

Process to form a Stormwater Assessment District

ATTACHMENT 2



City of
LOS ALTOS

The process to form a Stormwater Assessment District is a **collaborative effort** between the City and the property owners. It is not a City initiated process, but it is initiated by the local residents with the City providing support. The responsibility of the local residents is to communicate with each other and generate support for the proposed assessment within the affected area.

Process to Establish a Stormwater Assessment District

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Determine the community team spokesperson. The project will require leadership among the residents to provide effective communication and coordination. A community team spokesperson needs to be established in order to provide the City with a primary point of contact. This person will help to:

- Define the problem
- Evaluate the affected properties
- Distribute a Survey to test local support of the directly affected properties. If 80% of the affected properties support pursuing an assessment, proceed

Confirm community support. The spokesperson will distribute a second Survey (Survey2) reflecting any changes/additional information produced in the City review. The changes may include the addition or deletion of property to the boundary, the proposed construction project, and the associated estimated project and property owner costs.

If < 70% of the properties support the proposed assessment, the spokesperson will provide the completed surveys to the City. The City will then mail a formal formation petition (Step 4) to the property owners to validate continuing the expenditure of funds and to pursue formation.

If > 70% of the property owners support the assessment, local community meetings may be required.

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Formation Proceedings. The City Council will conduct the following proceedings.

Approve Engineer's Report: In a public meeting the City Council will receive and approve the Assessment Engineer's Report by resolution. This report contains the final project cost estimate together with the proposed assessment on each parcel. Property owners will have the opportunity to comment on the agenda item approving the report.

Initiate Formation: If the Assessment Engineer's Report is approved by the City Council, the City Council may then order by resolution a public hearing and prescribe the balloting process according to Prop. 218 and other applicable law.

Mailing of Notice of Public Hearing and Ballot: As required by Proposition 218, City Council will direct that all property owners who are subject to proposed assessments will be mailed a Notice of Public Hearing with an assessment ballot.

Public Hearing: A public hearing will be held at least 45 days after the mailing of the Notice of Public Hearing and Ballot.

The public hearing will give property owners the opportunity to publicly support or oppose the assessment. All ballots must be submitted by the conclusion of the public hearing in order to be counted.

Ballot Tabulation: The mailed ballots allow all affected property owners to express their support for, or opposition to, the proposed assessment. The ballots will be weighted based on the assessment amount proposed to be paid by each property. If a weighted majority of the assessment ballots cast are in favor of the assessment, the City Council may proceed with formation of the assessment district. If a weighted majority of the ballots cast are in opposition to the assessment, then the assessment district must be abandoned.

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Submit the Application to the City. The spokesperson will prepare a Stormwater Assessment District formation application with the information from Step 1 and submit it to the Public Works Department.

The City will review the application and meet with the spokesperson to:

- Confirm that the project is appropriate for Stormwater Assessment District funding.
- Confirm that the included properties establish an appropriate preliminary boundary of all parcels affected by the problem.
- Discuss potential solutions to the problem, including conceptual project designs and preliminary project cost estimates.
- Discuss potential/preliminary individual property owner costs.

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Formal Petition. The City will mail a formal petition to all property owners within the district boundary to confirm support of the preliminary project, cost estimate and proposed assessments.

The petition will include the options and/or estimated costs for long-term financing of the proposed assessments.

If the formal petition receives 70% support of all the affected parcels, City Staff will prepare a formation proposal to be submitted to the City Council. City Council may authorize the expenditure of funds to:

- Prepare formal project construction engineering design documents suitable for construction bidding.
- Retain legal counsel for the assessment district establishment.
- Retain bond counsel if debt is proposed to be issued to finance the project.
- Prepare project environmental reviews as required.
- Retain an assessment engineer to confirm the district boundary and to prepare the comprehensive Engineer's Report calculating the actual proposed assessments for each parcel based on the latest cost estimates and the estimated special benefit to each parcel.

If less than 70% of the property owners support the assessment, additional local community meetings may be required. The City may provide staff support to answer community questions as appropriate. Project redesign to reduce improvements and associated costs may be pursued.

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Formation. If the property owners and the City Council approve the assessment, the City Council will by resolution order the formation and establishment of the assessment district. The assessment will become payable via a short-term cash collection period or may qualify for long term financing.

Long Term Assessment Financing. The assessments may be appropriate for long-term financing. This may take the form of public debt (municipal bonds) or some other form of loan. The long-term funding options and preliminary disclosures will be addressed at the formal petition stage and throughout the proceedings. The financing options vary greatly from project to project and it is impractical to attempt to address which option will be preferred for any particular project.

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