



# City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

## AGENDA REGULAR MEETING

CITY COUNCIL  
MONDAY, SEPTEMBER 09, 2019

CITY OF ROLLING HILLS  
7:00 P.M.

*Next Resolution No. 1245*

*Next Ordinance No. 363*

### 1. CALL TO ORDER

### 2. ROLL CALL

### PLEDGE OF ALLEGIANCE

### 3. OPEN AGENDA - PUBLIC COMMENT WELCOME

*This is the appropriate time for members of the public to make comments regarding the items on the consent calendar or items **not** listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.*

### 4. CONSENT CALENDAR

*Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.*

A. MINUTES – REGULAR MEETING OF JULY 22, 2019

**RECOMMENDATION: APPROVE AS PRESENTED**

B. PAYMENT OF BILLS.

**RECOMMENDATION: APPROVE AS PRESENTED**

C. REVIEW AND APPROVE PLANNING AND TRAFFIC COMMISSIONS  
RECRUITMENT/APPOINTMENT SCHEDULE FOR TERMS EXPIRING IN  
JANUARY 2020.

**RECOMMENDATION: APPROVE AS PRESENTED**

### 5. COMMISSION ITEMS

NONE.

### 6. PUBLIC HEARINGS

NONE.

**7. OLD BUSINESS**

- A. CONSIDER AMENDING MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS TO INCLUDE OTHER CONSULTING FEES.

**8. NEW BUSINESS**

- A. CONSIDER ENGAGING NV5 TO PREPARE PETITION PACKAGE AND PROVIDE ASSESSMENT DISTRICT FORMATION SERVICES AND POST FORMATION SERVICES FOR THE EASTFIELD UNDERGROUNDING PROJECT (FROM INTERSECTION OF OUTFRIDER ROAD AND EASTFIELD DRIVE TO SOUTH OF CHUCKWAGON ROAD, ALONG EASTFIELD DRIVE)
- B. REPORT ON THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY AND DETERMINATION BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) OF THE PROJECTED HOUSING NEED FOR THE 6TH CYCLE OF THE HOUSING ELEMENT FOR THE SCAG REGION.

**9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

NONE

**10. MATTERS FROM STAFF**

NONE.

**11. ADJOURNMENT**

Next meeting: Monday, September 23, 2019 at 7:00 p.m. in the City Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

*Public Comment is welcome on any item prior to City Council action on the item.*

*Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.*

*In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.*

*All Planning Commission items have been determined to be categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines unless otherwise stated.*

**MINUTES OF  
A REGULAR MEETING  
OF THE  
CITY COUNCIL OF THE  
CITY OF ROLLING HILLS, CALIFORNIA  
MONDAY, JULY 22, 2019**

**1. CALL TO ORDER**

A regular meeting of the City Council of the City of Rolling Hills was called to order by Mayor Mirsch at 7:00p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

**2. ROLL CALL**

Councilmembers Present: Mayor Mirsch, Pieper, Black, Dieringer and Wilson.  
Councilmembers Absent: None  
Others Present: Elaine Jeng, P.E., City Manager.  
Yolanta Schwartz, Planning Director  
Michael Jenkins, City Attorney  
Susan Wilcox, Land Conservancy  
Alfred Visco  
Arvel Witte  
Joe Sparrow

**3. OPEN AGENDA - PUBLIC COMMENT WELCOME**

Mayor Mirsch called for public comments. There were no public comments.

**4. CONSENT CALENDAR**

*Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.*

- A. MINUTES – REGULAR MEETING OF JULY 2, 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED.**
- B. PAYMENT OF BILLS.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- C. REPUBLIC SERVICES RECYCLING TONNAGE REPORT FOR JUNE 2019  
**RECOMMENDATION: APPROVE AS PRESENTED**
- D. FINANCIAL STATEMENT FOR THE MONTH OF JUNE 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- E. SECOND READING – WAIVE THE FULL READING OF ORDINANCE NO. 362 OF THE CITY OF ROLLING HILLS, CALIFORNIA, AMENDING SECTION 8.08.580 CONSTRUCTION AND DEMOLITION WASTE OF THE CITY OF ROLLING HILLS MUNICIPAL CODE.  
**RECOMMENDATION: APPROVE AS PRESENTED.**

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Councilmember Black moved to approve the consent calendar. Councilmember Wilson seconded the motion. Councilmember Wilson also noted that the very last page of the balance sheet is illegible. The motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, Black, and Wilson  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: None.  
ABSTAIN: COUNCILMEMBERS: None.

### 5. COMMISSION ITEMS

- A. RECEIVE AND FILE RESOLUTION NO. 2019-11 FROM THE PLANNING COMMISSION GRANTING APPROVAL OF A CONDITIONAL USE PERMIT TO CONVERT AN EXISTING 689 SQUARE FOOT STABLE, TO A MIXED-USE STRUCTURE IN ZONING CASE NO. 959 AT 49 EASTFIELD DRIVE (LOT 33-EF) ROLLING HILLS, CA (WALDMAN).

Planning Director Schwartz summarized the last time the City Council discussed the project. The distance from the set aside to the closest structure is 53 feet.

Councilmember Black inquired why was the elevation not included in the plans.

Planning Director responded that the set aside is considerably lower.

Councilmember Dieringer inquired if the mixed-use structure allows for showers.

Planning Director responded that the code allows showers for rec rooms.

Mayor Pro Tem Pieper move to receive and file the item. Councilmember Black seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, Black, and Wilson  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: None.  
ABSTAIN: COUNCILMEMBERS: None.

### 6. PUBLIC HEARINGS

- A. REVIEW AND APPROVE ZONING CASE NO. 957, REQUEST FOR A VARIANCE AT 5 FLYING MANE LANE.

Planning Director Schwartz noted that the City Council took the project under its jurisdiction and proceeded to give a brief summary of the City Council's field trip to the project site. Planning Director Schwartz outlined the City Council's instruction to staff was to contact Edison to convey the condition

## DRAFT

observed at the site. Edison informed staff that an additional pole can be installed to raise the low hanging overhead lines. The applicant would then have the ability to underground to the new pole.

Discussions ensued on Edison's response to staff's inquiry.

Planning Director Schwartz noted that if the City Council grant the variance, Edison will require the applicant to trim the tree around the wires in question.

Councilmember Dieringer asked for confirmation that the applicant would not give Edison the necessary easement for the new pole. Councilmember Dieringer inquired what is the most economical alternative for the applicant.

Joe Sparrow, Architect for the project, noted that his client Mr. Walker knew that he had to underground and fully intended to but due to circumstances for he is requesting a variance. Mr. Sparrow noted that there is similar variance granted previously. Mr. Walker would hate the third pole but does want safe conditions. Mr. Sparrow responded to Councilmember Dieringer that if Mr. Walker was forced to provide the easement, he would do it, but he is focused on pursuing the variance. Mr. Sparrow noted that the additional pole would likely be the most economical option.

Councilmember Black moved to deny the variance request and added that no explosive be used on the project. Mayor Mirsch seconded the motion.

City Attorney Jenkins noted that the action to be taken is to direct staff to prepare a denial resolution. And that a denial is just that – a denial. The property owner must in some way comply with the undergrounding requirement. The City cannot impose other conditions in a denial. The applicant can provide the easement to Edison for the additional pole and underground to the new pole. It is entirely up to the applicant and Edison in the approach to meet the requirement.

Mayor Mirsch noted that she is not entirely insensitive to the cost issue. She also noted that the City Council does not like to make exceptions.

Councilmember Black amended his motion to have staff bring back a denial resolution to the City Council. Councilmember Dieringer seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Dieringer, and Black.

NOES: COUNCILMEMBERS: Pieper and Wilson.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

## 7. OLD BUSINESS

NONE.

## 8. NEW BUSINESS

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- A. CONSIDERATION TO ENGAGE THE SERVICES OF FORUM INFO-TECH FOR INFORMATION TECHNOLOGY ADMINISTRATIVE SERVICES FOR THREE YEARS, STARTING AUGUST 1, 2019; DIRECT THE CITY ATTORNEY'S OFFICE TO PREPARE A PROFESSIONAL SERVICES AGREEMENT; AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT.

City Manager Jeng gave a brief history of the City's IT infrastructure. The temporary IT vendor currently serving the City costs about \$2,400. It was also envisioned to hire an IT vendor to serve as the City's IT Department through a competitive RFP process. The RFP requested vendors to provide professional judgement to meet the City's needs and plan for the future. City Manager Jeng summarized the differences between the two proposal received and noted that she attempted to extract proposal elements to give an apples to apples comparison.

Mayor Pro Tem Pieper inquired if \$199 includes the hosting or managing the hosting? Mayor Pro Tem Pieper inquired about the quantity count of 9 for the AWS hosting and questioned the amount of work beyond year 1 of service.

City Manager Jeng responded that \$199 is managing the hosting. The hosting cost is on page 20 of 71.

Discussions ensued on specific cost items from both proposals and the proposed contract term.

City Manager Jeng noted that the current cost of maintaining the City's existing IT infrastructure is \$2,500 per month, without the data migration to the cloud and or future planning work.

Mayor Pro Tem Pieper voiced concerns about fire walls and expressed the need to have data onsite. Once the system is set up, he doesn't think that there would be much work on the part of the vendor and to pay \$2,000 a month seems high.

City Manager Jeng inquired would Mayor Pro Tem Pieper be more comfortable if the contract term was shortened to one year? And that pricing can be discussed and be agreed upon before extending into year 2 and or 3.

Mayor Pro Tem Pieper responded yes and he would be comfortable with engagement of service if it were on a shorter term and if City staff's process is more efficient with the vendor's support.

Councilmember Wilson provide his own experience with IT vendors for his business.

Councilmember Dieringer inquired if it would fair to go back to CBE Solutions to ask them to provide services provided by Forum Info-Tech to get an apples to apples comparison.

City Manager Jeng summarized the solicitation process including the clarification questionnaire with both proposers. She noted that it is important in a competitive environment that all competitors are treated the same and get the same information to provide proposals.

Mayor Mirsch expressed that she would like to see a company that can provide a good level of service with their professional judgement. She would not want to go back out to bid.

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Mayor Pro Tem Pieper expressed that proposers will recommend what they are comfortable. If the contract term can be shortened, then we should move forward with the overhaul.

Councilmember Dieringer inquired about the Southbay Smart Net Project and how is it related to this work.

City Manager Jeng outlined the service to be provided by the Southbay Smart Net project compared to the City's current internet service. She added that the Smart Net project can be integrated by the IT vendor.

Mayor Pro Tem Pieper motioned to shorten the contract term to one year and approve staff's recommendation. Councilmember Wilson seconded the motion.

Discussions ensued on the scenario where the vendor changes the price with the term being reduced from 3 years to 1 year. The item needs to be brought back to the City Council.

City Manager Jeng note that she would bring the contract back to Council for approval regardless.

The motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, Black and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

B. CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH CSG CONSULTANTS FOR ON-CALL PLANNING CONSULTING SERVICES TO SUPPLEMENT THE PLANNING DEPARTMENT ON AN AS-NEEDED BASIS FOR FISCAL YEAR 2019-2020 FOR AN AMOUNT NOT-TO-EXCEED \$30,000.

City Manager Jeng outlined resource change turning the Senior Planner position to a jack-of-all trade position. This contract is not meant to farm out the planning function but to meet the fluctuating demands of the Planning Department on an as needed basis with a consulting firm. Also, the consulting service can provide expertise not available in-house such CEQA analysis.

Planning Director Schwartz briefly outline the solicitation process and noted that she selected CSG because they seem to have a variety of people. The firm is geared to serve smaller cities.

Ethan Edwards, Director Planning Services from CSG gave a brief background of the company of 300 employees. They have a partner planner approach. It is an employee owned company.

Mayor Pro Tem Pieper motioned to approve the item as presented. Mayor Mirsch seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, and Wilson.

Minutes

City Council Meeting

09-09-19

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NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: Black.  
ABSTAIN: COUNCILMEMBERS: None.

C. CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH ENVIRONMENTAL DESIGN ASSOCIATES (EDA) TO REVIEW AND RECOMMEND ISSUANCE OF PERMITS PER THE ROLLING HILLS WATER EFFICIENCY LANDSCAPE ORDINANCE.

Planning Director Schwartz noted that in order to be complaint with the Model Water Efficiency Ordinance, City staff needs additional assistance to review permitting data. The City Council through the budget process did approve the hire of a landscape architect to assist staff in processing the data to comply with the ordinance. There were two proposers. One of the proposers does not have the license called out in the RFP and therefore not selected. She recommends the selection of Environmental Design Associates. Plan check fees would be collected from applicants.

Mayor Mirsch why is the license needed even though staff though Sarah Noel was qualified to do the work.

Planning Director Schwartz responded that much like design plans, a stamp is needed for the work.

Mayor Pro Tem Pieper motioned to approve the item as presented. Councilmember Wilson seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, and Wilson.  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: Black.  
ABSTAIN: COUNCILMEMBERS: None.

Mayor Mirsch inquired if there is opportunity to use consultant for multiple purposes.

City Manager Jeng responded yes. Staff could have inquired if CSG have certified arborist but because different tracks started at the different times that the opportunity to have joint purposes was missed.

D. CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH WARRINER ASSOCIATES FOR ON-CALL ARBORIST SERVICES TO SUPPORT STAFF IN FIRE FUEWL ABATEMENT CODE ENFORCEMENT CASES.

Planning Director Schwartz outlined code enforce cases that needed the expert opinion of a certified arborist. Even though the City will have a full-time code enforcement officer shortly, a professional arborist would still be needed to provide professional opinions if a tree is dead or not. She is recommending Warriner because they are local and would not charge the city for travel time despite their hourly rate is more expensive than the other competitor.

Councilmember Dieringer inquired if the arborist is also for view ordinance. Certified arborist is a dime



## DRAFT

and dozen. The other firm at \$150 per hour is cheaper and they are registered arborist. The registered arborist is higher level certification. It would be worth it for them to travel here from Duarte. Councilmember Dieringer noted that there would be a conflict of interest if Warriner is being used by the community or the Association. She noted that both arborists can be contracted to serve the City to allow the City to have the ability to select expert for certain service.

City Manager Jeng responded that yes, the on-call arborist can be utilized for view ordinance should the need arise. The City can use both arborists for on-call services. JTL did not receive a bad review from staff through the RPF process.

