



Council Agenda Report

From: Dwayne Brown, Maintenance Services Superintendent

Subject: Approval of Resolutions Initiating the Annual Levy of Landscape & Lighting District No. 1 and Drainage Maintenance District 2008-1 for Fiscal Year 2026-27

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: April 21, 2026

Facts

1. The Paso Robles Landscape & Lighting Maintenance District No. 1 (LLD) was formed in 1989 for the ongoing maintenance of streetlights, hardscape, detention basins, parkway median islands, open space, slopes, and other related appurtenant facilities.
1. Over 4,100 lots are organized into 19 Zones and 145 designated Sub Areas in the LLD.
2. In 1993, the City began assessing parcels within the LLD.
3. In FY 2007-08, Drainage Maintenance District No. 2008-1 (DMD) was formed for the maintenance of drainage improvements associated with the Ashwood Place (PR03-0338) Subdivision. The DMD requires the same annual levy process as the LLD.
4. The annual levy is a two-step process. The first step is in three parts: (1) adopting a Resolution to initiate the annual levy proceedings and order the Engineer's Report; (2) adopting a Resolution to approve the Engineer's Report preliminarily; and (3) adopting a Resolution scheduling a Public Hearing on June 2, 2026.
5. The second and final step is to conduct a Public Hearing and to consider approval of a resolution confirming the assessment diagram and assessment, either as originally proposed or as changed and authorize the levy and collection of assessments.

Options

1. Take no action;
2. Approve resolutions to initiate proceedings for the annual levy of the Landscape & Lighting Maintenance District No. 1 and Drainage Maintenance District 2008-1 for Fiscal Year 2026-27; approve the preliminary Engineer's Report; declare the City's intent to levy assessments for the continued maintenance of landscaping and related improvements; set a Public Hearing for June 2, 2026, to consider adoption of the final Engineer's Report and authorization of the levy and collection of assessments; and take all other actions necessary to initiate these proceedings.
3. Direct staff to pursue a different approach.

Analysis and Conclusions

Landscape & Lighting Maintenance District No. 1 (LLD):

The LLD provides a funding mechanism to deliver to the public the benefit of street lighting, landscaping, drainage, and related facilities associated with various developments in the City. Economies of scale are

achieved by combining efforts for all maintenance services across separate geographic locations as individual Sub Areas or groups of Sub Areas known as Zones. Landscape maintenance contractors contract directly with the City to maintain the Sub Areas and Zones.

LLD funding is determined annually. Each Sub Area's costs are determined based on the landscape, lighting, and other amenities associated with a tract, and the costs associated with the maintenance of those improvements. Costs are apportioned to the parcels within each Sub Area based upon the special benefit conferred to each parcel in compliance with California Constitution, article XIII D, section 4 ("Proposition 218"). Each Sub Area is assessed only for the maintenance services and activities applicable to the properties within that Sub Area.

Of the 4,061 assessable parcels, 1,540 (37.9%) will be assessed an annual increase of \$10 or less; 2,249 (55.4%) will be assessed an increase between \$10 and \$50; 258 (6.4%) will be assessed an increase between \$50 and \$100; and the remaining 14 parcels (0.3%) will be assessed an increase of more than \$100. The average annual increase per parcel will be \$63.12 or \$5.26 per month. No parcels of property will be assessed an amount in excess of the maximum assessment previously approved by such property owners in accordance with Proposition 218.

In all cases where an increase is proposed, monies will be applied to the operation and maintenance of applicable neighborhood improvements, most significantly increased water and landscape maintenance contractor costs.

For those Sub Areas where a new or increased assessment has been proposed but not approved by the property owners (as occurred in FY 2003-04, FY 2006-07, and FY 2022-23 in some Sub Areas), a reduction in service was instituted to make the level of service commensurate with the assessment revenues available.

Drainage Maintenance District No. 2008-1 (DMD):

The DMD provides the necessary annual funding to service and maintain drainage improvements associated with the Ashwood Place (PR03-0338) Subdivision. It has been determined that the improvements are required and necessary for the orderly development of the lots and parcels of land within the Subdivision and that the improvements and services will enhance and protect those properties as well as ensure the ecological and environmental integrity of the drainage improvements (creek area).

Fiscal Impact

The City's Landscape and Lighting District (LLD) and Drainage Maintenance District (DMD) programs are currently funded through annual assessments totaling approximately \$2 million. These assessments support both ongoing maintenance activities and associated administrative costs, including preparation of the annual Levy Reports and required filings with San Luis Obispo County. If the City Council elects not to levy these assessments, the associated costs would be fully absorbed by the General Fund.

CEQA

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Recommendation (Option 2)

It is recommended that the City Council take the following actions:

1. Approve Resolution 26-XXX (A), initiating proceedings for the annual levy of assessments for the maintenance of Landscape & Lighting Maintenance District facilities.
2. Approve Resolution 26-XXX (B), initiating proceedings for the annual levy of assessments for the maintenance of Drainage Maintenance District facilities.
3. Approve Resolution 26-XXX (C), adopting the draft preliminary Landscape & Lighting Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
4. Approve Resolution 26-XXX (D), adopting the draft preliminary Drainage Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
5. Approve Resolution 26-XXX (E), declaring the intent to levy for maintenance of the Landscape & Lighting Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 2, 2026.
6. Approve Resolution 26-XXX (F), declaring the intent to levy for maintenance of the Drainage Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 2, 2026.

Attachments

1. Resolution 26-XXX (A) – Initiating proceedings for the annual levy of assessments for the maintenance of Landscape and Lighting maintenance district facilities
2. Resolution 26-XXX (B) – initiating proceedings for the annual levy of assessments for the maintenance of Drainage Maintenance District facilities.
3. Resolution 26-XXX (C) – adopting the draft preliminary Landscape and Lighting Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
4. Resolution 26-XXX(D) – adopting the draft preliminary Drainage Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
5. Resolution 26-XXX (E) –Declaring the intent to levy for maintenance of the Landscape & Lighting Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 2, 2026
6. Resolution 26-XXX (F)- Declaring the intent to levy for maintenance of the Drainage Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 2, 2026
7. Landscape & Lighting Maintenance District No. 1 2026/27 Preliminary Engineer's Annual Levy Report
8. Drainage Maintenance District 2008-1 2026/27 Preliminary Engineer's Report