

# **SANTIAGO HILLS ASSESSMENT DISTRICT**



**Community Meeting Presentation**

**Updated with New Information**

**3-24-15**

- *Why are we here?*
- *How did we get here?*
- *Where are we today?*
- *The Survey:*
  - \*Fiscal Controls \* Drought Tolerant*
  - \*Mello Roos \*HOA*
- *Q&A*
- *Where do we go from here?*

## *Why are we here?*

We need to hear from you –  
what do you want us to do with  
YOUR District?

We need your input so we know how  
to move forward in maintaining  
your common areas.

## *How did we get here?*

Your developer chose to pay for the construction of improvements in Santiago Hills via an Assessment District (No. 86-1) rather than build the cost into the homes.

Your developer chose to establish a Maintenance Assessment District (No. 86-2) for on-going maintenance and repair of your common areas rather than establish a Master HOA

The City is the steward of the District for you, overseeing the maintenance in your District with the fees you pay us. We are acting as your Master HOA

## *How did we get here?*

The fees you pay are not enough to cover the rising cost of maintenance.

(The cap on the Assessment has not been raised since 1987)

As property owners in the District, you have some decisions to make regarding how we move forward.

***What about the  
Mello Roos we pay/paid?***

The Mello Roos paid by property owners in the District was related to the construction of a school within the District and was a bond issued by OUSD not the City of Orange.

None of the funds from your Mello Roos were used for construction or maintenance of the District Improvements.

## *What about the HOA dues we pay?*

There are some properties in the District covered by a small HOA. The fees you pay to your HOA are used to maintain your property and landscape directly adjacent to your property. Those fees are not used to maintain the common improvement areas of the overall District.



**LMD 86-2 SANTIAGO HILLS I**

**Landscape Maintenance Areas**

Maintained By District Funds

**LMD Area**

District Area

Not Maintained By District Funds

City of Orange  
Public Works Department

0 200 400 600 800 1,000 Feet





## *The Survey*

A survey was conducted of the property owners in the District to garner input on your maintenance priorities.

Here is what you said.....

# *The Survey*

Many comments received on the surveys fell into these main topic areas:

- Confusion over Mello Roos and HOA fees vs Assessment District fees
- Need for / what are the fiscal controls?
- Desire for drought tolerant plants
- Some say things are fine the way they are
- Some wondered why the City isn't paying for the maintenance

**58% were in favor of an increase**

## *What is the current ANNUAL assessment?*

- 987 Single Family Property Owners pay \$369/yr ( \$30.75/mo)
- 512 Condo Property Owners pay \$221/yr (\$18.41/mo)
- 18 Commercial Property Owners pay a weighted per acre fee/yr

*Most Master HOA's, maintaining landscape such as yours, average between \$1,000 - \$3,000 a year in Orange County*

# *What am I paying for?*

Your assessed fees are used to maintain, repair, and replace the common areas including:

- Landscape turf, shrubs, ground cover and trees
- Irrigation infrastructure
- Concrete walkways, stairs and railing in the common areas
- Lighting along the walks and paths
- Electrical infrastructure
- Utility costs (water and electricity)
- Contract/Staff services to manage the District

**NOT: public streets, sidewalks, streetlights, park or school**

# *Where does the money go?*

<b>FY 2013/14 Expenditures</b>		<b>% of Budget</b>
Contract Services Oversight	\$28,098	5%
Utilities Water	\$105,055	19%
Electricity	\$21,219	4%
Landscape Maintenance	\$278,182	50%
Other Contractual Services (Tree trimming, electrical./repair, misc.)	\$78,861	14%
Professional and Consulting	\$452	Less than 1%
Miscellaneous Supplies and Expenses	\$139	Less than 1%
District Administration	\$48,539	8%
<b>TOTAL</b>	<b>\$560,545</b>	<b>100%</b>

*Without an increase in the fees you pay, Since the 2007 vote, reductions have included:*

- The contract amount with the private landscape company was reduced, decreasing the size of work crews.
- Less frequent mowing operations, ground cover/shrub trimming and removal of weeds.
- Longer response times to correct landscape problems as they occur in the District.
- A reduction of the frequency of trash and leaf litter removal in the landscaping.
- Reduced weed abatement, reduced fertilization
- No replacement of dead landscape

## ***Why Now?***

The current Assessment has been inadequate for sometime, and has been exacerbated in recent years by:

- Water expenses in the District went from \$104,463 to as much as \$185,622, a 78% increase.
- The drought – Mother Nature was not watering the District during the winter months, and too many hot months in the fall
- Labor, materials, electricity, and other costs have also increased significantly.
- The aging infrastructure needing more repair : electric panels, new irrigation systems...
- Plants and trees that are now well past their planned life expectancy.
- Vandalism to District assets has increased.

## ***Your Decisions:***

(A) Approve the **proposed** increase to your yearly Assessment (in addition to the amount you currently pay):

<u>Property Type</u>	<u>Range</u>
Single Family Home Santiago Hills	\$235/yr( \$20/mo)
Single Family Home Hillsdale	\$188/yr (\$16/mo)
Condo	\$167/yr (\$14/mo)

The proposed Assessment increase will allow us to keep up with the rising costs of service contracts and water, a gradual return to pre-2007 service levels, and add a capital improvement component and plant replacement over a 10 year period.

**Also proposing CPI included (Consumer Price Index Set by the Bureau of Labor Statistics)**



# *What happens if the increased assessment passes at the higher range?*

Service levels will gradually return to proper maintenance levels and frequencies.

Gradual capital improvements over 10 years:

- Drought tolerant and native landscaping
- Replacement of dead or dying plants
- Update the irrigation system using water-saving technology
- Phased updates of the electrical and lighting systems to more energy efficient systems

## *Your Decisions:*

(B) Reject the increase and in time:

- Funds will be prioritized based on safety vs aesthetics:
- Watering frequency will be further reduced.
- The landscape areas will continue to deteriorate.
- Trimming cycles will either be less frequent or eventually landscape will need to be removed.
- Some lighting is not safety related may not be repaired
- Irrigation repairs will be discontinued.

# Q&A

*Marie Knight, Community Services Director*

*714-744-7264*

*[mknight@cityoforange.org](mailto:mknight@cityoforange.org)*