Mayor Mirsch inquired with City Attorney Jenkins does he see any conflicts if the Association uses the same arborist. Mayor Mirsch inquired who is on the hook to pay for the services of the arborist? Mayor Mirsch inquired statistics on challenges on the City's assessment of dead vegetation and if the \$6,000 will be sufficient to meet the demand.

City Attorney Jenkins expressed that he does not see any conflicts arising from using the same vendor.

City Manager Jeng responded that the City pays for the services of the arborist as a part of the code enforcement effort. Arborist call out are clustered to maximize the site visits and often arborist can use photographs taken by staff to render opinions.

Planning Director Schwartz noted that there have been no challenges since February of this year.

Mayor Pro Tem Pieper inquired with the City Attorney if the arborist fee can be recovered if the challenges by residents fail.

City Attorney Jenkins responded Mayor Pro Tem Pieper that cost recovery is possible.

Mr. Visco noted that it would be a great idea to have multiple arborist on-call. He also agrees with the challenging party to pay for arborist's fee.

Councilmember Dieringer motioned to employ two arborists for on-call services. Mayor Pro Tem Pieper seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, and Wilson.  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: Black.  
ABSTAIN: COUNCILMEMBERS: None.

Mayor Pro Tem Pieper asked that the arborist expenditure be tracked.

## **9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

- A. DISCUSS FIRE FUEL ABATEMENT ALONG THE CITY'S SOUTHERN BORDER, AREAS ADJACENT TO THE PALOS VERDES PENINSULA LAND CONSERVANCY (ORAL).

Susan Wilcox gave a brief background on the Land Conservancy. Thirty years ago, the Land Conservancy was formed as a non-profit to preserve land for the enjoyment of the community. In total \$30M raised from Federal and State funds, and \$10M raised from the community to purchase the Preserve. Once the land was purchased, the title was given to Rancho Palos Verdes. Land Conservancy holds conservation easements over the land. The agreement between RPV and Conservancy is to restore land every five years. This year the Land Conservancy is looking to remove vegetation from the Preserve. Ms. Wilcox gave a background on acacia. The vegetation planned to be removed is acacia. The Land Conservancy requested \$30,000 from RPV to remove acacia. Ms. Wilcox noted she is here tonight to answer questions.

Councilmember Dieringer inquired pipeline projects along the border between Rolling Hills and the Conservancy.

Ms. Wilcox responded that the Conservancy is proposing to start at the bottom of the hill to remove acacia and move up the hill. There is an area near RH's property area that the Conservancy is planning to remove muster. There is about 20 acres to use goats to remove muster. Ms. Wilcox noted that there is no excess budget and asked to explore RH funding the muster removal work.

RPV, Wildlife Agencies and the Conservancy jointly participate in a Natural Community Conservation Planning (NCCP). The NCCP allows the city to streamline permitting. With three parties it is confusing who is in charge of what. The Conservancy does not regulate the users, don't issue fines but simply a land restoration entity. RPV gives the Conservancy \$160,000 annually to perform the restoration work. The work requires approximately \$500,000 so the Conservancy is always raising additional funds from the community.

Councilmember Wilson inquired fire breaks between the City and the Conservancy and the decision tree to determine where fire modification should take place.

Ms. Wilcox responded that when NCCP was formed, the three agencies along with the Fire Department predetermined the locations where the fire fuel modification work would take place on the Preserve side. Otherwise the fire fuel abatement falls on the homeowner. Ms. Wilcox noted that the locations of the fire ignition sites were the priorities for fire fuel modification work. Ms. Wilcox also noted that muster is difficult to eradicate.

Councilmember Black expressed that some of the trails in the Preserve are overrun with muster. Goats are not economical to remove muster. The City would contribute funds to remove the muster even if goats are considered for the removal work.

Ms. Wilcox said that she is not a decision maker. Ms. Wilcox will take the request back and follow up. Ms. Wilcox noted that they have identified a 20-acre site to remove muster.

Mayor Pro Tem Pieper inquired who is the person who signs off on the work. And how do we come up with a solution right now. Mayor Pro Tem Pieper discussed RH residents that donate monies to the Conservancy and their desires for progress. It is end of July and nothing has happened.

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Ms. Wilcox responded that the Conservancy's Executive Officer and the City of Rancho Palos Verdes would be the decision makers and the Wildlife agencies. Ms. Wilcox noted she will relay the urgency and be in touch with Leah and Elaine. Ms. Wilcox noted that the Conservancy want to remove muster too. Ms. Wilcox referenced the land as the Preserve and the Conservancy is the non-profit agency's office. Ms. Wilcox asked for understanding and that she will be working on the request, but it may not be tomorrow.

Councilmember Dieringer noted that prioritization should occur closer to people's homes. If the City were to contribute money, that there should be some control on the quality of work ensured by the Conservancy leadership.

Mayor Mirsch limited public questions and comments for Ms. Wilcox to 3 minutes.

Alfred Visco inquired about work planned by RPV and the status of the work.

City Manager Jeng responded to Mr. Visco that she spoke with RPV City Manager in the afternoon, the work is scheduled for next week, near Cinchring.

Arvel Witte, 5 Quail Road South, expressed that he doesn't understand why are we stalled on a safety issue? Mr. Witte contributed to the Conservancy.

### B. RECEIVE A PRESENTATION ON THE ELEMENTS OF A COMMUNITY WILDFIRE PROTECTIONAL PLAN AND THE PROCESS TO COMPLETING A PLAN FOR ROLLING HILLS (ORAL)

City Manager Jeng provided a brief presentation on CWPP.

Councilmember Wilson inquired about the past community meetings on the subject and the low turnouts.

City Manager Jeng responded that the past community meetings are recorded and available on the City's website. The links have been shared with Block Captains. The Fire Department is coming to the next Block Captain meeting in August 2019. She is hoping that the Block Captain does a good job advertising the recorded meetings.

Councilmember Dieringer inquired to hold the meetings to be as inclusive as possible.

City Manager Jeng responded that yes additional meetings beyond the bi-monthly Block Captains will be held in the evening hours.

Mayor Mirsch inquired if staff is actually going to write something up and have it approved by someone.

City Manager Jeng responded that the plan would have to be signed off by the City Council, the Fire Department and the Sheriff. The plan can also go to a Fire Safe Council if the plan is related to wildfire. City Manager Jeng outlined the logistics of achieving an agreeable plan.

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Councilmember Dieringer inquired if more effort needs to be focused to get more participation. Councilmember Dieringer inquired if the City Manager is getting the sense that the Peninsula wants to prepare one CWPP.

City Manager Jeng noted that Block Captains should be holding zone meetings. No, she is not getting a sense that cities are pursuing one Peninsula CWPP but that the individual plans would be coordinated peninsula wide.

Mr. Visco stated that he is trying to get Elaine in touch with Elizabeth with California Fire Safe Council. Mr. Visco added that if the City works with the California Fire Safe Council so that the City can receive funding. He suggested Fire Safe Council cells to allow flexibility between zones within the City. Fire Safe Council are volunteers and can assist and help write grants.

Mr. Witte expressed that he is more interested in action. He suggested taking a tour along the City's border would help to act on the threat. He would like the Fire Department to see the threat.

Mayor Mirsch directed staff to follow up on Mr. Witte's suggestion to have the community take a tour of the border.

Mayor Pro Tem suggested to educate landscape companies on the City's dead vegetation ordinance to increase the dead vegetation abatement.

## **10. MATTERS FROM STAFF**

### **A. CONSIDERATION AND APPROVAL OF \$1,500 FOR A SUMMER INTERN THROUGH EXP SUMMER INTERNSHIP PROGRAM.**

City Manager Jeng gave brief summary on the City Council's of this item at the last meeting. To respond the City Council's concerns, the City Attorney's office provided the opinion of a labor attorney on the issue of employing a summer intern. The labor attorney did not see any issues with hiring a summer intern. Additionally, staff provided the program's handbook addressing concerns voiced by the City Council at the last meeting.

Councilmember Wilson note he has participated in the summer intern program that he is not brushed up on the program's handbook addressing the concerns expressed by the City Council. Again, he had fully intended to sponsor the summer intern and it was the City Manager who suggested to have the City fund the intern at City Hall.

Councilmember Dieringer moved to approve staff's recommendation to fund the summer intern. Mayor Pro Tem Pieper seconded the motion and the motion carried as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, and Wilson.  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: Black.  
ABSTAIN: COUNCILMEMBERS: None.

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## 11. ADJOURNMENT

City Manager Jeng suggested to tentatively set August 19, 2019 for the field trip for 13 Portuguese Bend Road project. Staff will be checking with Councilmember Black's office to confirm his availability on August 19, 2019 at 7am.

Councilmembers agreed to set August 19, 2019 as a tentative meeting date.

Hearing no further business before the City Council, Mayor Mirsch adjourned the meeting at 9:55p.m. The next regular meeting of the City Council is scheduled to be held on Monday, August 6, 2019 beginning at 7:00 a.m. 13 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

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Elaine Jeng, P.E.  
City Clerk / City Manager

Approved,

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Leah Mirsch  
Mayor



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# City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CALIF. 90274  
(310) 377-1521  
FAX: (310) 377-7288

## 9/9/2019 CHECK RUN A

CHECK NO.	CHECK DATE	PAYEE	DESCRIPTION	AMOUNT
26056	9/9/2019	COUNTY OF LOS ANGELES DEPARTMENT OF REGIONAL	REVIEW OF LOT LINE ADJ I RANCHERO, 51 PORTUGUES	1,797.96
26057	9/9/2019	John L. Hunter & Assoc., Inc.	DEC 2018- ANNUAL COMPLIANCE REPORT, CANYON TRASH ADMIN	562.50
26058	9/9/2019	ICMA	DEFERRED COMPENSATION 8/30/19	733.80
26059	9/9/2019	County of Los Angeles	JULY 2019 ANIMAL HOUSING COSTS	192.62
26060	9/9/2019	LA County Sheriff's Department	LMT-TRAFFIC ENFORCEMENT - RH	1,685.09
26061	9/9/2019	McGowan Consulting	1	1,626.60
26062	9/9/2019	Pitney Bowes	POSTAGE, SUPPLIES AND LATE FEE	559.37
26063	9/9/2019	Palos Verdes Peninsula Unified School District	EARTHQUAKE FLYER AND WILDFIRE CHECKLIST COPIES	227.76
26064	9/9/2019	Rogers, Anderson, Malody & Scott, LLP	JULY 2019 PROFESSIONAL SERVICES	7,275.00
26065	9/9/2019	Southern California Edison	USAGE 7/24/19 TO 8/22/19	1,453.16
26066	9/9/2019	USCM	DEFERRED COMPENSATION 8/30/19	600.00
26067	9/9/2019	Willdan Inc.	RH SEWER LINE STUDY P2	237.00
26068	9/9/2019	California Water Service Co	7/26/19 to 8/26/19 Water Usage	1,352.25
26069	9/9/2019	Pitney Bowes Global Financial	June 2019 to July 2019 Leasing Charges	599.55
26070	9/9/2019	Alan Palermo Consulting	CIP Project Management Services 7/22/19 to 8/31/19	3,360.00
26071	9/9/2019	File Keepers, LLC	Annual Maintenance	1,683.00
26072	9/9/2019	Forum Info-Tech., Inc.	September 2019 Billing	3,081.00
PR LINK	8/30/2019	PR LINK - PAYROLL PROCESSING	PROCESSING FEE	63.40
PR LINK	8/30/2019	PR LINK - PAYROLL 8 & PR TAXES	PAY PERIOD - JULY 17, 2019 THROUGH JULY 30, 2019	17,418.15
				<u>\$ 44,508.21</u>
				27,026.66

I, Elaine Jeng, City Manager of Rolling Hills, California certify that the above demands are accurate and there is available in the General Fund a balance of \$44,508.21 or the payment of above items.

Elaine Jeng, P.E., City Manager

09/05/19



# *City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No.: 4-C**  
**Mtg. Date: 09-09-19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOHANA CORONEL, CITY CLERK**

**THRU: ELAINE JENG, CITY MANAGER**

**SUBJECT: REVIEW AND APPROVAL OF PLANNING/TRAFFIC COMMISSION RECRUITMENT/APPOINTMENT TIMELINE FOR TERMS EXPIRING IN JANUARY 2020.**

**DATE: SEPTEMBER 09, 2019**

**ATTACHMENTS:**

1. Schedule for appointment process
2. Notice posted at City Hall (Maddy Act Notice)

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**RECOMMENDATION**

It is recommended that the City Council review the attached schedule for Planning and Traffic Commissioners appointments and direct staff if any changes are desired.

**DISCUSSION**

Below you will find a list of the Planning Commissioners and Traffic Commissioners whose terms will expire in January 2020. The list also identifies the date of their original appointment.

The Commissions reappointment process for filling the expiring terms calls for the incumbents and public to be informed of the Commissions openings prior to the expiration of the Commissioners term.

As noted in the attached appointment schedule, staff proposes to send letters to each incumbent advising them of the process to be considered for re-appointment; as well as post the notice at City Hall and advertise the openings in the City Newsletter on

September 18, 2019 and October 9, 2019. The proposed schedule is designed so that the appointments can be made before the terms of the incumbents expire and without conflicting with upcoming holidays. It also provides 4-weeks of public notification.

Once letters of interest for serving on the Commissions are received, staff will schedule interviews for the City Council Personnel Committee with the candidates.

Attachment 1 is the schedule for the recruitment and appointment process. It is requested that the City Council advise and direct staff if any changes are desired. If no changes are desired, the City Council may receive and file this report.

Attachment 2 is a sample of the official notification, per the Maddy Act, to be posted at City Hall on September 18, 2019.

