



# Vista Terrace Area LID City Council Briefing

**February 8, 2016**

# Outline

- Meeting Purpose
  - Introductions
  - Sign-up Sheet
  - Rules for Speaking
  - Timeline
  - Legal Questions
  - Financial Questions
  - Process Questions
  - Public Questions
- 

# Timeline

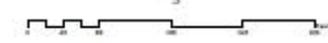
2010

- Council Resolution
- Set public hearing date

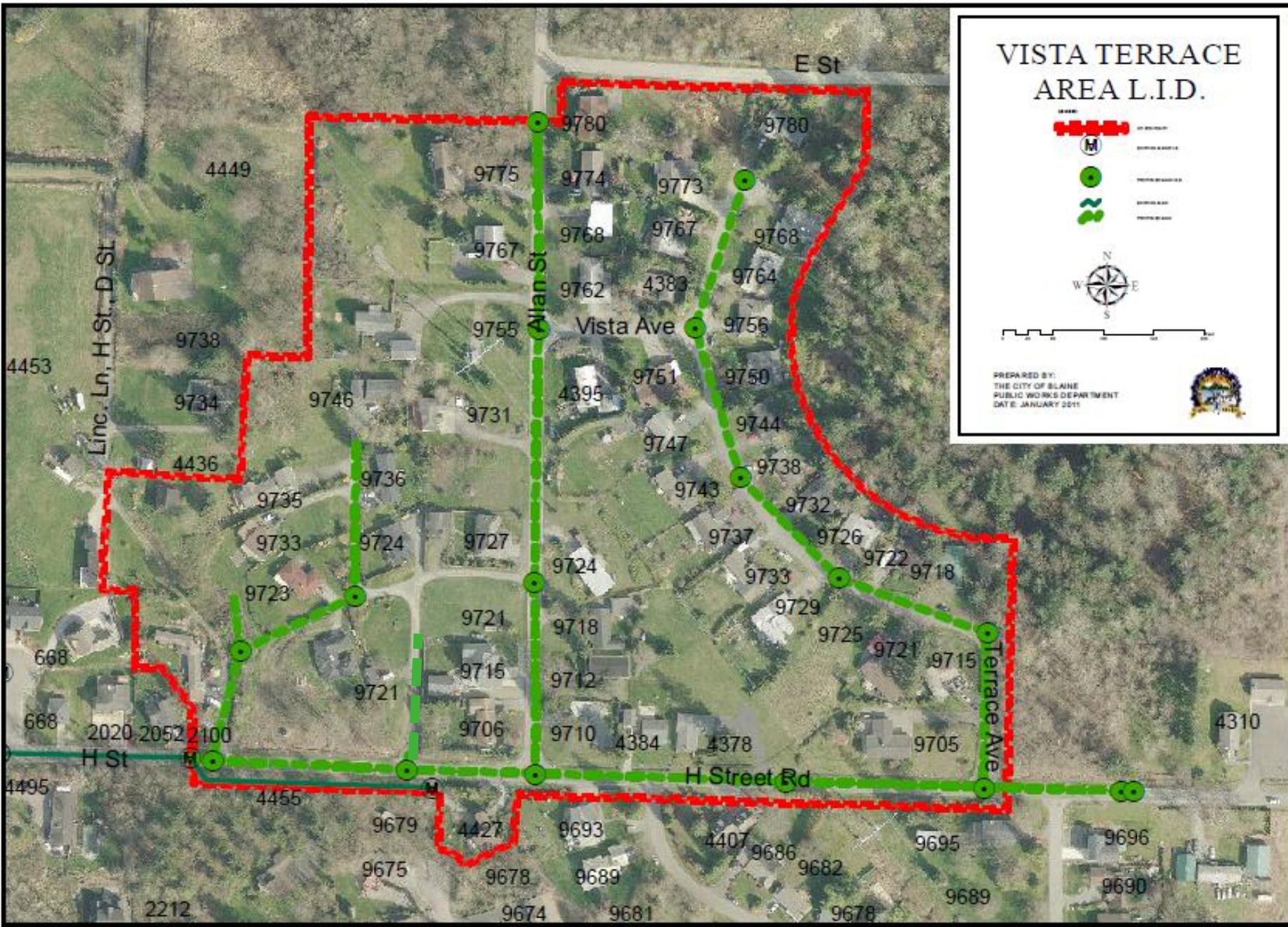
2011

- Letter to property owners
- 2 public meetings: 1/13 ,1/20
- Affidavit of Mailing
- Public Hearing 1/24
- Public Hearing continued
- Public Hearing 2/14

