



AGENDA STAFF REPORT

MEETING DATE: 8/19/2025

AGENDA SECTION: STUDY SESSION

SUBJECT:

Landscape Assessment Districts: Past, present, and future

RECOMMENDATION:

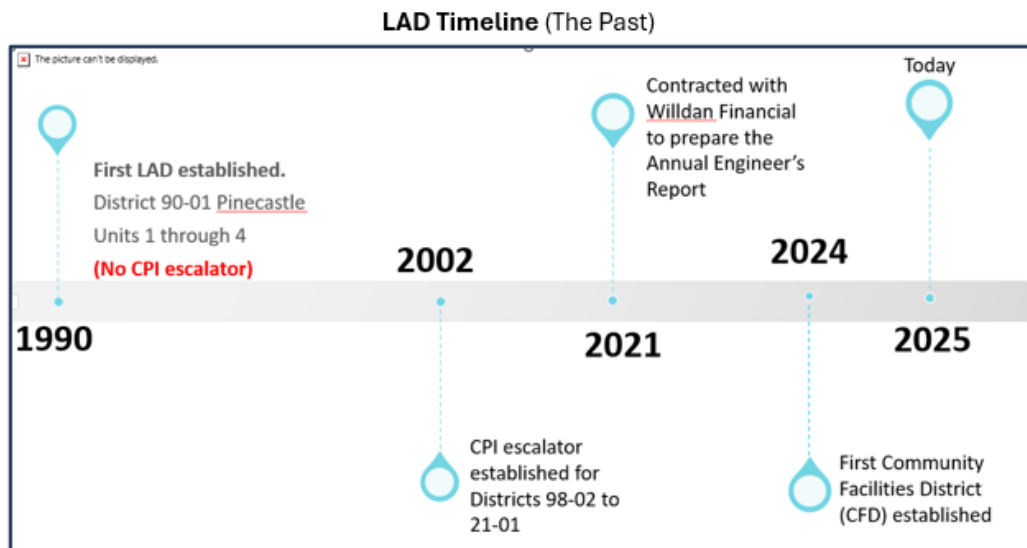
Recommendation: Council provides direction on the staff's five recommendations.

Recommended Motion: No motion is required. City Council feedback is requested.

BACKGROUND:

The Past

The City of Hanford established Landscape and Lighting Districts in 1990. The developers form the districts and typically encompass the physical boundaries of a housing tract.



Prior to 2021, the City of Hanford Public Works Department was responsible for the required Annual Engineer's Report pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act. Each fiscal year, the City establishes the LAD assessments based on an estimate of the costs to maintain, operate, and service the authorized improvements within each district, as well as available revenues, including assessment revenues, fund balances, general benefit contributions, and any additional City contributions from available sources.

From 2021 to the present, the City agreed with Willdan Financial Services to provide assessment

district engineering and administration services to the City of Hanford.

The Scope of Services includes:

Prepare and submit the Consolidated Engineer's Report for the Landscape and Lighting Assessment Districts.

- Prepare the annual property tax roll for each district and submit to the Kings County Auditor/Controller before the August 9th deadline.
- Work with City staff to update the district budgets for the upcoming fiscal year, and coordinate to assist with accurate cost-recovery accounting.
- Establish a comprehensive improvement matrix and boundaries.

Balloting of the LADs (if required)

- Prepare a supplemental Engineer's Report for the districts to be balloted.
- Public outreach, including: developing and mailing an informational piece and a possible property owner meeting invitation, and facilitating property owner workshops
- Prepare the notice and ballot, and print and mail them.
- Prepare four Resolutions:
 1. Resolution initiating the proceeding,
 2. Resolution of intention,
 3. Resolution declaring the results of the property owners' balloting, and the
 4. Resolution confirming the Engineer's Report.
- Attend the Public Hearing and ballot tabulation.

Each year, in June/July, at a noticed Public Hearing, the City Council will accept comments and written protests regarding the Districts and the annual levy of assessments. Based on those comments and written protests, the City Council may order amendments to the Report or confirm the Report as submitted. Following the final approval of the Report, the City Council will, by Resolution, order the improvements to be made and confirm assessment for each parcel as approved will be placed on the annual property tax roll by the Kings County Auditor/Controller and collected together and in the same manner as other property taxes for such parcels.

The Present

Currently, the City of Hanford manages 43 Landscape Assessment Districts (LADs). Each LAD is assigned a District Number and a Fund Number. Example: District 03-01 = Established in 2003 and was the first assigned LAD.

Of the 43 LADs, eleven districts are deficient in their fund balance, which requires a temporary loan from the General Fund until the fund is financially sound. The deficient LADs were established prior to 2001 and do not have an assigned inflationary adjustment (Consumer Price Index) escalator.

Without the escalator, these districts will continue to experience deficit fund balances—the only way to establish a rate that adequately covers maintenance costs and include an escalator to keep up with costs is to ballot each deficient district.

In addition, the City has lowered the Level of Service within eight of the deficit districts to Level XXX (no service/health and safety needs only). Five of these districts have had their landscape water discontinued.

To provide context on this complex subject, the staff has chosen to identify District 04-03 and an actual (redacted) property tax statement from a resident within that district. The selected resident is assessed \$154.10.

The Future

In 2024, the City of Hanford decided to transition from Landscape and Lighting Districts to Community Facilities Districts (CFDs). CFDs are a flexible financial tool for local government to fund a wide variety of services, such as parks, public safety, and schools. In addition, CFDs can also finance infrastructure such as water, sewer, streets, and the acquisition of open space.

Recently, the Council placed LADs as a future agenda item. Staff from Finance, Public Works, and Parks and Community Services Departments have met to discuss and develop this item for review.

Moving forward, the staff recommends the following for Council feedback:

1. Rescope the 2025/2026 agreement with Willdan Financial, utilizing for legal requirements of balloting districts
2. The Engineering and Utilities, and Finance Departments will complete the Annual Consolidated Engineer's Report
3. Deficient Districts: Staff will develop a detailed (potential) plan for balloting the deficient districts
 - Analyze deficient districts (September - October)
 - Develop outreach/education marketing campaign (November - December)
 - Execute outreach/education campaign (January - February)
 - Ballot the deficient LADs (March -April)
4. Financial Sound Districts: Establish a comprehensive Capital Improvement Plan (CIP) for districts exceeding reserve thresholds
 - Establish maintenance improvements such as landscape needs
 - Outreach to property owners to prioritize improvements
 - Define the type and extent of the improvements
 - Identify the true costs of maintaining the improvements
5. Establish an internal LAD working group consisting of Finance, Utilities and Engineering, Public Works, and the Parks and Community Services Departments to monitor and assess district needs.

FISCAL IMPACT:

The proposed strategies are focused on the long-term fiscal health of all Landscape Assessment Districts and on eliminating the need to fund the deficient districts through the General Fund.

ATTACHMENTS:

1. 2025 Council LAD Presentation