List of Expiring Commission Terms (January, 2020)

Name	Commission	Date of Original Appointment
Brad Chelf	Planning Commission	4/26/10
Sean Cardenas	Planning Commission	6/8/15
V'Etta Virtue	Traffic Commission	4/13/83
Val Margeta	Traffic Commission	9/23/96



## Attachment 1

### Planning Commission and Traffic Commission Appointment Schedule

Sept. 09, 2019	City Council Reviews Appointment Timeline and directs changes as necessary
Sept. 10, 2019	Letters mailed to incumbents advising of Commission reappointment process
Sept. 16, 2019	Local Appointment List Posted at City Hall
Sept. 18, 2019 and Oct. 09, 2019	Notice of Planning/ Traffic Commission Member recruitment in City Newsletter
Oct. 17, 2019 3PM	Due date for Letters of Interest in serving on Planning /Traffic Commission
Oct. 29, 2019 6PM	City Council Personnel Committee interviews Commission candidates (Mayor Leah Mirsch and Councilmember Bea Dieringer)
Nov. 12, 2019 <b>OR</b> Nov. 25, 2019	City Council appoints Commission Members for terms beginning in January 2020
Nov. 18, 2019 <b>OR</b> Dec. 02, 2019	Staff conducts orientation for any new Commission members



# *City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

## **PLEASE POST**

### **City of Rolling Hills Local Appointments List of Positions on City Commissions for Calendar Year 2020**

This list is prepared pursuant to Government Code § 54972 to inform residents of the City of Rolling Hills regarding opportunities that exist for appointment to City Commissions in calendar year 2020.

#### **A. Appointive Terms.**

The following is a list of all positions on the City's Planning and Traffic Commissions for which the terms of office expire in 2020 and for which the City Council will be appointing or reappointing persons to fill those positions:

#### **PLANNING COMMISSION (4-year term)**

<b><u>Position/Name of Incumbent</u></b>	<b><u>Last Appt. Date</u></b>	<b><u>Term Exp.</u></b>
First Name Last Name	1/2020	1/1/2024
First Name Last Name	1/2020	1/1/2024

The necessary qualification to be a member of the Planning Commission is to be a resident of the City of Rolling Hills at least 18 years of age (Rolling Hills Municipal code § 2.20.025).

#### **TRAFFIC COMMISSION (4-year term)**

<b><u>Position/Name of Incumbent</u></b>	<b><u>Last Appt. Date</u></b>	<b><u>Term Exp.</u></b>
First Name Last Name	1/2020	1/1/2024
First Name Last Name	1/2020	1/1/2024

The necessary qualification to be a member of the Traffic Commission is to be a resident of the City of Rolling Hills at least 18 years of age (Rolling Hills Municipal Code § 10.08.010).

#### **B. List of Board, Commissions and Committees**

The Planning Commission and Traffic Commission are the only permanent Commissions or Committees of the City of Rolling Hills. All members of these bodies are appointed by the City Council and all serve at the pleasure of the City Council. The qualifications for the Planning Commission and Traffic Commission are listed in part A of this List.

Prepared this 16<sup>th</sup> day of September 2020.

**By:** \_\_\_\_\_  
Yohana Coronel  
**Title:** City Clerk



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
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**Agenda Item No: 7A**  
**Mtg. Date: 09/09/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: CONSIDER AMENDING MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS TO INCLUDE OTHER CONSULTANT FEES.**

**DATE: SEPTEMBER 9, 2019**

**ATTACHMENT:**

- 1. MARCH 11, 2019 STAFF REPORT**
- 2. EXECUTED MOU WITH RHCA**

---

**BACKGROUND**

At the March 11, 2019 City Council meeting, the City Council approved staff's recommendation to execute a memorandum of understanding (MOU) with RHCA to continue the practice of contributing one third of the total design cost for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure for each assessment district project. At this meeting, the City Council also discussed the other fees (legal counsel and assessment engineering) necessary for the formation of an assessment district. The City Council agreed with the staff's recommendation to have the property owners be responsible for the other fees. A copy of the March 11, 2019 staff report is attached to this report.

At the May 29, 2019 City Council meeting, the City Council approved the MOU. Subsequent to Council's approval, RHCA Board President signed the MOU. A fully executed copy of the MOU is attached to this report.

At the August 21, 2019 coordination meeting, RHCA Board President requested the City consider amending the MOU to include the other fees (legal counsel and assessment engineering).

### **DISCUSSION**

The RHCA Board President noted that when he executed the MOU, he was under the impression that the fees to be cost shared included design, legal counsel and assessment engineering. While recognizing that the MOU clearly defines the cost to be shared is the design fee and design fee only, RHCA Board President expressed benefits of having additional contributions from the City and RHCA to promote successful assessment district projects.

### **FISCAL IMPACT**

Depending on Council's action, and if a limit is placed on the City's contribution to legal counsel and assessment engineering fees, staff will follow up with a fiscal impact analysis

### **RECOMMENDATION**

Staff recommends that the City Council keep the MOU with RHCA as it is written.



**Attachment 1**

*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No: 8C**  
**Mtg. Date: 03/11/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: CONSIDERATION OF COST SHARE MODEL FOR ASSESSMENT DISTRICTS AND DIRECT STAFF TO DRAFT A RESOLUTION TO MEMORIALIZE THE COST SHARE MODEL; AND DIRECT STAFF TO DRAFT A MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS.**

**DATE: MARCH 11, 2019**

---

**BACKGROUND**

At the February 25, 2019 City Council meeting, staff presented a draft agreement with Stradling, Yocca Carlson & Rauth (STRADLING) to provide legal services in connection with the formation of assessment districts and assist in the issuance of bonds for the districts. In discussing the terms of the agreement, the City Council expressed concerns with being the responsible party for the legal fees incurred for potential assessment districts. Typically, fees to legal counsel services relating to the issuance of bonds are absorbed in the sale price of the bond. Legal counsel is then compensated through the bond proceeds. Because the assessment districts in Rolling Hills have been unsuccessful in their formation, past legal services relating to the formation of assessment districts were not paid and absorbed by STRADLING. To continue to provide legal services, STRADLING is proposing a different compensation model. STRADLING's proposed contract will be discussed under Item 7A at the March 11, 2019 City Council meeting.

To date, the City Council has unofficially cost shared the design fees for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure. The design fee is a necessary expenditure to determine the precise construction cost. Often this design fee is an obstacle for residents to commit to the formation of assessment districts. This upfront cost does not guarantee that all participants will remain committed through the process and often the final obligation of the assessment district is unknown long after the upfront cost is paid. For these reasons, the City Council has contributed one third of the total design fee and the Rolling Hills Community Association (RHCA) has contributed one third of the total design fee to alleviate the burden on residents but also to provide an incentive for residents to follow through with the projects.

To date the City Council has not discussed if the same cost share model would apply to consultant fees (legal counsel, and assessment engineer) associated with the formation of assessment districts.

## **DISCUSSION**

Staff recommends that the City Council continue to contribute funds to offset the design fees and engage the RHCA to do the same. Staff also recommends that the City Council collect the necessary funds from residents to pay for the consultant services (legal counsel, and assessment engineer).

Based on the experiences of Southern California Edison (SCE) and the group that works with Rule 20 undergrounding, the lifeline of an assessment district project is between two and five years. This range depends on the size of the assessment district, the complexity relating to the circuitry design, the participants' involvement in the process, and construction constraints. The most difficult phase of the project is that initial commitment by participants to explore the ultimate fair share individual cost for such formation. By the time the lifecycle reaches the need to have a legal counsel and an assessment engineer, the participants are generally committed to see the project through and are reconciled with the assessed cost amortized over a 30-year period. If the City Council's intent is to assist as many undergrounding projects as possible, given SCE's experiences, contribution to the design phase to kick-start the project would be most impactful.

## **FISCAL IMPACT**

If the City Council approves staff's recommendation to collect necessary funds from residents to pay for the consultant fees, staff would secure the funds prior to engaging consultant services to ensure the City will not incur debt. Funds collected from residents would be deposited in an account held by the City dedicated to the specific assessment district project solely to pay for consultant services to the specific assessment district.

## **RECOMMENDATION**

Staff recommends that the City Council memorialize the City's policy in funding one third of the total design cost for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure for each assessment district project. Staff also recommends that the City Council direct staff to execute a memorandum of understanding with RHCA to engage the association to continue to contribute one third of the total design cost for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure for each assessment district project. Staff also recommends that the City Council collect the necessary funds from residents to pay for the consultant services (legal counsel, and assessment engineer).

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into upon the date of full and complete execution of the MOU by and between the City of Rolling Hills, a California municipal corporation ("City"), and the Rolling Hills Community Association of Rancho Palos Verdes, a California corporation ("RHCA"), hereinafter together occasionally referred to as "the parties."

### RECITALS

A. The City and RHCA find that the undergrounding of utilities enhances the aesthetic of the City of Rolling Hills but more importantly is essential to preventing destructive fires.

B. The City and RHCA recognize that to proceed with an undergrounding project, a property owner must first incur the cost of a utility company preparing a preliminary design to underground the above ground infrastructure. Such cost is a necessary expenditure to determine the ultimate cost of construction but often is also an obstacle for residents to commit to the formation of an assessment district; the upfront cost does not guarantee that all participants will remain committed to the undergrounding and the final cost of the assessment district is unknown until long after the upfront cost is paid.

C. In an effort to alleviate the financial burden on residents and to incentivize residents to follow through with undergrounding assessment districts, the City and RHCA have unofficially shared the cost of the preliminary design with property owners with each paying one-third of the total cost.

D. The purpose of this MOU is to formalize the unofficial contribution policy to reflect the commitment of the City and RHCA to each contribute 1/3 of the cost of the preliminary design for each assessment district subject to a \$50,000 limit per assessment district.

E. At the May 29, 2019 City Council meeting, the City Council adopted a resolution memorializing a formal policy of the City to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Obligation of City. City agrees to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district. Such obligation shall become due upon all of the following conditions:



a. City's receipt of letters of interest from sixty percent (60%) of the properties located within the proposed assessment district; and

b. City's receipt of all of the cost proposals from the utility companies for the preliminary design of the undergrounding in the proposed assessment district; and

c. City's receipt of the remaining portion of the total preliminary design cost from the property owners in the proposed assessment district.

2. Obligation of RHCA. RHCA agrees to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district. Such obligation shall become due upon all of the following conditions:

a. City's receipt of letters of interest from sixty percent (60%) of the properties located within the proposed assessment district; and

b. City's receipt of all of the cost proposals from the utility companies for the preliminary design of the undergrounding in the proposed assessment district; and

c. City's receipt of the remaining portion of the total preliminary design cost from the property owners in the proposed assessment district.

3. Term and Termination.

This MOU shall commence upon the date of full and complete execution of the MOU and remain in effect until terminated by either party, with or without cause, by providing thirty (30) days' written notice to the other at the address referenced in Section 7. "Notices."

4. Binding Effect

This MOU is binding on the parties in accordance with its terms. The parties signing below represent and warrant that they have the legal authority to bind the party for whom they are signing.

5. Indemnity

Each party agrees to indemnify, defend, and hold harmless the other parties, their officers, agents and employees, from any and all liabilities, claims, or losses of any nature, including reasonable attorneys' fees and costs of suit, to the extent caused by, arising out of, or in connection with, the indemnifying party's negligent or wrongful acts or omissions arising from its respective activities pursuant to this MOU.

6. Governing Law

This MOU shall be governed by the laws of the State of California. Any action, suit, or proceeding related to or arising under this MOU shall be filed in the Los Angeles County Superior Court.

7. Notices.

All notices permitted or required under this MOU shall be in writing, and shall be deemed made when delivered to the applicable party at the following addresses either by first class mail postage prepaid, facsimile or personal delivery:

City:  
City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, California 90274  
Facsimile: 310-377-7288  
Attention: City Manager

RHCA:  
Rolling Hills Community Association  
1 Portuguese Bend Road  
Rolling Hills, California 90274  
Facsimile:  
Attention: Manager

8. Entire Agreement

This MOU represents the entire integrated agreement between the parties pertaining to the subject matter hereof and supersedes all prior negotiations, representations or agreements, written or oral, regarding the matters described herein. This MOU may be amended only by a written instrument signed by the parties.

9. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

10. Severability

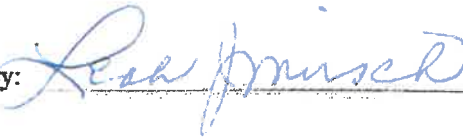
Each provision of this Agreement is severable from the other provisions. If, for any reason, any provision of this Agreement is declared invalid or contrary to existing law, the inoperability of that provision shall have no effect on the

remaining provisions of this Agreement, which shall continue in full force and effect to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date and year first written above.

Dated: 9-5-19, 2019

CITY OF ROLLING HILLS

By: 

Dated: 6/13, 2019

ROLLING HILLS COMMUNITY  
ASSOCIATION

By: 



# *City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No: 8A**  
**Mtg. Date: 09/09/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: CONSIDER ENGAGING NV5 TO PREPARE PETITION PACKAGE AND PROVIDE ASSESSMENT DISTRICT FORMATION SERVICES AND POST FORMATION SERVICES FOR THE EASTFIELD UNDERGROUNDING PROJECT (FROM INTERSECTION OF OUTFIDER ROAD AND EASTFIELD DRIVE TO SOUTH OF CHUCKWAGON ROAD, ALONG EASTFIELD DRIVE)**

**DATE: SEPTEMBER 9, 2019**

**ATTACHMENT:**

- 1. NOVEMBER 14, 2016 STAFF REPORT**
- 2. FINAL DESIGN PLANS FOR THE EASTFIELD UNDERGROUNDING PROJECT DATED AUGUST 07, 2019**
- 3. FEE PROPOSAL FROM NV5 DATED AUGUST 22, 2019**

## **BACKGROUND**

At the November 14, 2016 City Council meeting, Council reviewed a design cost and benefit-study cost for the Eastfield Project led by Marcia and Michael Schoettle. City Council also approved the Schoettle's request to fund the design and benefit-study cost. The 2016 staff report is attached for reference. The cost presented to Council is summarized below.

Southern California Edison Design Fee	\$50,000
Cox Design Fee	\$3,700
Frontier Design Fee	\$800
Benefit Study Cost	\$20,700

Total	\$75,200
-------	----------

The City Council deposited 1/3 of the total fees into an account held by the City. The Rolling Hills Community Association (RHCA) contributed 1/3 of the total fees. The remaining 1/3 was split between 10 property owners out of 12 property owners in the proposed district.

In November 2018, staff contacted Frontier on design status and was informed that the design fee is not \$800 but \$16,000. To avoid delaying the project, staff drew from the deposited project funds and issued a check to Frontier to complete the engineering design. The fee differential resulted in a shortfall to fund the benefit-cost study.