# VISTA TERRACE AREA L.I.D.



PREPARED BY:  
THE CITY OF BLAINE  
PUBLIC WORKS DEPARTMENT  
DATE: JANUARY 2011



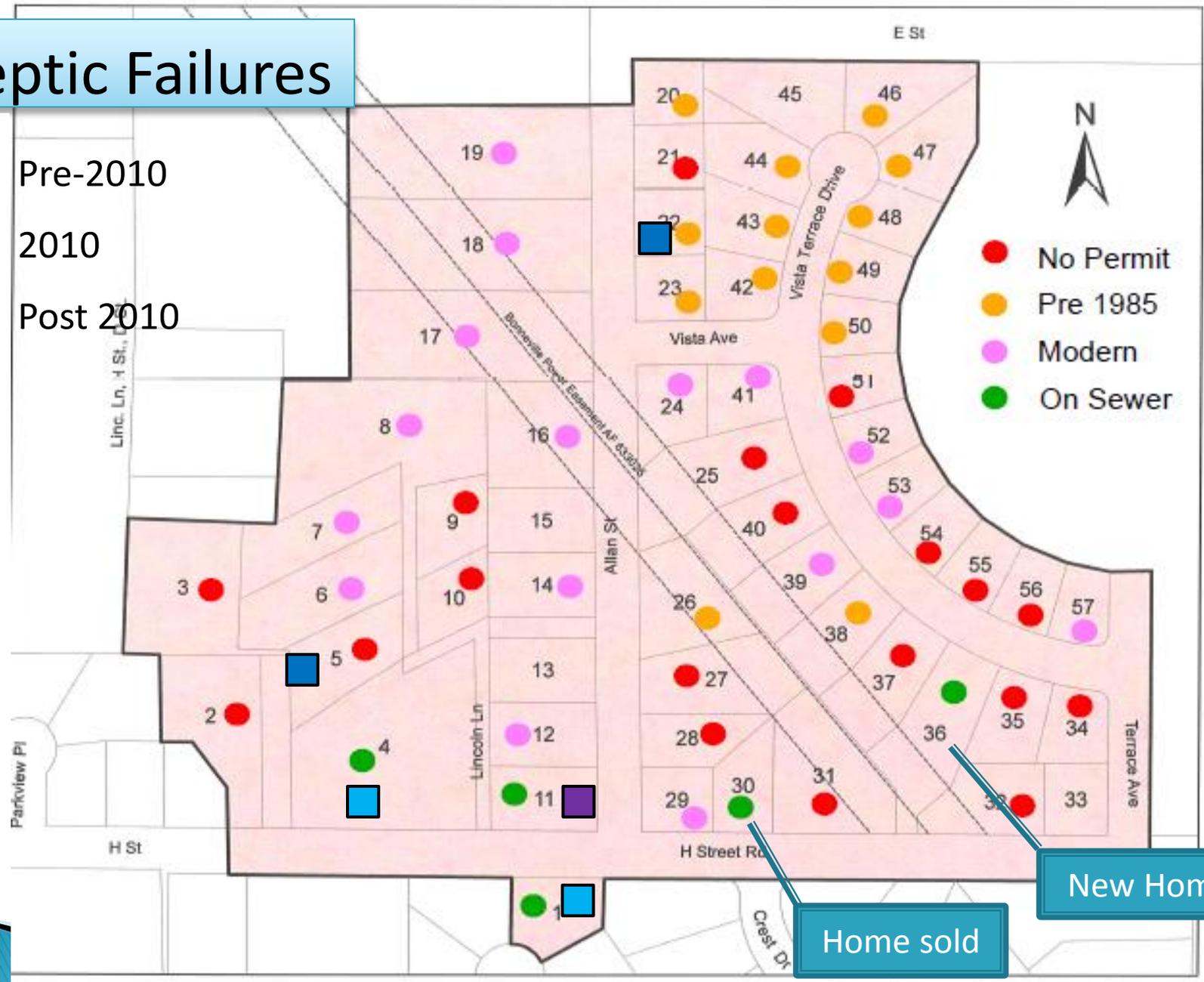
# Septic Status

- Total Properties: 60
- Total Homes: 53
- Total Septics: 48
  - Pre Permit: 18
  - Pre 1985: 13
  - Modern: 17
  - On Sewer: 5
  - Vacant: 4

