



DATE: June 3, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Kurt Takamine, Ph.D., Ed.D., M.S., R.E.H.S., Management Analyst II, Public Works & Utilities (PW&U)
Cindy Chong – Superintendent of Parks and Facilities, Parks & Recreation
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SUBJECT: Resolution Describing Improvements and Directing Preparation of Engineer's Report for Fiscal Year 24/25 Annual Assessment for the Landscape Assessment Districts; Resolution Providing Preliminary Approval of Engineer's Report for Landscape Assessment Districts, Fiscal Year 24/25; Resolution of Intention to Order the Levy and Collection of Assessments Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Assessment Districts, Fiscal Year 24/25, and to Set the Date of the Public Hearing

RECOMMENDATION

It is recommended that the City Council adopt the attached:

1. Resolution describing improvements and directing the preparation of Engineer's Report for Fiscal Year 24/25 annual assessment for the Landscape Assessment Districts.
2. Resolution providing preliminary approval of the Engineer's Report for Landscape Assessment Districts, Fiscal Year 24/25.
3. Resolution of intention to order the levy and collection of assessments pursuant to the Landscaping and Lighting Act of 1972 for Landscape Assessment Districts, Fiscal Year 24/25, and to set the date of the Public Hearing.

BACKGROUND

Each year, as required by the California Streets and Highway Code Sections 22620 through 22631, the City Council must initiate a process to set the annual assessments for the Landscape Assessment Districts (LADs) to ensure that sufficient funds are provided for necessary landscape maintenance. The process requires a Public Meeting to review and hear testimony regarding the LADs and approve the three subject resolutions contained herein, which are scheduled for June 3, 2024. Further, a public hearing is required for final approval of the assessments and is scheduled

for August 5, 2024. The August 5, 2024, Public Hearing will allow the City Council to hear any public comment, confirm or modify the proposed assessments, and approve the Engineer's Report.

The City has 48 LADs established within City Limits. The LADs feature public landscaped areas, as identified in the conditional tentative map approval prior to the development of the subdivisions. These districts were formed to maintain various amenities in common landscaped areas, including medians, islands, frontage strips, pathways, sound walls, fences, and irrigation systems within the specific sub-division. The annual maintenance costs for each LAD are spread among all the private parcels within each LAD district and are collected by the County on behalf of the City under their property tax collection process. The City maintains fund balances for each LAD and manages the expenditures for maintenance and repairs.

DISCUSSION

The Landscape and Lighting Act of 1972, which is codified in the above-referenced section of the California Streets and Highway Code, requires the following steps, which can be accomplished by adopting the three recommended resolutions:

- Adopt a resolution describing new improvements or substantial changes in existing improvements, of which there are none and order preparation of an Engineer's Report in accordance with Article 4 of the Streets and Highway Code. (Streets and Highway Code Section 22622).
- Adopt a resolution preliminarily approving the Engineer's Report, Attachment 4, consisting of Exhibits A and B, which summarize fund balances, projected levies, maintenance costs, per parcel assessments, and expenditure details, including the number of parcels per LAD.
- Adopt a resolution of intention to order the levy and collection of the annual LAD parcel assessments and set a date for the Public Hearing. (Streets and Highway Code Section 22624).

After these steps are completed at the June 6, 2024, Council meeting, the Council may adopt a resolution confirming the assessments for FY 24/25 after the August 5, 2024, Public Hearing. This last step must occur before August 5, 2024, to establish the assessments for FY 24/25 based on the deadline established by the Sonoma County Tax Assessor to comply with California Streets and Highways Code Section 22625. A delay in approving the recommended resolutions would prevent assessment collections by Sonoma County for the fiscal year.

LADs with annual levied assessment funds that do not meet or exceed their annual estimated maintenance and administrative cost will be adjusted by the built-in 2% allowable annual CPI that voters previously approved voters and the City Council previously approved. There will be no reduction in annual levied fees for FY 24/25. The proposed action is necessary to fund LAD maintenance and operations for the fiscal year.