Through monthly utility meetings that started in January 2019, staff worked with other utility providers such as Sprint, AT&T and Crown Castle to ensure that their facilities along the project route are adequately addressed as a part of the undergrounding project.

The design plans are now complete and Southern California Edison's (SCE) real estate department is discussing the issue of easement with their legal counsel. The final design plans are attached for reference. Unlike most municipalities, the undergrounded facilities are located on private property in Rolling Hills. SCE requires easements from the property owners to place conduits and equipment underground unless the utility easement granted to the RHCA by property owners as a part of the CC&R is accepted by SCE.

Once the easement needs are resolved, SCE will put the final plans out for construction bids. Bids are good for 90 to 180 days. Within this period, the project would require the expertise of an assessment engineer to perform assessment district formation services as well as prepare the petition to form an assessment district. The project would also need the expertise of bond counsel to procure the necessary capital to fund the construction of the project.

In February 2019, in anticipation of the Eastfield Underground Project needs, the City engaged the services of Stradling Yocca Carlson & Rauth to provide legal services in connection with the formation of assessment districts and the issuance by assessment districts of bonds.

In February 2019, the City Council briefly discussed City's contribution to the bond counsel fees. In March 2019, through discussions relating to the memorandum of understanding with RHCA to cost share engineering design fees for undergrounding projects, the Council voted not to contribute to other consulting fees (assessment engineering, bond counsel) other than engineering design fees.

## **DISCUSSION**

Given the short lifespan of construction bids, staff recommended the City Council to hire a bond counsel to be on standby to serve undergrounding projects. For the same reason, staff is recommending that the City Council hire an assessment engineer to be on standby to serve undergrounding projects.

Unlike the bond counsel's work, the assessment engineer's work is dependent on the size of the district. The estimated hours of work would be greater for a district of 100 parcels versus a district of 10 parcels. For this reason, staff solicited proposals specific to the Eastfield Undergrounding project. Staff contacted several engineering firms and found assessment district work to be a specialty, a specialty that is not commonly found in most engineering firms. Staff researched recent underground projects in the region. The City of Manhattan Beach and the City of Newport Beach were found to have completed the most underground projects. Both agencies used NV5 to perform assessment engineering services. Assessment Engineer Jeffrey Cooper has been performing assessment district work for the City of Newport Beach for over 25 years.

NV5's proposal for the Eastfield Undergrounding project is included in this report. The scope of work proposed by NV5 includes the following for a total fee of \$28,635:

- Prepare Petition Package
- Document and site review
- Development of Assessment Methodology
- Preliminary Engineer's Report
- Proposition 218 Ballot Voting
- Final Engineer's Report
- County Filing
- Cash Collection Period
- Project Administration

## **FISCAL IMPACT**

Per City Council's decision in March 2019 to collect bond counsel and assessment engineering fees from property owners, there would be no fiscal impact to the City. Staff's time to manage the bond counsel and assessment engineer's agreements is a part of the City's operational cost for Fiscal Year 2019-20.

## **RECOMMENDATION**

Staff recommends that the City engage NV5 to prepare petition package and to provide assessment district formation services and post formation services for the Eastfield Underground project. Staff also recommend the City Council to direct staff to secure

the necessary funds from property owners to pay for NV5's services before authorizing NV5 to commence services.



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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**Agenda Item No: 7-B**  
**Mtg. Date: 11/14/16**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: RAYMOND R. CRUZ, CITY MANAGER** *RR*

**SUBJECT: CONSIDERATION OF A REQUEST FOR A CONTRIBUTION OF CITY UTILITY FUNDS TOWARD THE COSTS ASSOCIATED WITH TWELVE HOMES ON EASTFIELD DRIVE TO COMPLETE A PRELIMINARY ENGINEERING DESIGN AND ASSESSMENT ENGINEERING STUDY CONCERNING A PROPOSED UNDERGROUNDING ASSESSMENT DISTRICT.**

**DATE: NOVEMBER 14, 2016**

**Attachments:**

- Magnitude of Order construction and engineering design estimates table from the three utilities.
- Correspondence from Marcia Schoettle requesting Utility Funds for the revised Eastfield Drive Undergrounding Project Area.

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**RECOMMENDATION**

Discussion and decision regarding contribution of City Utility funds to the scaled down Eastfield project proposal to underground overhead utilities.

**BACKGROUND**

At its regular meeting on May 11, 2015, the City Council considered requests for contribution of City funds to supplement the undergrounding of utilities in two proposed assessment districts (Eastfield Drive and Williamsburg Lane) and one private project (Hackamore Road). After extensive discussion, Council directed staff to return on June 8, 2015 with responses to a number of questions. As a result of a discussion from that meeting, the City Council approved funding for each of these projects, including \$77,000 for 33 homes associated with the Eastfield Drive project led by Michael and Marcia Schoettle.



Since that appropriation to the Eastfield Drive project in June of 2015, the Schoettle's found the support from the original 33 homes in the project area had weakened and decided to scale back the project area to twelve homes in the Summer of 2016. A request to the City was made by the Schoettle's to facilitate a new "Order of Magnitude" estimate from Edison, Cox and Frontier to provide the costs to underground the overhead utilities and for developing the engineering design. Those costs were just finalized and provided to the Schoettle's last week. The Schoettle's therefore asked that staff place this item on tonight's agenda in order to request Utility funds for the amended Eastfield Drive project for engineering design and assessment engineering costs.

## DISCUSSION

Undergrounding of utilities is a priority in the City. New development projects are generally required to place utilities underground and the City has since FY 2004/05 maintained a Utility Fund whose primary objective is to assist residents with costs associated with undergrounding overhead utilities. The Utility Fund currently has a balance of \$1,236,507.

When in the winter of 2013 the residents on Eastfield approached the City with a request to proceed with obtaining cost estimates to underground utility lines to 35 parcels, staff obtained the estimates from all three utility companies and engaged technical consultants to provide information on the formation of an Assessment District and Bond Issuance process. They have also provided a very rough cost estimate for their services and for the anticipated cost to each parcel based on a 30-year bond issue. The total levy was divided equally among the 35 parcels. The actual levy per parcel could vary significantly depending on allocation of benefits.

The parties involved in the formation of Assessment District and Bond Financing include the following:

Issuer:	Sponsoring agency, (City of Rolling Hills), serves as conduit for bonds.
Design Engineer:	After obtaining the final design for the undergrounding from the utility companies, reviews their design and costs, including quantities and unit costs.
Assessment Engineer:	Develops Engineers' Report, which determines how cost of the project is allocated among parcels (Sometimes the Design Engineer is the same person as the Assessment Engineer)
Bond Counsel:	Provides legal guidance to issuer on the formation of the District and structure of the Bond.
Disclosure Counsel:	Prepares Official Statement and offering documents.
Underwriter:	Sells bonds to investors.
Underwriter's Counsel:	Provides legal guidance to underwriter.

Based on the 35 parcels, the consultants estimated that the cost of consultants for the Design and Assessment Engineering would be \$23,000 and for District

Formation/Bond/Financing/Underwriter - \$178,000. The up front cost for the Bond Counsel and underwriter was estimated at \$61,000.

Speaking with the consultants to determine how these costs translate to a smaller district, staff was informed that the process and efforts required to accomplish an Assessment District is the same for smaller or larger districts. The Design and Assessment Engineering cost could be less based on the number of parcels; however there are not much of savings otherwise. According to the consultant the saving for 12 parcels versus 35 parcels would be 10-12%.

#### **Contribution previously approved by City Council for the Eastfield Drive Project**

The following contribution requests were considered at the June 8, 2015 City Council meeting:

##### **Eastfield Drive**

Leader(s)	Michael and Marcia Schoettle
Request:	Engineering Deposit Cost Grant
Number of Homes	33
Amount Requested:	\$149,550
<b><u>Previous Approval:</u></b>	<b><u>\$77,000</u></b>

#### **FISCAL IMPACT**

The Utility Fund currently has a balance of \$1,236,507. The City Council for FY 16/17 approved to make an additional \$250,000 contribution to the Utility Fund and budgeted \$150,000 towards undergrounding and sewer related projects.

The revised request from the Schoettle's for the 12 house Eastfield Drive Undergrounding Project Area is for City Council to contribute a portion of the costs associated with the utilities' engineering design and for the benefits study performed by the assessment engineer and other assessment district consultants. The following are the engineering design costs for each utility and rough estimate of benefits study from the assessment district consultants:

Edison	\$50,000
Cox	\$ 3,700
Frontier	\$ 800
Benefit Study Costs*	\$20,700*
<b>TOTAL</b>	<b>\$75,200</b>

\*This is a very rough estimate and not based on a formal proposal from assessment district consultants.

#### **NOTIFICATION**

Mr. and Mrs. Michael Schoettle, the residents of the Proposed Eastfield Drive Undergrounding Project Area and the Rolling Hills Community Association.

**EASTFIELD DRIVE UNDERGROUNDING - ROUGH ORDER OF MAGNITUDE COST ESTIMATES**

	Construction Cost	Preliminary design and engineering (up front cost)
EDISON	\$750,000	\$50,000
COX	\$62,000	\$3,700
FRONTIER	\$10,774	\$800
<b>TOTAL:</b>	<b>\$822,774</b>	<b>\$54,500</b>

4

**Subject:** request for funding

**Date:** Wednesday, November 9, 2016 at 1:09:27 PM Pacific Standard Time

**From:** Marcia Schoettle

**To:** Ray Cruz

Dear Ray:

I would like to ask the City Council to approve giving some funds to the Middle Eastfield Under Grounding District for an Engineering Study and a Benefits Study. The estimate for the Engineering Study is \$54,5000. We do not have the exact amount yet for the Benefits Study, but we are told that it is usually close to or less than the Engineering Study.

The Middle Eastfield District consists of the following properties:

#25 Eastfield	Baumann	
#27 Eastfield	Vaisch	
#29 Eastfield	Gargantos/Aquino	
#31 Eastfield	Haenel	*Do NOT want to under ground
#33 Eastfield	Axtell*	
#35 Eastfield	Corette*	
#2 Chuckwagon	Galvin	
#22 Eastfield	Yoshimira	
#24 Eastfield	Schoettle	
#26 Eastfield	Clinton	
#28 Eastfield	Hollingshead	
#30 Eastfield	Murdock	

Thank you for your help with this matter. Marcia

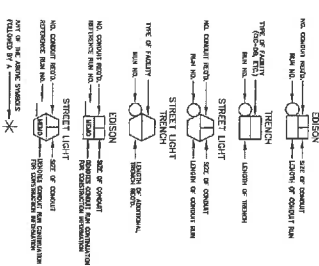
5

Diagram illustrating a typical assembly. The assembly consists of a vertical center and a vertical assembly. The vertical center is shown as a rectangular block with a front door. The vertical assembly is shown as a rectangular block with a front door. The diagram includes labels for the front door, the vertical center, and the vertical assembly.



1. SEE USE HP 200 FOR INSTRUCTIONS OF VARIOUS SET PARAMETERS AVAILABLE.
2. POWER WILL NOT BE SUPPLIED TO LENS THAN BY PROTECTING THE PROTECTED DOWN UNIT OF THE CONDUIT CABLES INVERTED OPENING.
3. TWO HOLD DOWN DEVICES TO BE SUPPLIED WITH EACH MANHOLE.

LEGEND OF CONDUIT SYMBOLS  
(CONVENTIONAL U. S.)



LIST OF MATERIALS  
[EDISON CO.]

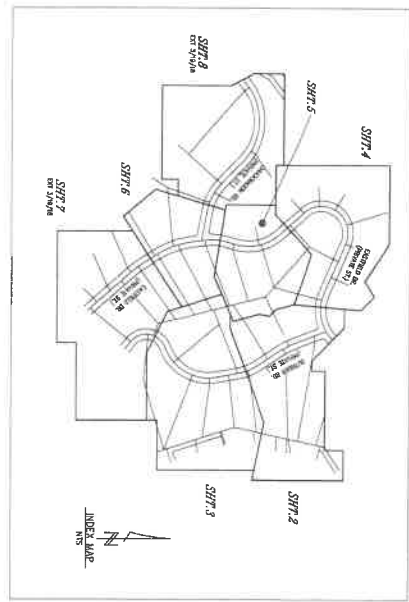
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## CONCRETE PRODUCTS

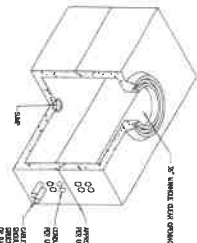
**EMSEN PRECAST**  
14723 San Ramon Road, S. Francisco, Calif. 94535  
Phone: (800) 350-4111  
(800) 237-8100

**UTILITY VALVE CO.**  
10850 Harbort Ave., Torrance, Calif. 90503  
Phone: (800) 428-5706  
(800) 628-3860

**FOR HANDRAIL AND PULLEX MANUFACTURERS**  
SEE US, PP. 220.



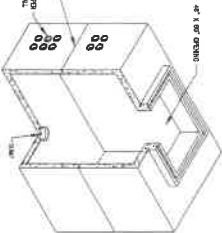
PRECAST TUB-TYPE MANHOLE  
SEE UGS MH 310



ITEM NUMBER	NOMINAL SIZE	UNITS/CONTAINER NUMBERS	
		APPROX. PRECAST	UNIT/ TOTAL QTY.
6-4-1	6" x 6" x 8"	4448-0044-11	—
6-4-2	6" x 6" x 8"	4448-0044-11	—
6-10	6" x 12" x 8"	4448-0104-11	—
6-11	6" x 12" x 8"	4448-0104-11	—

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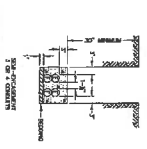
SEE UGS VA 410



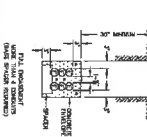
CONTACT WITH ALBERT'S ASSISTANT BRINGS FOR EXACT CHAIRMAN ORDINATIONS FOR EACH STRUCTURE.