# Septic Failures

- Pre-2010
- 2010
- Post 2010

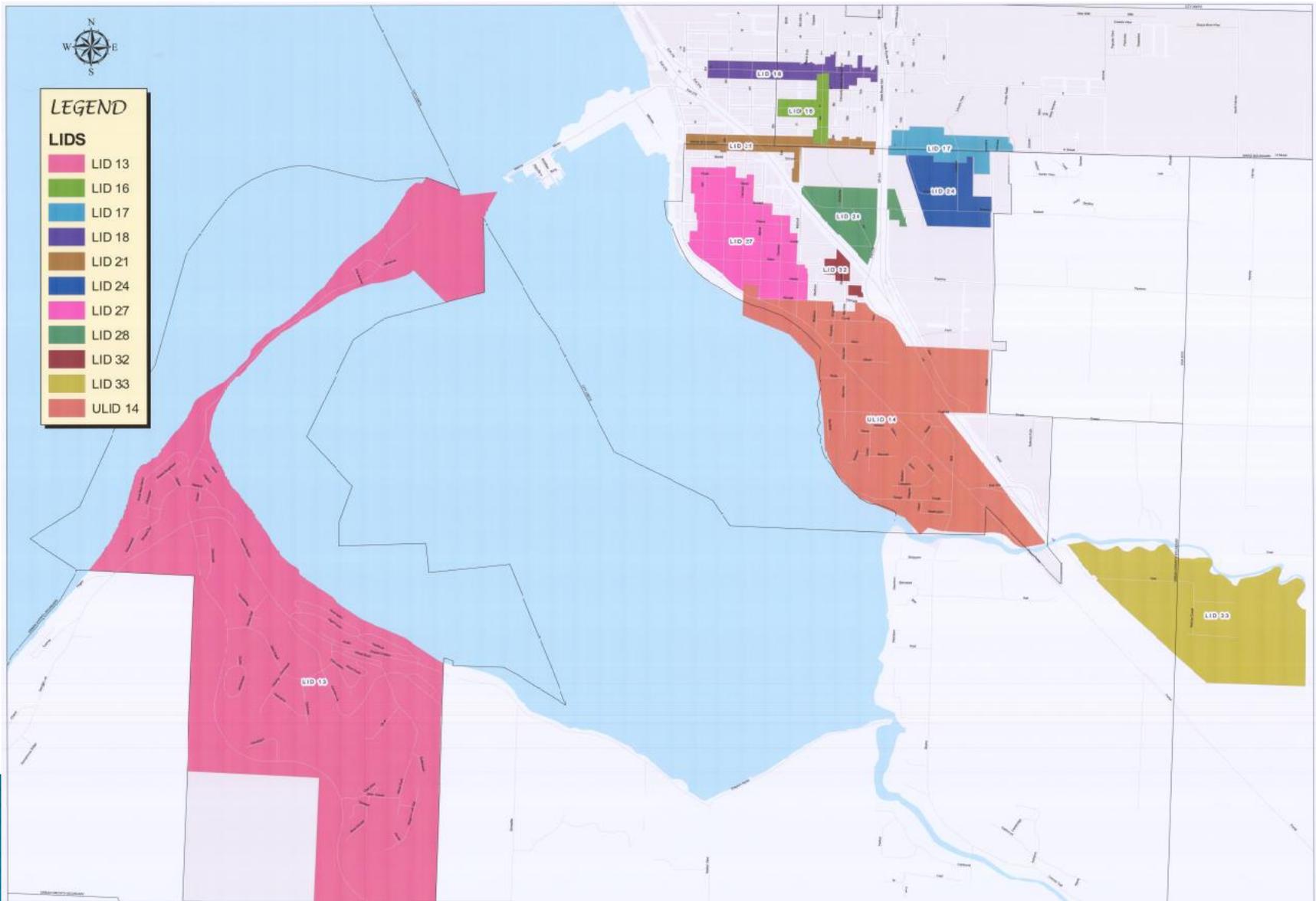
- No Permit
- Pre 1985
- Modern
- On Sewer



Home sold

New Home

# Blaine LID Map



# TIMELINE, cont'd

2011

- LID Ordinance Passed 2/14/11
- Selected engineer for design
- **Proposed funding - Bonds**

2012

- GFFs re-instated , effective 1/1/2013
- Public Works Trust Fund Loan contracted \$536,000

2013

- Steps to secure DOE funding
- Contact from Allan Street owners – created Phase 1

# TIMELINE, cont'd

2014

- DOE Grant \$395,719 secured
- DOE Loan \$405,281 secured
- **DOE resolution adopted by City Council 5/12/14**
- Open house held 10/6/14
- Phase 1 Construction

