

SANTIAGO HILLS

LANDSCAPE MAINTENANCE DISTRICT No. 15 - 1

OFFICIAL NOTICE AND BALLOT INFORMATION GUIDE

Why Did You Receive This Ballot?

Your property is in the Santiago Hills Maintenance Assessment District as established by the developer of this property when built. Maintenance of the landscaping in the common areas surrounding your property is paid for by the property owners in your neighborhood through the District managed by the City of Orange. In effect, the City is acting as a Master Home Owners Association, overseeing the maintenance of your common areas.

You currently pay \$221- \$369 per year (depending on the type of property you own) for maintenance of these improvements. This amount has not increased since 1987 and has not kept pace with the costs to maintain the District, which have risen significantly over the past 28 years.

As a result, the level of maintenance has been significantly reduced to meet the level of revenue received from the assessments from the property owners. To restore maintenance levels an increase in the annual assessment is being proposed, and law requires that property owners approve any such increase. The enclosed ballot is the mechanism for you to vote on the proposed increase, which would be an additional payment of \$176 to \$235 per year based on the type and location of the property you own. The specific amount of your increase is shown on your individual ballot, and is in addition to the amount you currently pay. In addition, the increased assessment will also include an annual adjustment based on the Consumer Price Index (CPI). The following provides more information on this proposed increase.



Pathways, lights, trees and other landscaping require constant maintenance to remain healthy and safe

Background on Landscape Maintenance in Santiago Hills

Your landscaping improvements in and around the Santiago Hills and Hillside neighborhoods are part of Landscape Maintenance District No. 86-2 (LMD 86-2). The funding for this landscape maintenance comes from an annual assessment on each property in the vicinity of these improvements. These property assessment rates have not increased since they were established in 1987, and there is no mechanism for "cost of living" adjustments. However, the costs of utilities, water and electricity, as well as labor, equipment, and materials have risen significantly over the past 28 years and the assessment revenues are no longer sufficient to adequately fund the required maintenance. In 2007, as funding reserves were depleted, the maintenance and repairs of the landscapes were reduced, which resulted in deteriorated conditions and deferred maintenance. If approved, the new assessment would be collected under a new District called LMD 15-1.

What Would This Measure Provide?

If approved, the new assessment would provide funding to make needed repairs and improvements to the landscaped areas, and to bring routine maintenance efforts gradually back to an adequate level. Examples include:

- Begin a major capital improvement program to gradually replace outdated, inefficient landscaping with more sustainable and drought-resistant plants that can conserve water and require less maintenance in the long run
- Replace dead and dying plants and trees
- Improve the irrigation systems to be more efficient, keep plants healthier and conserve water
- Gradually replace and upgrade lighting and electrical panels to be more efficient and reliable
- Keep landscaped areas clear of weeds and litter to maintain an attractive, well-kept and healthy appearance
- Improve safety and security by maintaining pathway lighting and keeping shrubbery maintained
- Restore frequent tree trimming services to reduce the risk of fallen limbs and uprooted trees

How Much Is the Proposed Assessment?

The proposed assessment is printed on the Official Ballot included with this notice and information guide. For single-family homes, the annual assessment ranges from \$176.00 to \$235.00, depending on zone/location of your home. The proposed assessment for condos and commercial property types is based on the number of dwelling units and parcel size. If the measure is approved, the total estimated amount that would be raised for Fiscal Year 2015-16 is approximately \$328,108. Combined with assessment revenue from the existing Landscape District LMD 86-2 and annual payments from Santiago Canyon College, reimbursing the District for maintenance costs for the parkways adjacent to the College, the total revenue for the Santiago Hills Landscape Assessment Districts for FY 2015-16 is approximately \$925,691. For a detailed breakdown of the revenue sources and specific expenses, refer to the Engineers Report for FY 15-16, which can be obtained from the Orange City Clerk's Office or online at www.cityoforange.org/santiagohills.

The original Landscape Maintenance District No. 86-2 will remain in effect whether or not this new proposed assessment is approved. If the new assessment is approved, it will be in addition to the existing assessment and will be collected under a new District (LMD 15-1).