[illegible][illegible]

## SEE UCS DO 120



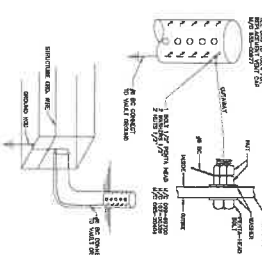
SEE US @ 120



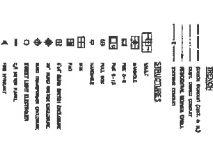
① - ② MAINLINE CONDUIT



GROUND CONNECTION INSTALLATION IN A PVC VENT  
SEE UGS AC 760.1



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UNDERGROUND SERVICE ALERT  
D/d 811

[illegible]

FINAL DESIGN  
APPROVED FOR CONSTRUCTION

NAME	JOAN ROYCE	SS NO.	2344151
DOB	31-03-1934	DATE	02/7/82
SEX	F	AGE	48 YRS
U. I.	632-9723	APPROXIMATE	027750
ST. A.	ST. A. NO.	PRODUCT	41
PURPOSED CONSTRUCTION LOCATION STAIRS 15KV - RULE 208 VALDUIS ROLLING HILLS			
SHEET	1 OF 8	DWG NO.	0927892





SINGLE LINE LEGEND

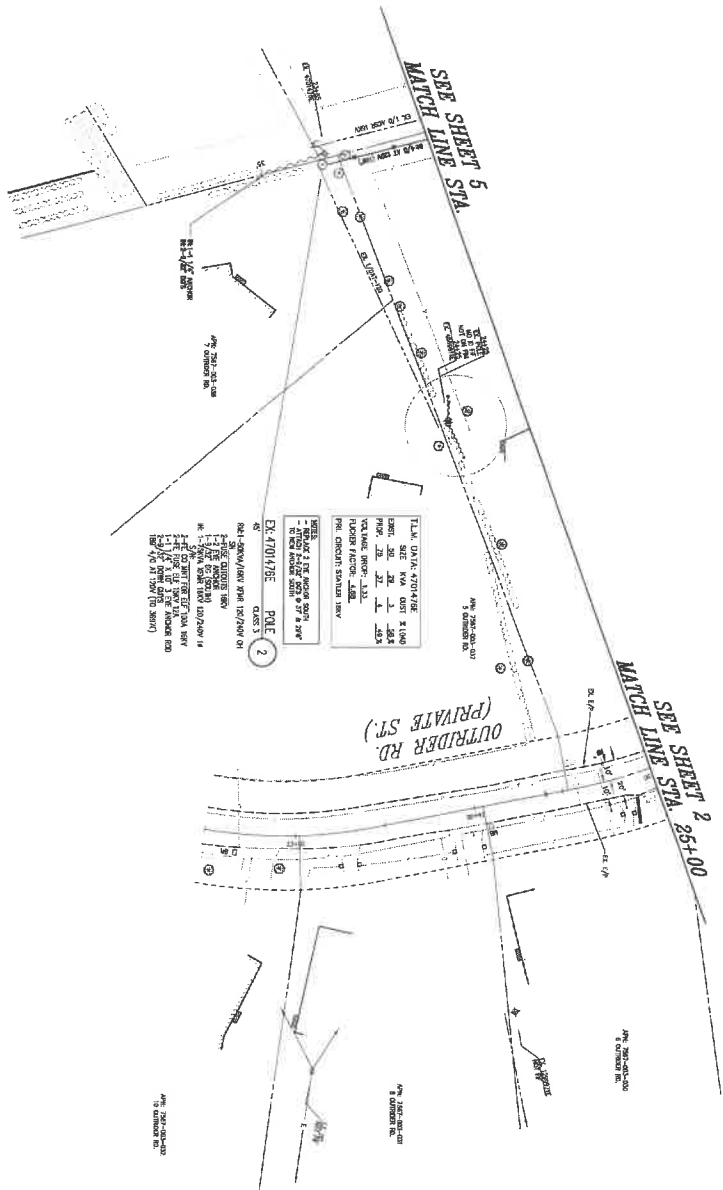
**FINAL DESIGN**  
**APPROVED FOR CONSTRUCTION**

Call USA  
For Underground Locating  
2 Marking Days Before You Dig





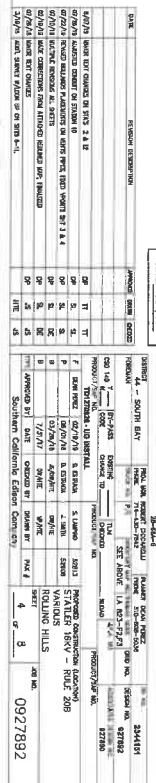




DATE	REVISION	DESCRIPTION
12/14/16	1	FIELD DATA - STA 25+00 TO 25+10
12/14/16	2	FIELD DATA - STA 25+10 TO 25+20
12/14/16	3	FIELD DATA - STA 25+20 TO 25+30
12/14/16	4	FIELD DATA - STA 25+30 TO 25+40
12/14/16	5	FIELD DATA - STA 25+40 TO 25+50
12/14/16	6	FIELD DATA - STA 25+50 TO 25+60
12/14/16	7	FIELD DATA - STA 25+60 TO 25+70
12/14/16	8	FIELD DATA - STA 25+70 TO 25+80
12/14/16	9	FIELD DATA - STA 25+80 TO 25+90
12/14/16	10	FIELD DATA - STA 25+90 TO 26+00

DATE	REVISION	DESCRIPTION
12/14/16	1	FIELD DATA - STA 25+00 TO 25+10
12/14/16	2	FIELD DATA - STA 25+10 TO 25+20
12/14/16	3	FIELD DATA - STA 25+20 TO 25+30
12/14/16	4	FIELD DATA - STA 25+30 TO 25+40
12/14/16	5	FIELD DATA - STA 25+40 TO 25+50
12/14/16	6	FIELD DATA - STA 25+50 TO 25+60
12/14/16	7	FIELD DATA - STA 25+60 TO 25+70
12/14/16	8	FIELD DATA - STA 25+70 TO 25+80
12/14/16	9	FIELD DATA - STA 25+80 TO 25+90
12/14/16	10	FIELD DATA - STA 25+90 TO 26+00

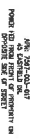
UNDERGROUND SERVICE ALERT  
 FINAL DESIGN  
 APPROVED FOR CONSTRUCTION  
 092/7892



**EDISON**  
 THE SCIENTIFIC APPROACH TO BUSINESS. Improving





[illegible]

INVENTOR: MARK NO.  
28-462-C-1  
28-463-C-4  
28-464-A-9  
28-460-7  
28-464-A-6

**FINAL DESIGN**  
**APPROVED FOR CONSTRUCTION**

UNDERGROUND SERVICE ALERT

Call 811  
Call USA

For Underground Locating  
2 Working Days Before You Dig

# FINAL DESIGN

20-000-0  
20-000-4  
20-000-8  
20-000-12

APPROVED FOR CONSTRUCTION

2544151 310-828-5038 714-450-7642	DRAN POWER ROBERT OSCARDO
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NO. 1	PRIORITY MAIL SRT ABOVE	DEKAS BUCK LA 623-8273	CRD NO.	DESIGN NO.	927892
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FILE	DATE	ASSOCIATED RECORD
1000000	10/10/70	327870

Product Name	Product No.
Product Name	Product No.

PROPOSED CONSTRUCTION LOCATION	5. LAYOUT	5/28/13
STATUTE 150V - BILL 208		

DATE	DESCRIPTION	AMOUNT	CHECK NO.	BANK
1/1/20	DEPOSIT	500.00		
1/15/20	PAYROLL	120.00	101	
1/31/20	RENT	80.00	102	
2/1/20	DEPOSIT	500.00		
2/15/20	PAYROLL	120.00	103	
2/28/20	RENT	80.00	104	
3/1/20	DEPOSIT	500.00		
3/15/20	PAYROLL	120.00	105	
3/31/20	RENT	80.00	106	
4/1/20	DEPOSIT	500.00		
4/15/20	PAYROLL	120.00	107	
4/30/20	RENT	80.00	108	
5/1/20	DEPOSIT	500.00		
5/15/20	PAYROLL	120.00	109	
5/31/20	RENT	80.00	110	
6/1/20	DEPOSIT	500.00		
6/15/20	PAYROLL	120.00	111	
6/30/20	RENT	80.00	112	
7/1/20	DEPOSIT	500.00		
7/15/20	PAYROLL	120.00	113	
7/31/20	RENT	80.00	114	
8/1/20	DEPOSIT	500.00		
8/15/20	PAYROLL	120.00	115	
8/31/20	RENT	80.00	116	
9/1/20	DEPOSIT	500.00		
9/15/20	PAYROLL	120.00	117	
9/30/20	RENT	80.00	118	
10/1/20	DEPOSIT	500.00		
10/15/20	PAYROLL	120.00	119	
10/31/20	RENT	80.00	120	
11/1/20	DEPOSIT	500.00		
11/15/20	PAYROLL	120.00	121	
11/30/20	RENT	80.00	122	
12/1/20	DEPOSIT	500.00		
12/15/20	PAYROLL	120.00	123	
12/31/20	RENT	80.00	124	
1/1/21	DEPOSIT	500.00		
1/15/21	PAYROLL	120.00	125	
1/31/21	RENT	80.00	126	
2/1/21	DEPOSIT	500.00		
2/15/21	PAYROLL	120.00	127	
2/28/21	RENT	80.00	128	
3/1/21	DEPOSIT	500.00		
3/15/21	PAYROLL	120.00	129	
3/31/21	RENT	80.00	130	
4/1/21	DEPOSIT	500.00		
4/15/21	PAYROLL	120.00	131	
4/30/21	RENT	80.00	132	
5/1/21	DEPOSIT	500.00		
5/15/21	PAYROLL	120.00	133	
5/31/21	RENT	80.00	134	
6/1/21	DEPOSIT	500.00		
6/15/21	PAYROLL	120.00	135	
6/30/21	RENT	80.00	136	
7/1/21	DEPOSIT	500.00		
7/15/21	PAYROLL	120.00	137	
7/31/21	RENT	80.00	138	
8/1/21	DEPOSIT	500.00		
8/15/21	PAYROLL	120.00	139	
8/31/21	RENT	80.00	140	
9/1/21	DEPOSIT	500.00		
9/15/21	PAYROLL	120.00	141	
9/30/21	RENT	80.00	142	
10/1/21	DEPOSIT	500.00		
10/15/21	PAYROLL	120.00	143	
10/31/21	RENT	80.00	144	
11/1/21	DEPOSIT	500.00		
11/15/21	PAYROLL	120.00	145	
11/30/21	RENT	80.00	146	
12/1/21	DEPOSIT	500.00		
12/15/21	PAYROLL	120.00	147	
12/31/21	RENT	80.00	148	
1/1/22	DEPOSIT	500.00		
1/15/22	PAYROLL	120.00	149	
1/31/22	RENT	80.00	150	
2/1/22	DEPOSIT	500.00		
2/15/22	PAYROLL	120.00	151	
2/28/22				

ROLLING HILLS	FOR MR
W/MT	STRT

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Johnson Company	12-31-2010	12-31-2010
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**SURVEYED**  
DATE: 2/21/18



800/753-7874 • 616/703-8364  
**EDISON**  
 An Equal Opportunity Employer, M/F/V/D

DATE	09/27/82
BY	
REMARKS	Southern California Edison Company JCS HTE
WORK	ADOLPHUS STREET W/LOOK UP ON BRD B-IL
TIME	3:11 PM

August 22, 2019

Elaine Jeng, P.E.  
City Manager  
City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, CA 90274

**RE: Eastfield Undergrounding, 12 Parcels – Rolling Hills**

Dear Ms. Jeng,

NV5, Inc. is pleased to assist you and the City regarding the subject project. Our proposed scope of services is as follows:

- 1) Prepare Petition Package (including a boundary map and cost estimate) and Sufficiency of Petition Spreadsheet and Database for 12 parcels (parcels and map attached) in the Eastfield Undergrounding District
- 2) Meet with the City and property owners to discuss the petition process
- 3) Sign Certificate of Sufficiency

Our proposed team is as follows:

Assessment Engineer (AE) – Jeffrey M. Cooper, PE (resume attached on pages 8-10)  
Project Analyst (PA) – Patrick de Vinck

Our estimated number of hours and cost to complete the scope of services:

<u>Scope Item</u>	AE \$225/hour	PA \$115/hour
1)	12 hours	16 hours
2)	4 hours	0 hours
3)	4 hours	4 hours
	<u>20 hours</u>	<u>20 hours</u>

Estimated hourly costs	\$6,800.00
Estimated material costs	\$200.00
	<u>\$7,000.00</u>

All work scope items (1, 2 and 3) will be completed for a not-to-exceed amount of **\$7,000.00**

The time needed to finish all scope items (1, 2 and 3) is as follows:

Item 1 will be completed and work product submitted within **30 working days** of receipt of a written acceptance of this letter proposal. Item 2 will be scheduled by the City. Item 3 will be completed one (1) week after receiving the signed petitions back from the City.



In addition, I have attached a proposal for services after the petition is complete and approved by the City Council.

On behalf of the NV5 team, we thank you for the opportunity to serve as an extension of the City of Rolling Hills staff. Should you have any questions or require additional information, please contact me at (949) 585-0477 or [jeff.cooper@nv5.com](mailto:jeff.cooper@nv5.com).

Sincerely,  
NV5



**Jeffrey M. Cooper, PE**  
Director of Infrastructure

PN: P27019-0006174.00



# SCOPE OF SERVICES

## PROJECT OVERVIEW - FORMATION SERVICES

The City of Rolling Hills (City) is looking for assistance with establishing an underground assessment district.

The main objectives of the underground assessment district is as follows:

- Meet the needs of the property owners and the City – communicating the formation of the assessment district, explaining all assessment engineering aspects of the district to the property owners and City officials.
- Establish the assessment district to fund the needed improvements – underground SCE, Cox/Frontier.
- Determine a fair assessment formula to assess properties receiving a “special benefit” from the improvements.
- Special benefits will be determined through public meetings, working with City staff, and sound assessment engineering practices.
- Any general benefits will be determined.
- Comply with the Street Improvement Act of 1913 and Proposition 218.
- The Engineer’s Report will be presented and described to all property owners and City officials.
- The balloting process will be performed in conformance with Proposition 218.
- The cash collection period will be conducted, and the Notice of Assessment will be filed with the County.
- The Assessment Engineer will be available to answer questions from property owners, residents and City officials for the duration of the project.

