



City of La Quinta

MEMORANDUM

TO: Honorable Mayor and Members of the City Council

VIA: Frank J. Spevacek, City Manager

FROM: Timothy R. Jonasson, Public Works Director/City Engineer

DATE: February 18, 2014

SUBJECT: RESPONSE TO PUBLIC COMMENT ON JANUARY 21, 2014
REGARDING POSSIBLE NORTH LA QUINTA ASSESSMENT DISTRICT

On January 21, 2014, Stephanie Kerr (a north La Quinta homeowner) spoke to the City Council about her opposition to an assessment district in north La Quinta. A summary of her public comments and staff's responses are below:

1. How long has this been an issue? Different sources provide different dates.

Response: The issue of the City absorbing the cost for parkway/entryway landscaping maintenance applies to 11 north La Quinta developments that were entitled between 1989 and 1994. In 1995, the assessment rate of \$35.60 was established and has not been raised since. Since 2002, the engineer's report for the Lighting and Landscape District has indicated the district is underfunded and the City's General Fund is absorbing the shortfall.

2. City staff indicates they have hosted 13 workshops, but I only got notice of one.

Response: Given workshops and meetings were scheduled by neighborhood and zone, Ms. Kerr should have received two invitations: one for a mid-week workshop and another for a Saturday zone meeting. Staff sent out two sets of notices by first class mail: one for the neighborhood-specific mid-week workshops and another for the two Saturday zone workshops. Notices were transmitted to over 1,600 homeowners in total (addresses were based on County Assessor's Office data). The notices were brightly colored post cards inviting the owners to meet with staff and discuss possible solutions including forming an assessment district, if desired, in order to improve the aesthetics of their development and possibly boost their property values.

Staff included the Saturday meeting notices on both Facebook and Twitter and issued press releases announcing the workshops as well. Staff also created a separate North La Quinta Assessment webpage on the City's website. If staff had email addresses for residents in the development, notification was also sent via email. At the conclusion of each workshop, staff emailed the presentation to the attendees and offered to hold follow-up meetings to those who wanted their neighbors to hear the presentation.

- 3. The City indicates that north La Quinta is receiving free landscape maintenance, yet we pay into the Lighting and Landscape District (L&L) just like all residents. The parkways in our neighborhoods have been annexed by the City otherwise they wouldn't be maintained by the City (they are not privately owned).**

Response: Neither the dedication language on the individual final maps nor the conditions of development from the tentative maps obligates the City to provide landscape maintenance for these 11 subdivisions. The conditions of development actually indicate just the opposite. The developers were given the option of either paying for their landscape maintenance through a homeowners association (HOA) or maintenance district, or by having the City maintain the landscaping with funding to be provided by an assessment district, which was to be established by the developer. For no apparent reason, these developments were added to the City's L&L maintenance contract without providing a mechanism for reimbursing the City for this maintenance cost. This has only occurred in north La Quinta for developments that were entitled between 1989 and 1994. All other parts of the City have either a HOA or maintenance organization for their landscape maintenance. These neighborhoods also pay into the citywide L&L district for public landscape maintenance of the City's medians.

- 4. The City indicates it is unfair to residents who pay into the L&L and also pay for their private development landscaping. It's not unfair, because we chose to live where there is no HOA and where we have a low property tax bill.**

Response: The requirement to pay for the landscape maintenance has existed since these north La Quinta subdivisions were approved; however, the developer and City failed to take the proper actions. The developer installed the common area landscaping and was to form either an HOA or an assessment district to pay for the on-going maintenance of the common area landscaping, but this was never done. Instead, the City has been funding these costs at a cost to all taxpayers in the City. The homeowners in these neighborhoods may feel this is fair yet this results in an increased benefit from the district for these 11 neighborhoods over what most homeowners receive.

- 5. If a problem with exists with the current L&L, complete an analysis and restructure the fees.**

Response: This has been discussed with City Council on several occasions, but any changes to the existing district would have to meet the current laws governing assessment districts including basing future assessments on the amount of benefit received from the district. This would likely result in higher assessments for the north La Quinta homeowners receiving parkway landscape maintenance from the district than those in other parts of the City where parkway maintenance is done by the homeowner or HOA. Ultimately, any changes to the assessment levels or restructuring the fees would require a citywide ballot and a majority approval by all homeowners.

- 6. Staff presented three options to residents, but only one was discussed in detail (referred to as the Cadillac option). We feel we only have one option that the City, not the residents, is going to pursue.**

Response: At every workshop and meeting, staff was clear that the choice in terms of an option would be made by the homeowners, not the City. The third, or "Best" option, was the most expensive and discussed more in detail because it required the most amount of work (including replacing the irrigation system). In addition, it was this third option that sparked the most questions from homeowners in attendance.

- 7. During a workshop, we were told the assessment would last 20 to 25 years. Others are hearing that the assessment would never end.**

Response: Willdan's (the City's consultant on assessment districts) analysis of Option 2 and Option 3 included a 20- to 25-year horizon only to provide an estimate of what annual costs would be if the City used bond financing for the improvements. It was explained at the workshops that the duration of the bonds and the assessments necessary to pay back the bonds could change considerably depending on what improvements were included in the district and at what level the majority of homeowners were willing to support. Once the bonds are paid back, the assessments could be reduced to cover only the desired level of maintenance of the majority of the homeowners in the district.

- 8. My husband indicates that the City's consultant presented a fourth option to homeowners in north La Quinta: to turn off the water and stop all maintenance.**

Response: Even if this was mentioned by the consultant, staff was very clear at all of the workshops that the City was not considering shutting off the water or discontinuing maintenance in order to save utility or any other

costs. If a majority of the homeowners did not want an assessment district, the “no project option/status quo” would be continued (as shown in the presentation).

9. The City is letting this maintenance go so it has a good case for forming an assessment district.

Response: While there is always room for improvement in landscape maintenance, the older spray irrigation and plant palettes in many of these parkways and entryways makes maintenance more difficult and costly for the City. These challenges were discussed, as was the fact that since the City’s capital budgets were drastically reduced in recent years, a project to replace the irrigation and/or make large scale replacement of the plants or decomposed granite was unlikely without a funding source other than the City’s general fund.

10. When is the vote taking place? The date keeps changing.

Response: The meeting schedule, the surveys soliciting property owner feedback, and the analysis to date are all part of what dictates the timing of a ballot and whether or not one is issued to homeowners. Preliminary discussions included the possibility of a vote in early 2014; however, the City feels it is important to hear back from all affected homeowners via the mailed out survey before a formal ballot is considered.