating to Directed Road Improvement SAD's for Local and Non-Residential

1. The DPS shall update the City's road pavement condition assessment on at least a bi-annual basis (every other year).
 2. Based on the pavement condition assessment, roads with an average PASER rating (or equivalent) of a 2.75 or less, within a district to be defined by the DPS Director, are considered to be beyond their useful lives, in very poor condition, a public health and safety deficiency, a detriment to the community at large, and in need of reconstruction. The boundary of the district shall be determined by considering recognized neighborhoods in terms of commonality in the age of the existing roads, economics of the improvement project, and the reasonableness of providing the improvement.
 3. The DPS shall develop cost estimates for the reconstruction of the local and non-residential roads in such defined districts, as well as the estimated cost for each property within the districts.
 4. The DPS will then review and prioritize these districts, placing them into a 5 year local road capital improvement plan (CIP).
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5. The City Manager shall direct staff to proceed with submitting the road improvement special assessment district projects to City Council based on the prioritization and projects listed in the local road CIP, such that Council can then consider proceeding with initiation of the project and special assessment in the manner provided under the City Charter and Code of Ordinances.
 6. Owners within these project areas will be notified, in writing, about their road conditions and provided with information on the City's special assessment process, public hearings, and how payments can be spread over several years as determined.
 7. Deferments, special considerations and/or financing may be available under State laws or the City Charter for those that meet income eligibility requirements.
 8. The plans and specifications prepared by the DPS for Directed Road Improvement SADs shall provide for the road to be constructed with the most cost effective and durable cross-section, as determined by the Director of DPS, to achieve a minimum 20 year design life.
 9. When a district reaches a PASER rating of 4 or less, the property owners in the district will be notified in writing by City staff. This policy does not preclude residents from utilizing the process of submitting petitions to City Council for an SAD for reconstruction of their roads other capital pavement preservation practice, as appropriate for the pavement condition and as approved by the Director of Public Services in their neighborhood.
 10. The determination of the units of benefit, no less than 1 and no more than 1.3, shall be calculated by the City Assessor utilizing the Assessment Formula Policy for Residential and Non-Residential Road Improvements, as adopted by City Council on April 27, 2015.
 11. Special assessment deferments shall be determined on a case by case basis, after application to the State of Michigan has been made. The City's Finance Director, according to the City of Farmington Hills Application for Special Assessment Deferment, would then make a recommendation to City Council for consideration.
 12. City Council shall determine, based on city staff recommendation, the length of repayment term for the special assessment.

**CITY OF FARMINGTON HILLS
ASSESSMENT FORMULA POLICY FOR
RESIDENTIAL AND NON-RESIDENTIAL ROAD
IMPROVEMENTS**

A determination is made as to the number of homesites in a given special assessment district. The average homesite size in the district is determined by dividing the total abutting roadway footage by the total number of homesites in the district. The units of benefit are derived for each homesite by utilizing the Declining Rate Formula. The rationale behind the Declining Rate Formula is that as the frontage of a homesite increases beyond a certain point, the amount of benefit received increases, but at a lesser rate.

The methodology we are using was developed by the Oakland County Road Commission and is used consistently on Road Commission assessment Projects for all local roads within the County. It has been upheld in the courts in the past as an equitable way of assessment. Each homesite will receive somewhere between 1.00 units and 1.30 units of benefit, with the majority receiving 1.00 unit of benefit.

There are three (3) special conditions for homesites which abut a roadway or roadways on more than one property line.

1. Condition – A homesite which abuts two local roadways, both of which are to be improved.

Procedure – The homesite is assessed by applying the total abutting footage to the improvement, to the Declining Rate Formula. **The maximum unit benefit to the property for both roadways is 1.30.**

2. A homesite which abuts two local roadways, one of which is to be improved and the other to remain in its existing condition.

Procedure – The homesite is assessed by applying the total footage abutting both roads to the Declining Rate Formula and then proportioning that unit of benefit to the two roadways. That portion of benefit received by the proposed road improvement is included in the assessment district, with the portion of benefit for the unpaved road assessed when the road is improved through a later assessment district. **The maximum unit benefit to the property for both roadways is 1.30.**

- 2a. A homesite which abuts two roadways (one local road and one major road), where the local road is to be improved and the major road remains in its existing condition.

Procedure – The homesite is assessed by applying the total footage abutting only the local road to the Declining Rate Formula. That portion of benefit received by the proposed road improvement is included in the assessment district. **The unit of benefit to the property for the local road will be between 1.00 and 1.30. The portion of benefit for the major road, if and when the major road is improved**

through a later assessment district shall be no greater than the difference of 1.30 and the unit of benefit applied to the local road, i.e., between 0.00 and 0.30. The maximum unit benefit to the property for both roadways is 1.30.

3. A homesite which abuts two local roadways, one of which has previously been improved and the other is proposed to be improved.

Procedure – The homesite is assessed by applying the Declining Rate Formula to the total footage abutting both roads. Subtract the unit of benefit paid previously from the unit of benefit received from the entire frontage. This will result in the unit of benefit for this assessment district. (Normally this benefit will be between 0.01 and 0.30 units). **The maximum unit benefit to the property for both roadways is 1.30.**

Note: Major and Local Roads are those City Roads certified by the Michigan Department of Transportation, respectively.