2015

- Open house held 9/24/15
- Phase 2 Construction

# TIMELINE:Next Steps

- Physical Project Completed January , 2016
- Notice of Availability letter sent January , 2016
- Finalize Project Administration February, 2016
- Establish Final Costs, Assessment February, 2016
- Notice of Assessment Hearing March, 2016
  - Final cost per property
  - Yearly payment schedule
  - Public Hearing Instructions
- Public Hearing March, 2016
- Adopt Ordinance March, 2016
- 30 day period to pay-off April, 2016
- First ULID payment due March, 2017

# Funding Recap

## Original Proposed Funding Source

- Government Issue Bonds ~ 8 years @ 5+%
- Staff began looking for alternatives → PWTF

## Grant & Loans Acquired

- PWTF = \$536,000 Loan – 19 years @ 0.5%
- DOE = \$405,281 Loan – 20 years @ 1.8%
- DOE = \$395,719 Grant – no payback

# Funding Recap, Continued

- ▶ Estimate share per lot: \$11,931
- ▶ Estimated yearly payment: ~\$1,560-\$1,800
- ▶ Equivalent monthly amount: ~\$130-150
- ▶ GFF amount: \$0
- ▶ Hook-up fees born by property owners

Original Estimate -2011

- ▶ Estimate share per lot: \$14,000-\$16,000
- ▶ Estimated yearly payment: \$900-\$1,100
- ▶ Equivalent monthly amount: \$75-88
- ▶ GFF amount: \$0 (\$7,024 paid by grant, 2015 rate)
- ▶ Hook-up fees – \$2,000-5,000 (possible assistance from grant)

Open House Communication

# FINANCIAL QUESTIONS

- ▶ What is the total cost of the project per ERU?
- ▶ How long do I have to pay back?
- ▶ What is the annual payment?
- ▶ When does it start?
- ▶ Do I need to pay hook up fees?
- ▶ Is there an interest payment?
- ▶ What is the change compared to estimate?\*
- ▶ Is there financial assistance available?\*(state deferral)
- ▶ Can the city provide alternative financial assistance?

# Deferral Process - Fixed Income Assistance

- Assistance to qualified limited income owners RCW 84.38.030
- Similar to owners who qualify for property tax exemption:
  - Must be 60 years of age
  - Must be primary residence
  - Income below specified amount (\$45,000 single)
- Deferral provides up to 80% of special assessment 84.36.381
- Deferred balance becomes a lien on the property
- Apply annually through County Assessor's Office

# LEGAL QUESTIONS

- ▶ Can the ULID be dissolved?
- ▶ Did the City follow all the required steps?
- ▶ Is there a reason there was not a vote?
- ▶ Can properties be added to the ULID?
- ▶ How are assessments divided?
- ▶ Does the city require the assessment at time of sale?
- ▶ How can I defer hooking up?
- ▶ Is there financial assistance available?
- ▶ Can the GFF be “vested” since it wasn’t in place in 2011?
- ▶ Can assessment be tax-deductible?

# PROCESS QUESTIONS

- ▶ How were design decisions made?
- ▶ Do I have to pump?
- ▶ How much will a pump cost?
- ▶ Why don't I have Blaine power yet?
- ▶ What is cost of connecting to sewer?\*
- ▶ When do I have to hook up? Is there a deferral process?\*
- ▶ Does deferral process only apply to “modern” septics?

# Deferral Process-Sewer Connection

BMC 13.08.392

Deferral Application - System assessed by Whatcom DOH

If septic meets standards septic system is eligible for deferral; connection is not required until:

- Failure of the on-site septic system (no repairs are permitted)
- Change in ownership of the property
- Reconstruction or improvements are greater than 50% of value or addition of bedrooms (no system expansion permitted)

# PUBLIC QUESTIONS from 2/1

- ▶ (See handout)

# Cost Concern Alternatives

- ▶ Actions already taken:
  - Obtained grant to cover cost of GFF
  - Cost for H Street portion not in assessment (absorbed)
- ▶ Possible other actions for use of GFF revenue
  - Do nothing – Apply GFF to sewer capital reserves
  - Use reserves to pay down project debt – reduce assessment equally
  - Use reserves to pay down other sewer debt
- ▶ Absorb loan interest using rate revenue
- ▶ Pay down project with other city money (none)
- ▶ Not allowed by law:
  - Adopt our own financial assistance program
  - Lower assessment for some individuals and not others

# NEXT STEPS

- ▶ Report to City Council Monday 2/8
- ▶ Schedule assessment roll hearing
- ▶ Will report on questions at that time
- ▶ Anyone needing further assistance, please contact Public Works

# Questions from Council?