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DATE: July 17, 2023

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

FROM: Cindy Chong, Superintendent of Parks and Facilities, Parks & Recreation  
Gina Benedetti-Petnic, Asst. Director of Public Works & Utilities (PW&U)  
Christopher J. Bolt, Director of PW&U

SUBJECT: Public Hearing to Receive Public Comment, Amend the Engineer's Report as Appropriate, and Resolution Ordering the Improvements, Confirming the Engineer's Report, and Levying Annual Assessments for Landscape Assessment Districts for Fiscal Year 23/24

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### **RECOMMENDATION**

It is recommended that the City Council conduct a Public Hearing to receive public comment, amend the Engineer's Report as appropriate, and adopt a Resolution ordering the improvements, confirming the Engineer's Report, and levying annual assessments for Landscape Assessment Districts for Fiscal Year 23/24.

### **BACKGROUND**

Each year, as required by the California Streets and Highway Code (SHC) Sections 22620 through 22631, the City Council must initiate a process to set the annual assessments for the Landscape Assessment Districts (LADs) to assure 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 occurred on June 5, 2023, and was noticed in accordance with City standards. Further, a public hearing is required for final approval of the assessments and is scheduled for July 17, 2023. The public hearing on July 17 will allow the City Council to hear any public comments, confirm, or modify the proposed assessments, and approve the Engineer's Report.

The City has 50 LADs established within City Limits, 43 of which are actively assessed and maintained. 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**

Each year, as required by the Act, the City Council must conduct a process to set the annual assessments for the LADs to assure sufficient funds are available to provide landscape maintenance.

On June 5, 2023, City Council took the following steps in accordance with the Act:

- Adopted resolution describing the improvements and ordering the preparation of an engineer's report.
- Adopted a resolution preliminarily approving the engineer's report, consisting of Exhibits A and B, which summarized fund balances, projected levies, maintenance costs, per parcel assessments including increases or decreases from the prior year, and expenditure details including the number of parcels per LAD.
- Adopted a resolution setting a Public Hearing to order the levy and collection of the annual LAD parcel assessments.

In compliance with the Streets and Highways Code, notices for the Public Hearing on July 17, 2023, were published in the Argus-Courier on June 9, 2023. The Public Hearing allows additional public comments to be made and considered, after which the Council may consider the adoption of a resolution levying the annual assessments. Upon adoption by the Council, the resolution and assessments will be submitted to the Sonoma County Auditor-Controller by the August 10th deadline for the assessments to be added to the 2023-2024 property tax bill that will be sent to property owners in the fall. Payments of the assessments are due with the property tax bills on December 10, 2023, and April 10, 2024.

It is recommended that LADs with annual levies that do not meet their annual estimated maintenance and administrative cost be increased by the 2% allowable annual levy increase that was authorized when the LADs were established. Staff recommends that the levies be increased by the permitted annual increase in a total of 32 LADs. There will be no reduction in annual levies for FY 23/24. The proposed action is necessary to fund LAD maintenance and operations for the fiscal year.

In the upcoming fiscal year, the City is looking to implement a new integrated pest management program moving to organic and mechanical maintenance methodologies for LADs. As such, it is important to note that staff is working on a comprehensive evaluation of necessary revisions to scope of work and associated costs for all LADs.

At the conclusion of the hearing, it is recommended that the City Council adopt the resolution setting the annual LAD assessment levies in order to collect sufficient maintenance and operation funds for the LADs FY 23/24.

## **PUBLIC OUTREACH**

This agenda item appeared on the City's tentative agenda document on July 10, 2023, which was a publicly noticed meeting. In compliance with Streets and Highways Code Section 22626(a), a Notice of Public Hearing was published in the local paper on June 9, 2023. 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 will 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."

The City is planning to implement a new integrated pest management program this next fiscal year in an effort to implement organic and mechanical maintenance methodologies.

## **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 is working on a plan to implement organic methodologies in weed abatement. The City continued to realize water reduction by turning off irrigation. Review of irrigation systems including controllers to be done in order to look at more efficient ways of watering and monitoring water use and irrigation line breaks. Methods such as mulching will be looked at for use around trees in order to keep 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, and there is negligible or no expansion of use beyond what currently exists and there are no cumulative impacts, unusual circumstances or other factors that 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, 2023, which fund LAD maintenance and operations for the fiscal year. Several LADs have unfavorable future financial projections. Over the next several years, staff will be looking for additional ways to reduce costs within these LADs, including making irrigation repairs and water conservation improvements. It is anticipated that financial projections for future years will continue to show the level of service to be unsustainable, requiring further measures to be considered to address the funding shortfalls. Outreach to the residents within each of these LADs will be an important part of these initiatives.

## **ALTERNATIVES**

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

## **ATTACHMENTS**

1. Resolution (No Recusals) with Exhibits A & B (Engineer's Report)
2. Resolution (Councilmember Barnacle Recusal) with Exhibits A & B (Engineer's Report)
3. Resolution (Mayor McDonnell Recusal) with Exhibits A & B (Engineer's Report)
4. Resolution (Councilmember Nau Recusal) with Exhibits A & B (Engineer's Report)
5. Resolution (Councilmember Shribbs Recusal) with Exhibits A & B (Engineer's Report)
6. Memo Listing LADs within 500 feet and 1000 feet of Councilmembers' properties