



# Agenda Report

**MEETING DATE:** Tuesday, April 13, 2021

**TO:** City Council

**FROM:** PARKS & COMMUNITY SERVICES DIRECTOR CALUBAQUIB  
BEN HEISTEIN  
MARIA ESTHER RODRIGUEZ

**SUBJECT:** RESOLUTIONS ACCEPTING ENGINEER'S REPORT & INTENTION  
TO ORDER IMPROVEMENTS, LEVY, COLLECT ASSESSMENTS &  
SET PUBLIC HEARING FOR 2021-2022 FISCAL YEAR FOR VISTA  
MONTAÑA LLMAD

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## STATEMENT OF ISSUES:

The Engineer's Report is on file in the City Clerk's office. The total annual assessment for the district was \$137,814.34 last year. The proposed total assessment for 2021-2022 is 140,570.94. This amount reflects the increase in the Consumer Price Index, representing a 2% increase, and is the maximum that can be charged in the Engineer's Report. A single public hearing is required. Staff is in the process of engaging district property owners on issues pertaining to service delivery and future assessments.

## RECOMMENDED ACTION:

Staff recommends that the City Council adopt a resolution Accepting the Engineer's Report and Intention to Order Improvements, Levy and Collect Assessments and Set a Public Hearing for May 25<sup>th</sup>, 2021 to consider the annual program and budget for the Vista Montaña Subdivision Landscaping and Lighting Maintenance Assessment District PK-03-03.

## DISCUSSION:

The Vista Montaña Subdivision is located off of East Lake Avenue and adjacent to Ann Soldo Elementary School and the Bay Village subdivision. The Vista Montaña Subdivision Landscaping and Lighting Maintenance Assessment District includes the following:

1. Regular maintenance, repair and replacement of all facilities within the agricultural buffer area (except the street and utilities) which includes but is not limited to, the landscaping, signage, perimeter wall, retaining walls, pedestrian path and erosion control plantings within or adjacent to the detention basins and drainage swale.
2. Operation, maintenance, repairs, and replacement of and power for the street lighting within the District.

3. Regular maintenance, repair, and replacement of the parkway strip and street trees on Cipres, Roble, Arce, Manzana, Cirvelo, Cereze, and Secoya Streets and Vista Montaña, Franich, and Marcela Drives.
4. Operation, maintenance, repair, and replacement of the storm drain detention basins, drainage channel, drainage facilities, and erosion control measurers within the agricultural buffer, including the storm drain culvert crossing Highway 152 and the inlet structure on the west side of Highway 152.
5. Regular maintenance, repair, and replacement of the landscaping and perimeter wall along the Highway 152 frontage adjacent to the District boundaries, including graffiti removal.
6. Regular maintenance, repair, and replacement of the pedestrian/bike path connecting Secoya Street and McKenzie Avenue, adjacent to the District boundaries.
7. Regular maintenance, repair, and replacement of pedestrian pathways located at the end of Roble Street, at the end of Cirvelo Street, within the agricultural buffer area and parallel to Bridge Street, on the south side of the town homes parallel to Franich Drive and on the west side of the town homes parallel to Marcela Drive.

The Vista Montaña Subdivision LLMAD is comprised of two Zones: A and B. Zone A benefits all parcels within the District which includes, for example, the street lighting installed along Highway 152, the landscape improvements along Highway 152 and the agricultural buffer area. Zone B benefits those parcels within the single family residential area primarily and includes the maintenance of the street end caps, the park strips and street lighting.

The Assessment District is based on a total number of Equivalent Dwelling Units (EDU's) and maximum annual assessments are included in the Engineer's Report.

At last year's public hearing, concerns were brought up about the proposed CPI increase at the time. The Council Member for District 7, that includes Vista Montaña, had received concerns from some property owners regarding the quality of service to the landscape strip in front of their homes and who expressed that they did not want an increase to their assessments. As a result, the Council voted to not increase assessments by CPI and staff proceeded to engage the property owners on their concerns.

On September 23, 2020, staff held a community meeting with district property owners to present the details of the scope of district services the City provides and the associated budget that limits the City's work. Staff also provided details regarding the LLMAD's reserve account, which is currently well below levels needed to afford inevitable repairs as the development nears the 20 year mark. At the meeting, the City also heard some of the community's concerns. Staff followed up with an online survey to hear feedback from more property owners about their knowledge of the LLMAD, satisfaction with City services, and to gauge support for possible next steps.

The options for moving forward that were presented included:

- 1.) Maintain the *status quo* (with or without CPI increases) which would result in a gradual reduction of services due to the ever increasing cost of maintenance;
- 2.) Conduct a new engineer's study to re-evaluate the cost of maintenance which would likely result in an increase in service quality at an increased cost;
- 3.) Dissolve the LLMAD and let the property owners form a Homeowner's Association (HOA) to assume all district maintenance.

A second community meeting was held on February 24<sup>th</sup>, 2021 to present the results of the survey. Approximately 40 property owners filled out the survey, and only a few attended the meeting to go over results. Of the three options above, the consensus was divided between Option 1 and 2, with slightly more respondents indicating a preference for Option 1. Only a couple property owners wanted Option 3. The survey also illustrated a general dissatisfaction with the level of maintenance the front-of-home park-strip landscaping received and satisfaction with the maintenance of most other areas.

Since Option 1 was an unsustainable solution and there was not a clear consensus in either direction, the City recommended to the community that a ballot be issued over whether to hire an engineer to complete a new study and look at re-apportioning the assessments. The homeowners will be under no obligation to adopt any increase in recommended assessments that result from the study.

The City is currently in the process of formatting ballots to issue to all property owners, in which case a simple majority would need to approve the hiring of a consultant engineer. Ballots are expected to be sent out during the month of April for this purpose.

Should an engineer be hired to complete a new study and recommend the assessments and level of service be increased, a formal ballot would be issued to the property owners so they could vote on it, as required by regulation. Should an engineer be hired, the process to study a reapportionment of assessments while engaging the community is expected to take six months to complete and would be an issue brought to the Council in Fiscal Year 2021-22.

At this time, the City is recommending that Council accept the annual engineer's report, which recommends a 2% CPI increase for 2021-22 in order to maintain the status quo, while the community considers how they wish to move forward long-term. At the hearing on May 25<sup>th</sup>, Council will have the opportunity to hear public concerns and make a decision on levying the recommended CPI increase.

#### **STRATEGIC PLAN:**

The Assessment District addresses the City Council's strategic goals of:

03-Infrastructure & Environment

06-Public Safety

**FINANCIAL IMPACT:**

In fiscal year 2019-2020 the total annual assessment was \$137,814.34. The assessment for single family dwelling units was \$502.53 per unit, the assessment for townhomes was \$402.02 per unit and the assessment for apartments was \$138.63 per unit. For fiscal year 2020-21, the total assessment did not change, as Council did not approve the proposed assessments.

For 2021-2022 the total annual assessment will be increased to 140,570.94 to reflect the 2% increase in the consumer price index and includes funds in the amount of \$95,106.94 for annual maintenance and \$45,464 for a reserve, which provides for replacement costs of such things as lighting or street trees based on current EDU's within the district (0354-959). The assessment for single family dwelling units will be \$512.58 per unit, the assessment for townhomes will be \$410.07 per unit, and the assessment for apartments will be \$141.40 per unit.

**ALTERNATIVE ACTION:**

None. This resolution is a procedural one to set the public hearing.

**ATTACHMENTS AND/OR REFERENCES (If any):**

- 1) Schematic Map
- 2) Assessment Diagram