



City Council Agenda Report

Meeting Date: April 22, 2025

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Approved By: Aida Fairman

Subject: Process for the Formation of Stormwater Assessment Districts (For Information Only)

COUNCIL PRIORITY AREA

- ☐ Public Safety
- ☐ Business Communities
- ☐ Circulation Safety and Efficiency
- ☒ Environmental Sustainability
- ☐ Housing
- ☒ General Government

RECOMMENDATION

Not Applicable

FISCAL IMPACT

Not Applicable.

ENVIRONMENTAL REVIEW

Not Applicable.

PREVIOUS COUNCIL CONSIDERATION

December 12, 2023

BACKGROUND

Stormwater Assessment Districts allow communities to focus on the specific improvements that directly benefit the properties within a local watershed. This targeted approach ensures that resources are allocated efficiently, fairly and exactly where needed. An assessment district is a funding mechanism available to property owners who request stormwater improvements.

NBS Government Finance Group (NBS) prepared educational materials regarding the benefits of an assessment district, the process to establish a stormwater assessment district, and the forms associated with this process. Please refer to Attachment 1, 2, and 3, which have been posted to the City's website.

ANALYSIS

The process to form a Stormwater Assessment District is a collaborative effort between the City and the property owners. It is a resident-initiated process, with the City providing support. Property owners are responsible for communicating with neighbors and generating support for the proposed assessment within the affected area.

The process consists of the following steps:

1. 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. The spokesperson will initially be responsible for defining the problem, evaluating the affected properties, and testing local support of the directly affected properties.
2. Submitting the application to the City. The spokesperson will prepare a Stormwater Assessment District formation application with the information from Step 1 and submit to the City.
3. Confirm community support. The spokesperson will distribute a second survey reflecting any changes and the additional information produced in the City review.
4. 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.
5. Formation proceedings. The City Council will approve the Engineer's Report in a public hearing, initiate the formation by mailing a notice of the public hearing and a ballot to each property owner within the district conduct the public hearing and tabulate the ballots.
6. Forms and establish district. 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.
7. 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.

DISCUSSION

Following the unsuccessful stormwater funding ballot measures in 2019, the City has received numerous drainage complaints, particularly after major storm events. Staff inspections have determined that many of these issues would require infrastructure or Low Impact Development (LID) projects, which often benefit only a small number of residents. As a result, funding such projects through the City's general stormwater budget would not be an equitable use of resources.

A Stormwater Assessment District provides a fair solution by allocating costs directly to the properties that benefit from improvements. This approach ensures that resources are used efficiently and prevents individual property owners from bearing the full financial burden of necessary drainage projects.

ATTACHMENTS

1. Stormwater Assessment District Flyer
2. Stormwater Assessment District Process
3. Stormwater Assessment District Intake and Survey forms