



Honorable Mayor and Members of the Hermosa Beach City Council

**PUBLIC HEARING—HERMOSA BEACH LANDSCAPING AND STREET LIGHTING
DISTRICT FISCAL YEAR 2024–2025**

(Public Works Director Joe SanClemente)

Recommendation:

Staff recommends City Council:

1. Conduct a public hearing in connection with the levy of assessments for Hermosa Beach Landscaping and Street Lighting District 2024–25; and
2. Adopt a Resolution (**Attachment 1**) confirming the diagram and assessment found in the Engineer's Report for Hermosa Beach Landscaping and Street Lighting District 2024–2025 and levying an assessment for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

Executive Summary:

The Hermosa Beach Landscaping and Street Lighting District (District) collects funds for the maintenance and operation of the citywide street lighting program and landscaping within street medians and parkways. The annual enrollment of assessments within the District must be approved by the City Council annually by following a three-step process. Staff recommends continuation of the process for Fiscal Year 2024–25.

Background:

The District was created in Fiscal Year 1989–90, pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Sections 22500–22679). The District assessment provides funding to maintain and operate streetlights, traffic signals, and landscaping located within parkways and medians citywide. The assessment rate has not increased since the passage of Proposition 218 in 1996 and is set at \$41.45 per dwelling unit.

The annual enrollment of assessments within the District must be approved by the City Council annually by following a three-step process. First, Council orders the Director of Public Works to prepare an Engineer's Report containing the estimated cost of maintaining the District, the list of parcels within the District, and the method of apportionment of the assessment. At its March 26, 2024 meeting, City Council adopted Resolution 24-7422 authorizing preparation of the Engineer's Report. Second, the Engineer's Report (**Attachment 2**) is presented to Council for approval and the Council

sets a date for a public hearing declaring the City’s intent to order certain improvements and to levy and collect assessments within the District for the new fiscal year.

At its May 28, 2024 meeting, Council adopted Resolution 24-7432 approving the Engineer’s Report and Resolution 24-7431 declaring the City’s intent to order certain improvements, to levy and collect assessments, and to set July 9, 2024 at 6:30 p.m. as the date and time for a public hearing. The notice of the public hearing was published in the paper on June 13, 2024.

The third and final step is to hold a public hearing to accept public input on the matter of the proposed assessment and to determine whether a majority protest to the annual levy of assessments for Fiscal Year 2024–2025 exists.

Past Council Actions

Meeting Date	Description
<u>March 26, 2024</u>	City Council adopted Resolution 24-7422 authorizing the preparation of a report for the annual levy of assessments within the Hermosa Beach Landscaping and Street Lighting District during Fiscal Year 2024–25
<u>May 28, 2024</u>	City Council adopted Resolution 24-7432 approving the Engineer’s Report and Resolution 24-7431 declaring the City’s intent to order certain improvements, to levy and collect assessments, and to set July 09, 2024, as the date for a public hearing.

Analysis:

The Hermosa Beach Landscaping and Street Lighting District partially funds the maintenance and operation of the citywide street lighting program and landscaping within street medians and parkways. The City is in compliance with Proposition 218 and can continue to levy assessments without balloting requirements so long as the assessments are not increased. The assessment rate per dwelling unit has not increased since the passage of Proposition 218 in 1996 and will continue at the rate of \$41.45 per dwelling unit in Fiscal Year 2024–25.

The Council is now considering the third, and final, step in the process to hold the public hearing. If no majority protest exists, the City may authorize the levy of an assessment for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

The total assessment to be collected for Fiscal Year 2024–2025 is \$457,732. The total cost of the operation, servicing and maintenance of the Landscaping and Street Lighting

District 2024–2025 is estimated to be \$858,525. The approximate \$400,793 difference between what is collected through the assessment and what is needed to operate the District next fiscal year and the \$25,491 deficit from Fiscal Year 2023–2024 Landscaping and Lighting District fund balance will be subsidized by \$7,189 from miscellaneous revenues and an additional \$419,095 to be transferred from the General Fund. This subsidy will cover the shortfall in the Landscaping and Street Lighting District Fund and ensure that the District’s operational and maintenance needs are funded for Fiscal Year 2024-2025.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City’s General Plan. Relevant Policies are listed below:

Mobility Element

Goal 2. A public realm that is safe, comfortable, and convenient for travel via foot, bicycle, public transit, and automobile and creates vibrant, people oriented public spaces that encourage active living.

Policies:

- **2.1 Prioritize public rights-of-way.** Prioritize improvements of public rights-of-way that provide heightened levels of safe, comfortable, and attractive public spaces for all non-motorized travelers while balancing the need of efficient vehicular circulation.
- **2.4 Sustainable landscape.** Use consistent and sustainable landscape and streetscape designs that reflect the city’s community identity; showcase local assets and the community’s unique and vibrant culture.

Parks + Open Space Element

Goal 10. Abundant landscaping, trees, and green space provided throughout the community.

Policy:

- **10.3 Green space co-benefits.** Recognize the many positive qualities provided by landscaping, trees, and green space including reduced heat gain, controlled stormwater runoff, absorbed noise, reduced soil erosion, improved aesthetic character, and absorption of air pollution.

Infrastructure Element

Goal 1. Infrastructure systems are functional, safe, and well maintained.

Policies:

- **1.1 Infrastructure systems plan.** Establish and adopt an integrated, holistic systems approach to guide infrastructure development, improvement, maintenance, and resilience.
- **1.4 Fair share assessments.** Require new development and redevelopment projects to pay their fair share of the cost of infrastructure improvements needed to serve the project and ensure that needed infrastructure is available prior to or at the time of project completion.

Fiscal Impact:

The anticipated assessment to be collected for Fiscal Year 2024–2025 is \$457,732. The total cost of the operation, servicing and maintenance of the Landscaping and Street Lighting District 2024–2025 is estimated to be \$858,525. The shortfall of \$400,793 in the Landscaping and Street Lighting District Fund and the \$25,491 deficit from Fiscal Year 2023–2024 Landscaping and Lighting District fund balance will be subsidized by \$7,189 from miscellaneous revenues and an additional \$419,095 to be transferred from the General Fund.

Council approved \$20,000 in the Fiscal Year 2024–25 Budget to study the District rates and to consider creating a new supplemental district. The study will seek to address the annual operating deficit, so that no further subsidies from the General Fund or other discretionary funds would be required. The study should include District-related recommendations from the Parks Master Plan, thereby shifting completion of the study until after the Parks Master Plan completion. Any proposed rate increase resulting from the study would be processed in compliance with Proposition 218.

Attachments:

1. Draft Resolution
2. Engineer’s Report

Respectfully Submitted by: Karla Vargas, Assistant Engineer

Concur: Andrew Nguyen, Associate Engineer

Concur: Brandon Araujo, Senior Engineer

Concur: Lucho Rodriguez, City Engineer

Concur: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Viki Copeland, Administrative Services Director

Legal Review: Patrick Donegan, City Attorney

Approved: Suja Lowenthal, City Manager