



Vista Montaña LLMAD

Overlay Assessment Proposal



Recommendation

Receive staff report, open the Public Hearing, receive testimony, tabulate all valid ballots received, close the Public Hearing, discuss, and if a majority protest does not exist (i.e., a weighted majority of ballots cast are in favor of the measure), adopt a resolution approving Engineer's Report, confirming diagram and assessment, and ordering levy of Vista Montaña No. 2 Landscape and Lighting Assessment District for Fiscal Year 2024-25.

Background



What is the Vista Montaña LLMAD

- A single-purpose special district (independent of the State, County, and City's General Fund).
- Includes: Soundwalls, Retaining Walls, Streetlights, Street Signs, Drainage Channels, Detention Basins, Drain inlets, Culvert, Pedestrian Pathways, Street Trees, Landscaping



SOUNDWALLS



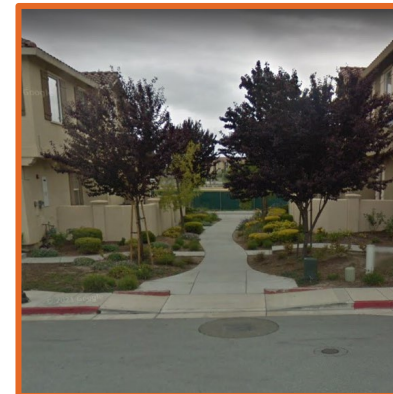
STREETLIGHTS



DRAINAGE CHANNELS



DETENTION BASIN



PEDESTRIAN & BIKE PATHS



LANDSCAPED AREAS

How is the Vista Montaña LLMAD funded?

- Revenues come from an annual benefit assessment paid by Vista Montaña properties and collected by the County as part of homeowner property taxes.
- Fees vary based on the type of residence, as determined by an annual Engineer's Report, and increase annually based on the Consumer Price Index (CPI).
- These fees pay for the ongoing **Maintenance** and future replacement (**Reserve**) of LLMAD services.
- Funds can only be used for LLMAD expenses.

Current Financial Status

- Budget not sufficient to support current or enhanced maintenance
- Budget not sufficient to build the reserve for future replacement.
 - Reserve balance = \$72,000
 - Original Engineers Study estimated balance should be \$887,000
- Full Financial History – Available on the website