## PROPOSITION 218 REQUIREMENTS & CONSTRAINTS

Proposition 218 has imposed additional requirements to be taken into consideration when analyzing benefits received and formulating an assessment methodology, as well as implementing the property owner balloting process. These changes include:

- **Benefit Nexus:** Proposition 218 reads, “Only special benefits are assessable and an agency shall separate the general benefits from the special benefits ...” General benefits, if they exist now, have to be quantified, and these general benefits may not be included in the amount spread to the specially benefiting properties within the assessment district. Also, the benefit nexus must be defensible, as Proposition 218 states that the burden of proof of the

validity of the assessment now rests with the public agency. We will work closely with City staff to research and quantify the general benefits associated with the services/facilities to be funded, if any exist, as well as any special benefits associated with specific geographical areas.

- **Public Property:** Proposition 218 also reads, “Parcels within a district that are owned or used by any [public] agency ... shall not be exempt from the assessment unless the agency can demonstrate ... that [the] parcels in fact receive no special benefit.” Publicly owned parcels must be assessed for the benefit they receive so that the cost of their benefit is not passed on to the other parcels being assessed.
- **Assessment Ballot Proceedings:** Proposition 218 reads, “... Each such notice mailed to owners of identified parcels ... shall contain a ballot,” and “In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.” The former Protest hearing process has now been replaced with an Assessment Balloting process that counts only the ballots that are returned weighted by the proposed assessment amount for each property. Proposition 218 has “raised the bar” for the establishment of benefit assessments. Historically, assessment districts could be established if the majority did not protest. Now, assessment districts may only be established if the majority approve. This new standard requires careful attention to ratepayers’ concerns and perceptions of benefit.

## PROJECT UNDERSTANDING

Our project approach will include five phases as follows.

1. **Research Phase:** Will include obtaining the latest equalized tax roll, preparing a detailed database and preparing a preliminary district boundary map.
2. **Assessment Formula Phase:** Will include looking at alternative benefit methodologies, working with property owners and City staff and officials. Field reviews will be conducted of all facilities to be undergrounded.
3. **Preparing Documents for the Resolution of Intention Phase:** Boundary map and assessment diagram will be prepared. The Engineer’s Report will be prepared per the Street Improvement Act of 1913 and Proposition 218.
4. **Communication Phase:** Notices will be prepared and mailed out per Special Council direction and Proposition 218 for the public meetings and hearings. Findings of the Engineer’s Report will be presented at the City

# SCOPE OF SERVICES

Council meeting for the Resolution of Intention and public meetings and public hearing. Attend the City Council meeting for formation, and answer questions as needed. Finalize the Engineer's Report.

- 5. Final Phase:** Complete the Notice of Assessment for the 30-day Cash Collection Notice period. File all required documents with the San Diego County Clerk/Recorder.

## PROJECT DESCRIPTION

The City is seeking assistance with the preparation of an Engineer's Report and subsequent assessment district formation for a utility undergrounding district known as Eastfield Undergrounding. There are approximately 12 parcels in the district.

Currently, the proposed district is in the engineering design phase with SCE, Cox/Frontier. After the plans are completed by the City's overhead utility providers, they will be bid on the open market and project costs will be confirmed jointly by the utilities. The results of the open market bids (i.e., the successful low bidder) will be the basis for calculating individual assessments.

## SCOPE OF SERVICES

The Assessment Engineer will perform the tasks outlined below.

### TASK 1: FORMATION SERVICES

#### TASK 1.1: DOCUMENT AND SITE REVIEW

Review the City's previous Assessment Engineer's Reports to become intimately familiar with the assessment methodologies formerly used.

Review and meet with staff and recommend the type of assessment methodology that should be used for this district.

#### TASK 1.2: DEVELOPMENT OF ASSESSMENT METHODOLOGY

Meet with City staff as needed: 1) in the development of a single assessment methodology that will be used for the district, and 2) to provide City staff support for all aspects of the project for the duration of the contract.

Visit and become familiar with the physical characteristics of each district to aid in the development of an appropriate assessment methodology.

Plan for assistance in one (1) public residential meeting and attend up to two (2) City Council Meetings. The public residential meeting will be held to help educate each district's residents about Proposition 218 and

criteria that can be considered in developing assessment methodologies and to receive residential input on the proposed assessment methodology that will be used to determine individual assessments for the district.

#### TASK 1.3: PRELIMINARY ENGINEER'S REPORT

Prepare a preliminary Engineer's Report for the district using the final methodology developed under Task 1.2. This includes any required amendments to the Engineer's Report, plus a review of each of the Preliminary Official Statements.

The report shall include at a minimum:

- Prepare breakdown of Engineer's Estimate of Proposed Underground Systems for SCE, Cox/Frontier facilities.
- Assessment roll
- Method and formula for assessment spread
- 1931 Act information and tables
- Plans and specifications by reference
- Description of works of improvement
- Preliminary and Final estimate of costs
- Assessment diagram and boundary map
- All standard legal language required in an Assessment Engineer's Report
- Right-of-Way Certificate
- Certification of Completion

Work Product: Boundary map (and file with the County) and Preliminary Engineer's Report

#### TASK 1.4: PROPOSITION 218 BALLOT VOTING

Prepare for and administer the Proposition 218 ballot voting process for the district. The Proposition 218 ballot voting process will be completed for the district and will include, but is not limited to, the following:

- Attending up to two (2) City Council meetings; one at which the Resolution of Intention (ROI) is adopted, the Preliminary Engineer's Report is approved, and the Public Hearing is set, and one at which the Public Hearing is held. The boundary map will be filed with the County within fifteen (15) days of a successful ROI.
- Preparing and packaging materials for individual parcel voting, including, but not limited to, Resolution of Intention, preliminary assessment amount, and time and place of Public Hearing to each assessed property owner of record, as required by 1913 Act proceedings (contents of notice will be provided by bond counsel). Prepare written declaration that this

# SCOPE OF SERVICES

has been done. Prepare replacement ballots as needed.

- Opening returned ballots during the scheduled Public Hearing.
- Compiling and tabulating the ballot results and certifying the results once finalized.
- Providing appropriate staff resources to complete public hearing ballot activities in a timely manner.

Work Product: Final ballot, complete mailing and tabulation at the Public Hearing

## TASK 1.5: FINAL ENGINEER'S REPORT

Following the results of the Proposition 218 balloting process, prepare a Final Engineer's Report for the district that incorporates any corrections made during the balloting process. This includes any required amendments to the Engineer's Report, plus a review of each of the Final Official Statements.

Work Product: Final Engineer's Report

## TASK 2: POST FORMATION SERVICES

### TASK 2.1: COUNTY FILING

Should the district be approved for formation, file with the Los Angeles County Assessor's Office all documents necessary to record the proposed and actual assessments levied, including assessment rolls and the district boundary maps (and assessment diagram).

Work Product: Assessment Diagram and file with the County.

### TASK 2.2: CASH COLLECTION PERIOD

A 30-day cash collection period will be held for the district.

Immediately and within a maximum of three (3) days upon approval of district formation, print and mail the confirmed assessment amount and Notice of Assessment to each assessed property owner of record within the assessment district. Prepare written declaration that this has been done. Notice of Assessment must clearly indicate payment options available.

Answer phone calls and questions from property owners

during the cash collection period.

Work Product: Notice of Assessment and Mailing. File with the County a list of unpaid assessments.

## TASK 1.6 AND 2.3: PROJECT ADMINISTRATION

Review Preliminary and Final Official Statements.

Staff meetings, project administration and coordination with City staff, bond counsel, financial adviser, bond underwriter, appraiser, and other project consultants. This item will include answering questions and providing information to property owners, project proponents, community association representatives, etc.

## EXCLUSIONS

The following items of work are not included within the above Scope of Services:

1. Right-of-way services.
2. Post-public hearing services (except as noted), including debt service (amortization) schedules and placing assessment on tax roll.
3. Property valuation and tax delinquency information.
4. Advertising of notices in newspaper.
5. Preparation of improvement plans, specifications and bid documents.

## SERVICES, INFORMATION AND/OR FEES TO BE PROVIDED BY OTHERS

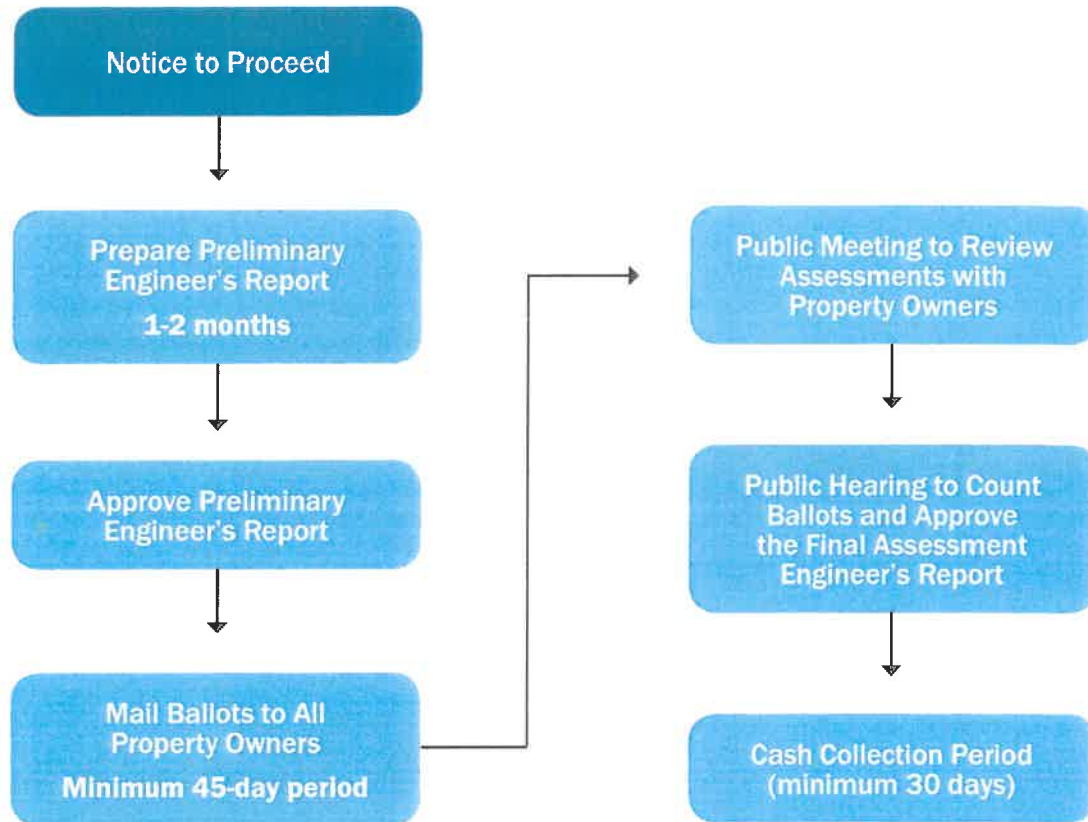
In preparing the above Scope of Work, it is understood that the following services, information and/or fees will be supplied by the City or other consultants.

1. ROM from Utilities plus actual Utilities construction cost bids.
2. Postage and public agency letterhead and envelopes for property owner mailings.
3. Posting notices on property.
4. Right-of-entry onto private property, as required.
5. Other consultants (including property appraiser) whose services are required to complete the assessment district formations.
6. Preparation of Certificate of Sufficiency of Petition.
7. Preparation and execution of Notice of Exemption.



# SCHEDULE

## TENTATIVE ASSESSMENT DISTRICT FORMATION SCHEDULE



# FEE SCHEDULE

## FEE SCHEDULE — FORMATION SERVICES AND POST FORMATION SERVICES

TASK NO.	WORK DESCRIPTION	ASSESSMENT ENGINEER \$225		PROJECT ANALYST \$115		CADD DESIGNER \$115		ADMIN \$95		TASK NO. 1 TOTAL FEE	TASK NO. 2 TOTAL FEE
		HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$		
1.0	Formation Services										
1.1	Document and Site Review	8	\$1,800	0	\$0	0	\$0	0	\$0	\$1,800	
1.2	Development of Assessment Methodology	8	\$1,800	0	\$0	0	\$0	0	\$0	\$1,800	
1.3	Preliminary Report	12	\$2,700	18	\$2,070	8	\$920	4	\$380	\$6,070	
1.4	Prop 218 Ballot Voting	10	\$2,250	10	\$1,150	0	\$0	8	\$760	\$4,160	
1.5	Final Engineer's Report	2	\$450	2	\$230	2	\$230	2	\$190	\$1,100	
1.6	Project Administration	10	\$2,250	0	\$0	0	\$0	0	\$0	\$2,250	
	Materials Cost									\$250	
2.0	Post Formation Services										
2.1	County Filing	2	\$450	4	\$460	2	\$230	1	\$95		\$1,235
2.2	Cash Collection Period	4	\$900	6	\$690	0	\$0	2	\$190		\$1,780
2.3	Project Administration	4	\$900	0	\$0	0	\$0	2	\$190		\$1,090
	Materials Cost										\$100
	Subtotal	60	\$13,500	40	\$4,600	12	\$1,380	19	\$1,805	\$17,430	\$4,205
TOTAL FEE (TASK NO. 1 AND TASK NO. 2)											\$21,635

## HOURLY RATE SCHEDULE

TITLE	HOURLY RATE
Project Manager/Assessment Engineer	\$225
CADD Designer	\$115
Project Analyst	\$115
Admin	\$95
REIMBURSABLE EXPENSES	COST
Reproduction	Cost
Consultant Services	Cost + 10%
Automobile Transportation	\$ .54 per mile
Delivery, Freight, Courier	Cost
Agency Fees	Cost
Commercial Travel	Cost

# RESUME — JEFFREY M. COOPER

## CONTACT INFO

jeff.cooper@nv5.com  
949.585.0477

## EXPERIENCE

40 years

## EDUCATION

M.S. Environmental  
Engineering

B.S. Civil Engineering

B.A. Economics

## LICENSES/CERTIFICATES

Civil Engineer (CA)  
No. 31572

## AFFILIATIONS

Public Works Standards,  
Inc. (The Greenbook),  
Treasurer

State of California Green  
Bond Committee Member

American Public Works  
Association, Past President

American Council of  
Engineering Companies

Construction Management  
Association of America

American Society of Civil  
Engineers, Region 9  
Governor

WTS

## JEFFREY M. COOPER, PE

### Project Manager/Assessment Engineer

Mr. Cooper has more than 40 years of professional consulting engineering experience, primarily based in Southern California, as well as project experience throughout the western United States. Mr. Cooper has led and managed multi-discipline offices for 28 of those 40 years. He has extensive professional consulting engineering experience providing the management of planning, design, construction, and inspection services for transportation and municipal road projects, park projects, master plans and designs for drainage, sewers and water projects that have included extensive inventory work and condition assessment. He also has provided oversight for numerous municipal engineering contracts, including those for building and safety services, civil plan check services, and staff augmentation.