In the coming months, staff will be conducting an analysis of all LADs with respect to the budgeted expenditures, revenues and levels of maintenance and customer service for each of the districts. Pending the results of that analysis, at the August meeting staff may be proposing changes to the

LAD program to ensure that sustainable funding levels are matched with maintenance expectations and that appropriate outreach is conducted with each of the district neighborhoods.

PUBLIC OUTREACH

This agenda item appeared on the City's tentative agenda document on May 20, 2024, which was a publicly noticed meeting.

In compliance with Streets and Highways Code Section 22626(a), a Notice of Public Hearing will be published in the local paper on June 28, 2024, prior to the public hearing, which will be held on Monday, August 5, 2024, as part of the scheduled City Council meeting. This hearing will consider all oral or written protests made or filed by any interested person and consider and act upon the Engineer's Report for the districts.

COUNCIL GOAL ALIGNMENT

The City Council has identified "Environmental Legacy" as one of its key strategic initiatives for 2021 – 2023. Workplan Item #63 seeks to "Reimagine maintenance practices for managing City parks and open spaces." That includes maintaining outdoor spaces, including LADs, in a more sustainable way that is better for the environment, the community, and the health of the public and staff.

Workplan Item #196 seeks to "Update the City's Integrated Pest Management Plan and formalize a policy of how the City maintains its parks, trails, open spaces, streetscape, creeks, landscape assessment districts, and other City's properties in a more sustainable way that is better for the environment, the community, and the health of the public and staff." In the upcoming fiscal year, the City wants to implement a new integrated pest management program, moving to organic methodologies for all LADs.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

A review of landscaping and vegetation within the LADs will occur to allow for more drought-tolerant vegetation that also helps reduce water use. City staff are working on a plan to implement organic methodologies in weed abatement. Irrigation systems are monitored for water conservation and landscape health. In addition, mulching is utilized to retain moisture in the soil instead of allowing for evaporation.

ENVIRONMENTAL REVIEW

The environmental analysis for compliance with the California Environmental Quality Act (CEQA) was completed with the formation of each LAD. Landscaping and lighting district assessments are exempt from the California Environmental Quality Act (CEQA) under Guidelines Section 15378(b)(4) because government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment is not considered a project. Any work performed with the assessed funds is categorically exempt under California Environmental Quality Act ("CEQA") Guidelines, Sections 15301 (Existing

Facilities) and 15304 (Minor Alterations to Land), as any improvements will occur within areas previously disturbed. There is negligible or no expansion of use beyond what currently exists. No cumulative impacts, unusual circumstances, or other factors would make the exemption inapplicable pursuant to CEQA Guidelines Section 15300.2.

FINANCIAL IMPACTS

The proposed action is necessary to place charges on the tax roll by August 10, 2024, which will fund LAD maintenance and operations for the fiscal year.

Several LADs have unfavorable future financial projections. Staff are always looking for additional ways to reduce costs within these LADs, including making irrigation repairs and water conservation improvements. Financial projections for future years are anticipated to continue showing the level of service as unsustainable, requiring further measures to address the funding shortfalls. Outreach to the residents within these LADs will be included in these measures.

ALTERNATIVES

Should the LAD assessments not be renewed for this fiscal year, the City would need to fund these maintenance activities, or current services would need to be suspended or reduced substantially.

ATTACHMENTS

1. Resolution Describing Improvements and Directing Preparation of Engineer's Report for the Fiscal Year 24/25 Annual Assessment for Landscape Assessment Districts.
2. Resolution of Preliminary Approval of Engineer's Report for Landscape Assessment Districts for FY 24/25.
3. Resolution of Intention to Order the Levy and Collection of Assessments Pursuant to the Landscaping and Lighting Act of 1971 for Landscape Assessment Districts, FY24/25, and set a date for the Public Hearing.
4. Engineer's Report with Exhibits A & B
5. Memo to Petaluma City Council Listing LADs within 500 feet and 1,000 feet of Councilmembers' properties.