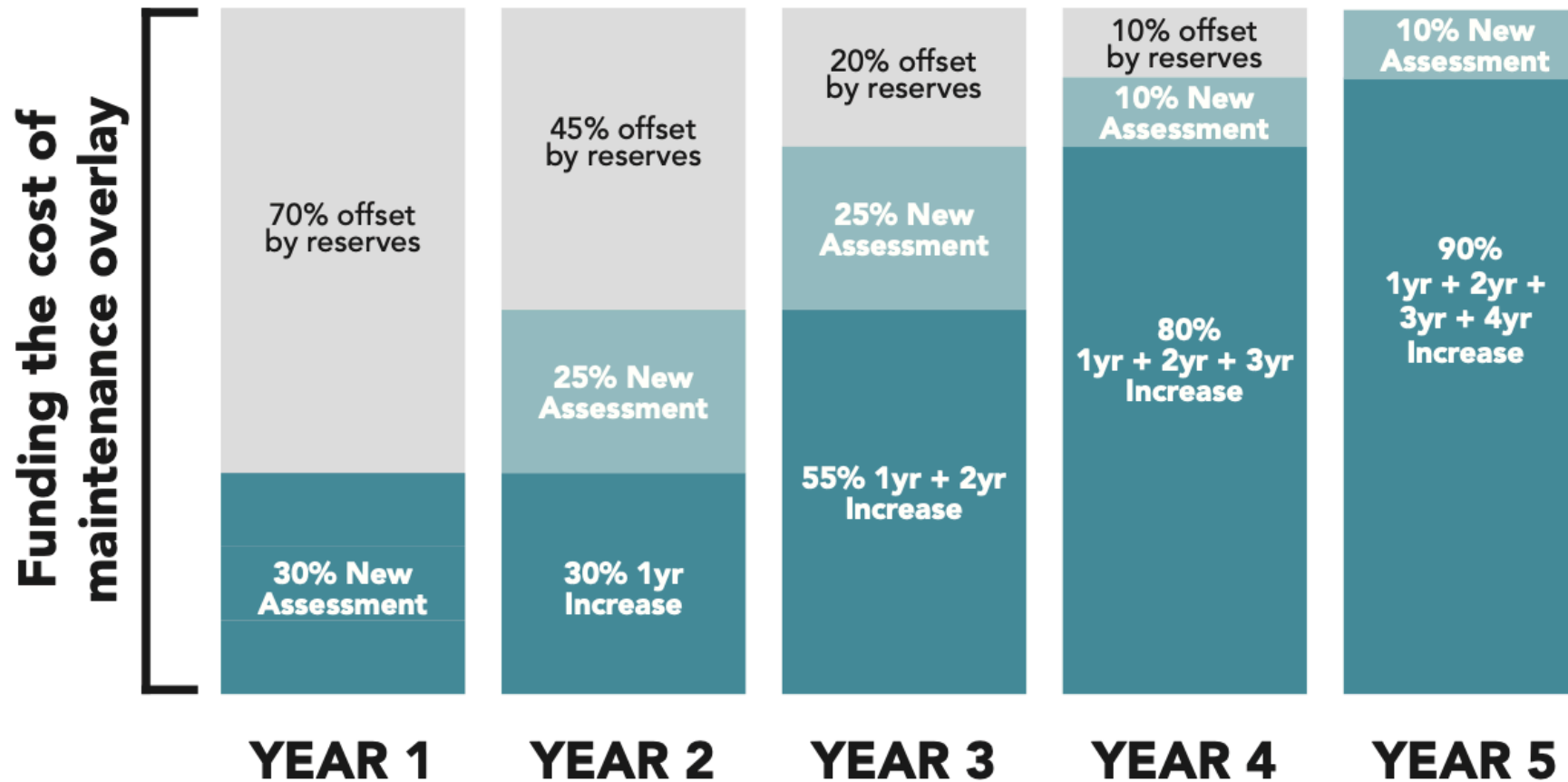
Proposed Overlay Assessment



Fee Proposal

	Total - Single Family Home	Total - Townhome	Total - Apartment
Current Assessment 23/24	\$ 560.28	\$ 448.22	\$ 154.56
Estimated Overlay Assessment	\$ 733.77	\$ 587.02	\$ 169.67
Estimated New Total	\$ 1,294.05	\$ 1,035.24	\$ 324.23
New Proposed Percent Increase	133% Total	131% Total	109% Total
Original Proposal (July 2023) - Actual Amount Needed Per Engineers Report	\$ 1,433.72	\$ 1,146.96	\$ 395.51
Per Engineer Report <i>Percent Increase Needed</i>	156%	156%	156%
Assessment <i>Needed vs. Proposed</i>	(87%)	(89%)	(65%)

Fee Proposal Implementation



Fee Proposal

Proposed Assessment Rates ¹	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single Family	\$ 222.33	\$ 407.61	\$ 592.89	\$ 667.00	\$ 718.88
Townhome/Condominium	\$ 177.87	\$ 326.09	\$ 474.31	\$ 533.60	\$ 575.10
Apartment Unit	\$ 51.41	\$ 94.25	\$ 137.09	\$ 154.23	\$ 166.23

Note 1 - Assessment rates for future fiscal years starting at FY 2025-26 are subject to increase by an amount equal to the annual change in the San Francisco Bay Area Consumer Price Index.

If Fee Increase does not Pass

- Annual assessment will remain in place.
- The goal of building a reserve will be prioritized.
- Ongoing maintenance will be reduced to ONLY essential infrastructure and health and safety items. No landscape maintenance will occur until replacement reserve is replenished.