Mr. Cooper also has extensive experience with funding public projects and has worked extensively with Public Works and Finance departments. This work includes 30 years of experience in project management and public finance. He has been District Assessment Engineer for the formation and administration of districts under the authority of the Municipal Improvement Acts of 1913 and 1931 Debt Limit Reports, and the Improvement Act of 1911. This work includes numerous successful formed Utility Undergrounding Districts. Through this work, he has extensive community outreach experience. Relevant project experience includes:

### Project Experience

#### Assessment District No. 117 — Corona Del Mar Undergrounding District

CITY OF NEWPORT BEACH | CORONA DEL MAR, CA

**Project Manager/Assessment Engineer.** Mr. Cooper is providing complete assessment engineering services, including Engineer's Report with assessment spread, diagram and boundary mapping; attending council meetings; preparing ballots, mailing ballots and counting ballots; conducting cash collection period and answering questions from property owners; filing notice of assessment with the County of Orange; and services during construction. He is also managing our team that is providing Construction Administration and Residential Permit Support Services. This District was successfully formed in November 2015. The Estimate of Construction, Incidental and Financial cost is \$4.6M. There are 268 parcels in the District. Services continue through construction of underground improvements through 2019.

#### Assessment District No. 113 — West Balboa Island Undergrounding District

CITY OF NEWPORT BEACH | BALBOA ISLAND, CA

**Project Manager/Assessment Engineer.** Mr. Cooper is providing complete assessment engineering services, including boundary map; Engineer's Report, including assessment spread and diagram; attending council meetings; preparing, mailing and counting ballots; conducting cash collection period and answering questions from property owners; filing Notice of Assessment with the County of Orange. The District was successfully formed in November 2018 with 215 parcels. The Estimate of Construction, Incidental and Financial cost was \$6,249,500.

#### Three Utility Undergrounding Districts

CITY OF MANHATTAN BEACH | MANHATTAN BEACH, CA

**Project Manager.** Mr. Cooper is providing Professional Assessment Engineering Services to the City of Manhattan Beach (City) for formation of three utility undergrounding districts, which range in size from 168 parcels to 239 parcels. All three





# RESUME — JEFFREY M. COOPER

proposed districts would be formed by property owners who desire to know the actual cost of undergrounding before making a final decision on whether to approve the formation of assessment districts. Services include Engineer's Report, including assessment spread and diagram; attending council meetings; preparing, mailing and counting ballots; conducting cash collection period and answering questions from property owners; filing Notice of Assessment with the County of Los Angeles.

## **Paseo De La Playa Undergrounding District**

CITY OF TORRANCE | TORRANCE, CA

**Project Manager/Assessment Engineer.** Mr. Cooper is providing Professional Assessment Engineering Services for the Paseo De La Playa Undergrounding District Engineer's Report. A petition for formation of the proposed district has been received by the City, and approximately 20 properties would be included. Utilities to be undergrounded include Southern California Edison, Charter Spectrum and Frontier Communications. Services will include Engineer's Report, including assessment spread and diagram; attending council meetings; preparing, mailing and counting ballots; conducting cash collection period and answering questions from property owners; filing Notice of Assessment with the County of Los Angeles.

## **Undergrounding Assessment District - Greenwich Village North**

CITY OF HERMOSA BEACH | HERMOSA BEACH, CA

**Project Manager/Assessment Engineer.** Mr. Cooper is providing professional assessment engineering services to the City of Hermosa Beach for the formation of an undergrounding assessment district within the bounds of Hermosa Avenue from 27th Street to north of 34th Street (Greenwich Village North). Services being provided include preparing a preliminary and final Engineer's Report, including method of assessment spread, assessment roll, owner database, boundary map and diagram; preparing a Certificate of Sufficiency of Petition and a Certificate of Completion; attending City Council meetings, staff meetings and utility coordination meetings; preparing, mailing and counting ballots; conducting cash collection period and answering questions from property owners; and filing Notice of Assessment and other necessary documents with the County of Los Angeles. There are 101 parcels in the district.

## **On-Call Professional Services for Assessment Engineering Services**

CITY OF NEWPORT BEACH | NEWPORT BEACH, CA

**Project Director/Assessment Engineer.** Mr. Cooper is providing On-Call Assessment Engineering services for the formation and administration of assessment districts for the City. Districts worked on and/or completed include Undergrounding Assessment District No. 63 (Newport Island); Undergrounding Assessment District No. 64 (Channel Road); Undergrounding Assessment District No. 72 (Balboa Coves); McFadden Square Assessment District No. 59; Assessment District No. 113 (West Balboa Island); Undergrounding Assessment District No. 117 (250 parcels); Assessment District No. 119; Assessment District No. 121; and Assessment District No. 122.

## **Preparation of a Utility Undergrounding Master Plan**

CITY OF PALM DESERT | PALM DESERT, CA

**Project Director/Assessment Engineer.** Responsible for preparing a Utility Undergrounding Master Plan for the City of Palm Desert, including a facility plan and cost estimates for the utility undergrounding and main line construction (as well as construction from main line to the panel); recommendations for ways to simplify and streamline the City's existing assessment district formation process; alternative financing options; and the identification of a metric for measuring the City's annual investment in and progress toward the goal of communitywide undergrounding.

## **On-Call Assessment Engineering**

CITY OF SANTA MONICA | SANTA MONICA, CA

**Project Director/Assessment Engineer.** Mr. Cooper provided professional consulting services for street lighting assessment district formation for the City. Services included developing and implementing assessment district proceedings in compliance with the Street Improvement Act of 1911 and Proposition 218; preparing the Engineer's Report for each assessment district; preparing preliminary cost estimates for each district; preparing preliminary and final assessment diagrams for each district; developing the assessment roll for each district and keeping it current until the end of the cash collection period after final invoices are mailed to each property owner within the assessment districts; conducting public meetings with the residents of each assessment district to present the project and cost estimates and answering questions prior to the Public Hearing and mailing of ballots to form the assessment districts; preparing notifications to all the owners of properties within the proposed assessment districts regarding the setting and holding of any public hearings as required by law; preparing



# RESUME — JEFFREY M. COOPER

assessment ballots and assisting staff with mailing of ballots to property owners; assisting staff in preparing various staff reports to set and hold public hearings as required by law and to confirm the ballot results; working with the City's Finance Department staff to select an interest rate for the assessment bonds, if applicable; recording the Final Assessment Diagram and Assessment Roll with the County Recorder's Office; preparing preliminary and final construction plans, specifications and estimates (PS&E) for the installation of new residential streetlights within the successful districts in compliance with the latest standards for modern, energy-efficient street lighting systems; conducting photometric analysis to identify the optimum pattern and spacing for each new streetlight system based on the type of fixture and other installations parameters, such as pole height and arm length (if applicable); assisting City staff with tabulating and confirming the final assessment amounts for each property for invoicing and receipt of payment during the case collection period; assisting City staff with calculating the bond amount and payment schedule; and advising and assisting Engineering Division and Finance Department staff regarding selection of a bond underwriter and/or assignee.

## **Abalone Cove Sewer Charge Levy FY2018-19, FY2019-20**

CITY OF RANCHO PALOS VERDES | RANCHO PALOS VERDES, CA

**Project Director/Sewer Charge Engineer.** Mr. Cooper is responsible for revising the existing Abalone Cove Sewer Maintenance Fee Study Update for the City of Rancho Palos Verdes. Tasks for the revision include preparing the Sewer Fee Study with an executive summary; revising and updating operation, maintenance and capital improvement costs; reviewing various options for the City to subsidize the ongoing costs; defining and describing ownership of the sewer system; and attending City Council Meetings as needed. He is currently assisting the City by preparing the sewer charge report and submitting charges to Los Angeles County.

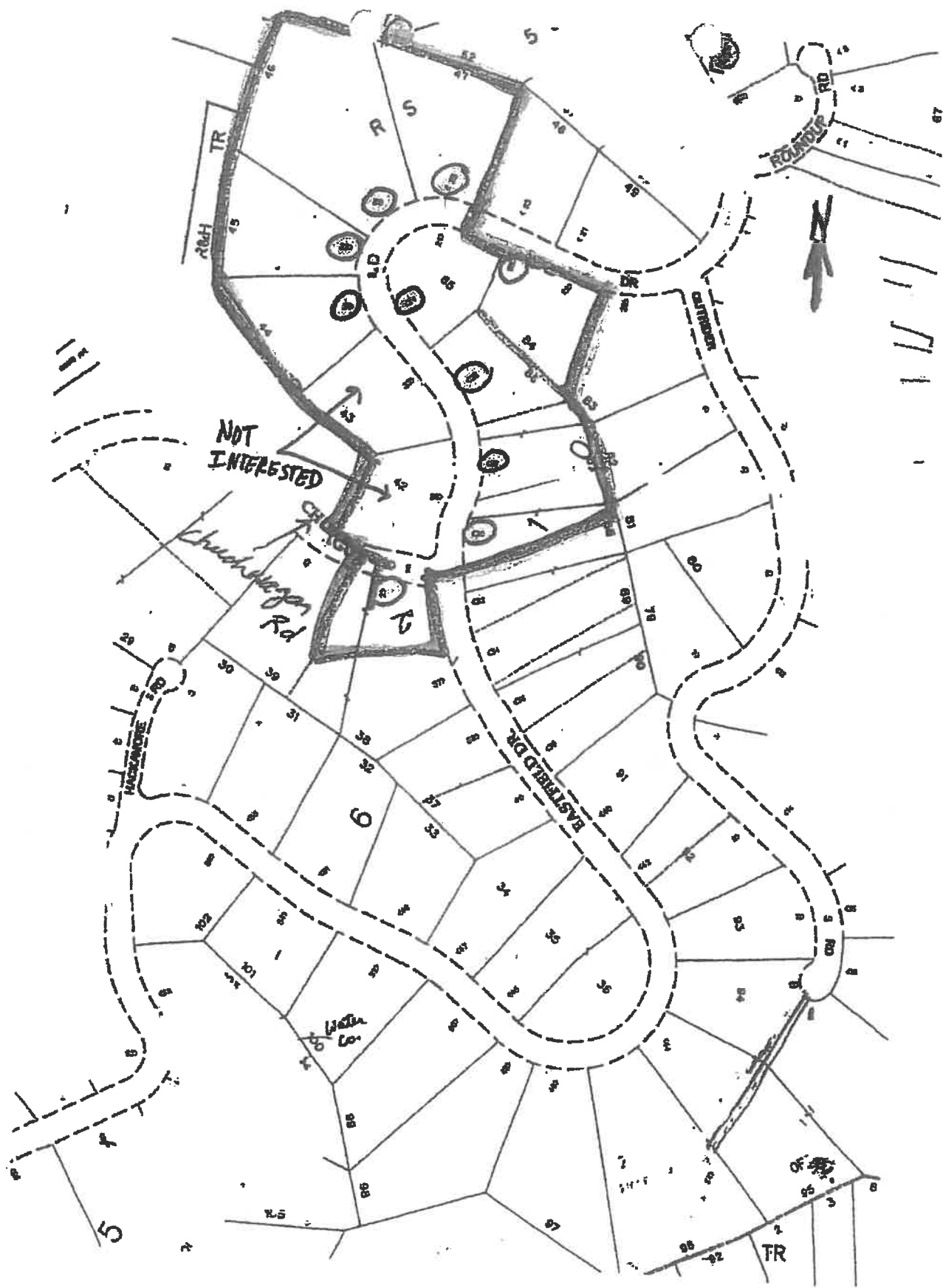
## **Landscape and Lighting Maintenance District No. 1, FY 2019-20**

CITY OF SIGNAL HILL | SIGNAL HILL, CA

**Project Manager/Assessment Engineer.** Mr. Cooper is responsible for preparing an Engineer's Report for the City of Signal Hill's Landscape and Lighting Maintenance District No. 1. Services included review of all reports and data provided by staff performed on the project in the past; site visit; preparation of an Engineer's Report to be presented to the City Council at the Resolution of Intention (ROI) and the Public Hearing, prepared in conformance with the Landscape and Lighting Act of 1972 and Proposition 218 Omnibus Implementation Act; assessment roll for 95 properties; preparation of a boundary map/ assessment diagram; attending public meetings, City Council meetings and meetings with City staff.

## **Speaking Engagements**

- "Special District Funding for Infrastructure Projects" City and County Engineers Association, Monterey Park, CA, September 2018
- "Special District Funding for Infrastructure Projects" American Society of Civil Engineers, San Diego, California, January 2018
- "Understanding Assessment Districts" American Public Works Association, Public Works Institute, San Diego, California, September 2017
- "Understanding Assessment Districts" American Public Works Association, Public Works Institute, Downey, California, May 2017
- "Understanding Assessment Districts" American Public Works Association, Complete Streets and Technology Conference, Carson, California, April 2017
- "Three Easy Steps to the Model Runoff Program – 1st Technical Training Workshop." Legal Issues (Prop. 218) and Funding Sources, June 2000, Watsonville, California
- "Summerlin: A Public/Private Partnership." (part of a panel presentation and discussion), American Public Works Association, Las Vegas, NV, September, 1998
- "Creative Financing During the Incorporation Process." American Public Works Association, September, Minneapolis, MN, 1997
- "Cost Effective Public Works Projects Can Save Your City Money." California Contract Cities Association, Palm Springs, CA, May, 1996
- "How to Form a Landscaping and Lighting District." California and Pacific Southwest Recreation and Park Conference, Anaheim, CA, February, 1994
- "Landscape Maintenance Districts." California Association of Recreation and Park Districts, Sacramento, CA, May, 1993
- "Fallout From SB566 – What's Next?" California Library Association, Oakland, CA, November, 1993
- "Successful Park Bond Acts." National Recreation and Park Association Congress for Recreation and Parks, San Jose, CA, October, 1993
- "Alternative Mechanisms for Funding Public Safety Services." League of California Cities, San Francisco, CA, October, 1993



Wednesday, November 9, 2016 at 3:20:41 PM Pacific Standard Time

**Subject:** request for funding

**Date:** Wednesday, November 9, 2016 at 1:09:27 PM Pacific Standard Time

**From:** Marcia Schoettle

**To:** Ray Cruz

Dear Ray:

I would like to ask the City Council to approve giving some funds to the Middle Eastfield Under Grounding District for an Engineering Study and a Benefits Study. The estimate for the Engineering Study is \$54,5000. We do not have the exact amount yet for the Benefits Study, but we are told that it is usually close to or less than the Engineering Study.