Many landscaped areas have suffered from deferred maintenance

The City of Orange's Role

The City of Orange is the steward of your common landscape areas. Through this ballot process we are providing the property owners in the District the opportunity to tell us what the future levels of landscaping service should be. The City is the facilitator of this process, and is providing you with the information we feel is necessary to assist you in making your decision

All Ballots must be received on or before June 9, 2015 to be counted.

How Was the New Assessment Determined?

The total annual cost of maintenance and servicing of improvements within the Landscape Maintenance District No. 15-1 to be funded by the assessments is allocated to each property based on the special benefit received. The benefit to each parcel was estimated based on the property type, parcel size, and location.

An Engineer's Report describing the proposed services and improvements, method of assessment, special benefits, budgets, and proposed assessment for each parcel is available for review from the Orange City Clerk's Office or at www.cityoforange.org/santiagohills.



Trees, shrubbery and landscaping require regular maintenance

Will This Assessment Increase in the Future?

If approved, the proposed assessment will continue annually. After Fiscal Year 2015-16, the assessment can only be adjusted for inflation by an amount up to the change in the Los Angeles-Riverside-Orange County area Consumer Price Index (this "CPI" inflation indicator is used throughout the region), but cannot exceed 3% in any year. The CPI is reflective of changes in the prices paid by urban consumers for a representative basket of goods and services. This rate is set by the United States Bureau of Labor Standards.

This annual adjustment, which must be reviewed and approved annually at a public meeting of the City of Orange City Council, will help keep the assessment revenues in line with the cost of providing landscaping maintenance and improvements in future years. The basis for the CPI calculation will be the new assessment only. As such, it will only be applied to approximately one-third of the overall cost for maintaining the District.

Public Accountability Safeguards

If approved by property owners, funds from this assessment can only be used to provide maintenance and services within the Landscape Maintenance District No. 15-1 boundaries. No funds from this assessment can go to the City's General Fund or for any other purpose. The budget for maintenance and services funded by this assessment will be presented to the public annually.



Dead and dying plants would be replaced

Public Hearing

A public hearing will be held on Tuesday, June 9, 2015, at 6:00 p.m. in the Orange City Council Chambers at 300 East Chapman Avenue, Orange, California. You are invited to attend the public hearing. Tabulation of the returned ballots will commence after the close of the public input portion of the hearing, and the results of the tabulation are expected to be announced at the July 14, 2015 Orange City Council meeting.

Public Hearing on June 9, 2015

Ballot Instructions

Your ballot on this matter is important because only returned ballots will be counted. To complete the enclosed ballot, mark the oval next to either Yes or No, sign the ballot, fold it in half, place it in the provided postage-paid return envelope, and place it in the mail so it is received on or before the public hearing date of June 9, 2015. Only official ballots which are signed and marked with the property owner's support or opposition, and are received before the end of the public input portion of the public hearing on Tuesday, June 9, 2015, will be counted.

If you lose your ballot, require a replacement ballot, or want to change your vote, call the Orange City Clerk's office at (714) 744-5500 for another ballot. See the enclosed ballot for additional instructions. Ballots are weighted by the proposed amount of assessment and will be tabulated accordingly. The assessment shall not be imposed if, upon the conclusion of the public hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with ballots weighted according to the proportional financial obligation of the affected property.



Inefficient turf areas and high-maintenance hedges would be replaced with drought-resistant plants that would conserve water and require less maintenance in the long run

Additional Detailed Information Available

An Engineer's Report describing the proposed improvements, method of assessment, budgets and proposed assessments is available for review at the City of Orange, City Clerk's office located at 300 East Chapman Avenue, Orange, California, at (714) 744-5500, or online at www.cityoforange.org/santiagohills. The City's website also provides answers to frequently asked questions regarding the District and the proposed increased assessment.

For additional information concerning the proposed Landscape Maintenance District No. 15-1, please contact Dana Robertson, Parks and Facilities Manager with the City of Orange at (714) 744-7283.

All Ballots must be received on or before June 9, 2015 to be counted.