Summary of Options

NEW Gradual Increase Option -

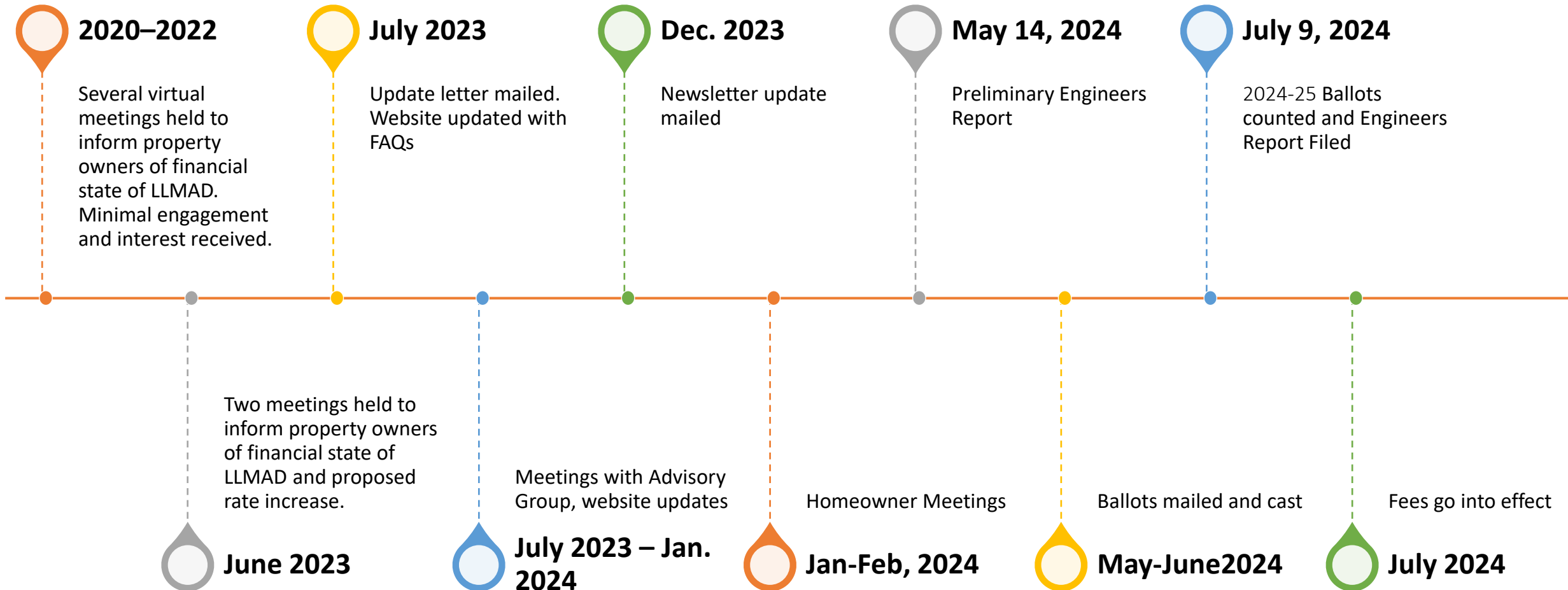
Increase current LLMAD assessment to have *enhanced* maintenance and a *less than adequate* reserve and increased over several years.

If Homeowners do not Approve Compromised Option - Do not increase fees and postpone all landscape maintenance within the LLMAD until replacement reserve is replenished.

Ballot Process



Engagement Timeline



Prop 218 Benefit Assessment Process

- Assessment amounts vary by parcel and are based on several unique parcel characteristics and factors:
 - Each **parcel owner** will receive one ballot
 - Each ballot is weighted in proportion to the parcel's proposed assessment
- Total assessment amount is the amount of 'votes.'
- Only **returned ballots** are tabulated, and they are weighted based on their proposed assessment.

Benefit Assessment Features

- The proposed assessment is based on the fiscal year 2024-25 budget.
- If approved, the assessment would be paid **on an annual basis**.
- In order for assessment-derived revenues to keep up with rising costs, an annual adjustment tied to the Consumer Price Index (CPI) may be applied to each succeeding year.
- In the event that the actual assessment rate for any given year is not increased by an amount equal to the CPI change, any such deferred assessment increase may be added to the total amount assessed in any subsequent year.

Benefit Assessment Features

- If approved, the authority to revise the assessment annually by CPI will rest with the **City Council**.
- The proposed assessment has “**no sunset**.”
- However, this assessment will only be charged if the City Council can **justify the budgetary need**.
- In addition to the possible increases described on the previous slide, the City Council may also **maintain or lower** the assessment rate in a certain fiscal year.
- The City Council may also choose **not to levy the assessment** if funds are no longer needed.

Recommendation

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Questions/ Thoughts?