The Middle Eastfield District consists of the following properties:

#25 Eastfield Baumann  
#27 Eastfield Valsch  
#29 Eastfield Gargantos/Aquino  
#31 Eastfield HaeneI  
#33 Eastfield Axtell\*  
#35 Eastfield Corette\*  
#2 Chuckwagon Galvin

\*Do NOT want to under ground

#22 Eastfield Yoshimira  
#24 Eastfield Schoettle  
#26 Eastfield Clinton  
#28 Eastfield Hollingshead  
#30 Eastfield Murdock

Thank you for your help with this matter. Marcia

5



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No: 8B**  
**Mtg. Date: 09/09/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**

**THROUGH: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: REPORT ON THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY AND DETERMINATION BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) OF THE PROJECTED HOUSING NEED FOR THE 6TH CYCLE OF THE HOUSING ELEMENT FOR THE SCAG REGION.**

**DATE: SEPTEMBER 9, 2019**

**ATTACHMENTS:**

**1. HCD LETTER RE: REGIONAL HOUSING NEEDS DETERMINATION**

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## **BACKGROUND**

Since 1969, California has required that all local governments, through their land use and zoning regulations, make adequate provisions to address housing needs of all economic segments of the community. To address this mandate, local governments must, as part of their General Plan, adopt a Housing Element, which is required to be periodically amended to meet the State's housing needs projections. The intervals between the amendments of the Housing Elements are called "Cycles". Metropolitan Planning Organizations (MPOs), of which Southern California Council of Governments (SCAG) is a part, play a significant role in how this is done through the Regional Housing Needs Allocation (RHNA) process. Currently, the state is in the 6<sup>th</sup> cycle of RHNA. The Southern California Association of Governments (SCAG), serves six

counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) region.

The process by which the state Department of Housing and Community Development (HCD) arrives at the regional housing needs includes coordination and consultation with the MPOs/COGs. Government Code Section 65584 requires a consultation process between SCAG and HCD/DOF (Department of Finance) before HCD issues its final determination of regional total housing needs. SCAG staff held several meetings with HCD beginning in 2017. During the consultation process certain factors were agreed upon, such as data sources, time line, social conditions and statistical adjustments that should be used to project growth for the 8-year interval of the 6<sup>th</sup> cycle, and other factors.

Between spring and fall of 2018, SCAG reached out to local planning departments, subregional organizations and other stakeholders for local input, by requesting information and answers to surveys on local planning factors, local policies and conditions, constraints on development and similar data.

Between March and August of 2019, SCAG held several informational meetings and workshops open to the public to present their proposed methodologies for allocation of the regional housing units needs among SCAG's jurisdictions, when they become available from HCD. SCAG developed 3 methodologies. The methodologies were based on many assumptions and, according to SCAG, on many of the statistical values and factors agreed upon during the consultation process with HCD.

The process continues with HCD issuing a Regional Housing Needs Determination to COG's for the planning period of 2021 to 2029. Not every COG is on the same time schedule within the cycle. For SCAG region, the 6th planning cycle runs from June 2021 to October 2029.

### **RHNA ALLOCATION**

On August 22, 2019, HCD communicated their Regional Housing Needs Assessment (RHNA) determination of 1,344,740 units for the SCAG region. Letter from HCD is attached for reference. This number reflects the number of housing units that the region as a whole must plan for during the period from June 2021 to October 2029 in four income categories:

- Very Low: 350,998 (26.1%)
- Low: 206,338 (15.3%)
- Moderate: 225,152 (16.7%)
- Above Moderate: 562,252 (41.8%)

As defined by state law, the four income categories are: very low income (less than 50 percent median household income [MHI]); low income (50 to 80 percent MHI); moderate income (80 to 120 percent MHI); and above moderate income (above 120 percent MHI).

The Median Household Income for Los Angeles County (2018) was \$61,015 and for the SCAG region \$64,989. The Median Household income for Rolling Hills for 2017 was \$206,932.

Based on the regional determination provided by HCD, SCAG must develop a RHNA for each city and County within the six county region and a methodology for the distribution. The RHNA establishes the total number of housing units that each city and county must provide sufficient zoning capacity for within the eight-year planning period. Once the RHNA is finalized and adopted by SCAG and approved by HCD, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this eight-year planning period. SCAG has developed three methodologies for distributing the regional RHNA allocations.

Using the toolbox provided by SCAG for each of the three methodologies and inserting the appropriate city data for each, the proposed RHNA allocation for the City of Rolling Hills is as follows:

	METHOD 1	METHOD 2	METHOD 3
Income category	Number of units	Number of units	Number of units
Very Low	34	38	14
Low	23	19	8
Moderate	24	23	9
Above moderate	5	27	10
<b>TOTAL</b>	<b>86</b>	<b>106</b>	<b>41</b>

Each methodology offers different mechanisms to determine a jurisdiction's RHNA allocation from the regional total. For example, option 3 uses local input as the basis for determining a jurisdiction's share. Except for household income distribution for social equity adjustment, this option does not use other factors beyond local input on growth, such as proximity to transit or recent building activity.

Options 1 relies on local input and on predetermined characteristics such as High Quality Transit areas (HQTAs), which are areas that are within a half-mile of transit station and along a corridor that has a bus service at least every 15 minutes in peak hours.

Option 2 does not take into consideration any local input.

It is important to note that each jurisdiction is responsible for providing sufficient zoning capacity for the units allocated to all four economic income categories, but the City is NOT responsible for the construction of these units. The intent of the Housing Element Law is to ensure that jurisdictions do not impede the construction of housing in any income category.

SCAG has 30 days following receipt of the HCD Regional Housing Need determination to either accept the determination if 1,344,740 units on behalf of the six-county region, or file an objection within the parameters of the state housing law. A public comment period for the proposed SCAG RHNA allocation methodologies (the 3 options) will close on September 13, 2019 and staff proposes to prepare a letter of objection. Due to the very large housing needs determination provided by HCD for the region, the RHNA allocation for the City of Rolling Hills resulting from options one and two are unreasonable and unrealistic. The third methodology considers City's input, and the allocation numbers are more palatable. It is important to note, however, that no matter what methodology is used to spread the housing units among jurisdictions, it is the sheer number of need units determined by HCD that causes the large numbers allocated to the City.

HCD has between October 2019 and December 2019 to Review SCAG's proposed methodologies and accept one of them. Jurisdictions within the SCAG region will have an opportunity between February and July of 2020 to appeal SCAG's RHNA allocations. In August of 2020 the Final RHNA allocation is planned to be approved by SCAG and adopted in October 2020. The 2021-2029 6<sup>th</sup> cycle Housing Elements are due to HCD in October 2021.

#### **CHANGES TO STATE LAW SINCE THE LAST CYCLE OF RHNA THAT IMPACT CYCLE 6.**

There have been a number of changes to state law, but the overall structure of RHNA and Housing Element law remain the same. Some of the changes to state law affect what may be counted towards RHNA in the Housing Element, requires to address new factors, such as rate of overcrowding, loss of units during emergency and provides for consequences of jurisdictions not meeting their allocations in a timely manner.

#### **RHNA OBJECTIVES AND FACTORS THAT MUST BE CONSIDERED IN THE RHNA METHODOLOGY**

California Government Code (§65584.d) requires that the proposed RHNA methodology accomplish the following objectives:

- Increasing Housing Supply and Mix of Housing Types
- Promote Infill, Equity, and Environment
- Jobs Housing Balance

- Regional Income Parity
- NEW: Affirmatively Furthering Fair Housing

Section (§65584.04.e) of the California Government Code addresses factors that must be incorporated in the RHNA methodology:

1. Jobs and housing relationship
2. Opportunities and constraints to development of additional housing
  - a. Capacity for sewer and water service
  - b. Availability of land suitable for urban development
  - c. Lands preserved or protected from urban development
  - d. County policies to preserve prime agricultural land
3. Opportunities to maximize transit and existing transportation infrastructure
4. Policies directing growth toward incorporated areas
5. Loss of units contained in assisted housing developments
6. High housing cost burdens
7. NEW: Rate of Overcrowding
8. Housing needs of farmworkers
9. NEW: Loss of units during an emergency
10. NEW: SB 375 Greenhouse Gas Reduction Targets
11. Other factors adopted by Council of Governments

## **DISCUSSION**

There is no disputing the fact that there is a housing crisis in California. However, the recently released HCD determination of 1,344,740 total units needed during the 6<sup>th</sup> Cycle of the planning period for the six-county SCAG region is staggering and most likely not attainable by any jurisdiction. The high allocations to each jurisdiction based on such large determination will lead to failure, rather than production of units. With limited transportation corridors in many SCAG jurisdictions, if units were to be constructed without the transportation network to support it would affect other State laws such as the requirement to reduce air pollution and would be contrary to good planning and environmental policies.

The City of Rolling Hills' allocation of between 41 and 106 units for the next 8 years, (depending on which methodology is ultimately approved by SCAG and HCD), is totally unreasonable and unreachable as there aren't any adequately sized vacant parcels to accommodate multi-unit zoning in the City. Out of approximately 28 vacant parcels in the City, 8 are in an area of the City that is determined to be geotechnical hazardous, which could not support multifamily development. Several other parcels are landlocked, others are very steep and not likely favorable for development, especially at higher than single-family residential density. These parcels are not available for additional growth and could not be "counted" as sites towards RHNA. AB 1397



specifies that housing elements can only list land as potential sites to accommodate new housing if that land has a realistic capacity for housing development.

Rolling Hills has other constraints that are not considered by HCD. Lack of sewers or the built out nature of the city is no longer an acceptable reason for not to adequately zone properties for affordable housing. HCD considers these constraints as not beyond the City's control. There is a total lack of understanding of local conditions by many governmental agencies, including SCAG and HCD. While meeting with HCD staff last February, City staff invited them to visit the City to observe first hand the City's geological and topographical constraints. However, no one visited the City.

Next week SCAG will submit an objection letter to HCD's determination of the RHNA for the six-county region. SCAG feels that many of the areas that were collaboratively developed during the consultation process, such as data inputs, analysis, or growth forecast were not reflected in HCD's determination. SCAG also questions the population projections and growth forecast. Other stakeholders have until September 13, 2019 to submit comments to SCAG regarding the methodologies and allocations for their jurisdictions. As stated above, staff will prepare a letter to SCAG objecting to the HCDs RHNA determination of the housing need for the region and specifically to object to SCAGs methodology options one and two where very little or none of the City's input is being considered.

### **RECOMMENDATION**

Staff recommends the City Council receive and file this report.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

20 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



August 22, 2019

Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017

Dear Executive Director Ajise:

**RE: Regional Housing Need Determination**

This letter provides the Southern California Association of Governments (SCAG) its determination of the Regional Housing Need Determination. Pursuant to Government Code (Gov. Code) section 65584.01, the Department of Housing and Community Development (HCD) is required to provide the determination of SCAG's existing and projected housing need.

In assessing SCAG's regional housing need, HCD and SCAG staff completed an extensive consultation process starting in March 2017 through August 2019 covering the methodology, data sources, and timeline. HCD also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **1,344,740** total units among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology, and pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Government Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.

HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. Pursuant to Government Code section 65584.01(c)(1), HCD may accept or reject the information provided by the council of governments or modify its own assumptions based on this information.

The Department especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson. The Department looks forward to its continued partnership with SCAG and its member jurisdictions and assisting SCAG in its planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).

Sincerely,



Megan Kirkeby  
Assistant Deputy Director for Fair Housing

## ATTACHMENT 1

### HCD REGIONAL HOUSING NEED DETERMINATION

SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.1%	350,998
Low	15.3%	206,338
Moderate	16.7%	225,152
Above-Moderate	41.8%	562,252
<b>Total</b>	<b>100.0%</b>	<b>1,344,740</b>
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

Income Distribution:

*Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.*

## ATTACHMENT 2

### HCD REGIONAL HOUSING NEED DETERMINATION SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

#### Methodology

SCAG: June 30, 2021-October 15, 2029 (8.3 Years)				
HCD Determined Population, Households, & Housing Need				
1.	Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			20,455,355
2.	- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			-363,635
3.	Household (HH) Population: October 15, 2029			20,079,930
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households
		20,079,930		6,801,760
	under 15 years	3,292,955	n/a	n/a
	15 – 24 years	2,735,490	6.45%	176,500
	25 – 34 years	2,526,620	32.54%	822,045
	35 – 44 years	2,460,805	44.23%	1,088,305
	45 – 54 years	2,502,190	47.16%	1,180,075
	55 – 64 years	2,399,180	50.82%	1,219,180
	65 – 74 years	2,238,605	52.54%	1,176,130
	75 – 84 years	1,379,335	57.96%	799,455
	85+	544,750	62.43%	340,070
4.	Projected Households (Occupied Unit Stock)			6,801,760
5.	+ Vacancy Adjustment (2.63%)			178,896
6.	+ Overcrowding Adjustment (6.76%)			459,917
7.	+ Replacement Adjustment (.50%)			34,010
8.	- Occupied Units (HHs) estimated (June 30, 2021)			-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)			120,418
6 <sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)				1,344,740

#### Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.

*Continued on next page*

7. **Replacement Adjustment:** HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance (DOF). For SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.
8. **Occupied Units:** Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
9. **Cost Burden Adjustment:** HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The very-low and low income RHNA is increased by the percent difference ( $70.83\% - 60.20\% = 10.63\%$ ) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ( $20.48\% - 11.20\% = 9.28\%$ ) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2011-2015 Comprehensive Housing Affordability Strategy (CHAS).

