

**HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HOUSING AUTHORITY  
COMMUNITY DEVELOPMENT COMMISSION  
WATER DISTRICT**



**Meeting Agenda**

**Tuesday, December 16, 2025**

**Closed Session - 5:15 PM**

**Regular Meeting - 6:30 PM**

**City Council Chambers  
9700 Seventh Ave., Hesperia CA, 92345  
City Clerk's Office: (760) 947-1007**

**City Council Members**

**Brigit Bennington, Mayor  
Josh Pullen, Mayor Pro Tem  
Cameron Gregg, Council Member  
Allison Lee, Council Member  
Chris Ochoa, Council Member**

**Rachel Molina, City Manager  
Pam K. Lee, City Attorney**



**NOTE:** In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1026. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

To leave a Public Comment by phone, call and leave a recorded message at (760) 947-1026 up to 5:30 pm on the day of the scheduled meeting. City Council meetings may be viewed live or after the event on the City's website at [www.cityofhesperia.us](http://www.cityofhesperia.us).

**REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA WATER DISTRICT**

**9700 7th Avenue, Council Chambers, Hesperia, CA 92345**

**As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.**

*Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.*

*Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

**CLOSED SESSION - 5:15 PM**

**Roll Call**

*Mayor Brigit Bennington  
Mayor Pro Tem Josh Pullen  
Council Member Cameron Gregg  
Council Member Allison Lee  
Council Member Chris Ochoa*

Conference with Legal Counsel - Potential Litigation:  
Government Code Section 54956.9(d)2

**1. One (1) Case**

**CALL TO ORDER - 6:30 PM**

**A. Invocation**

**B. Pledge of Allegiance to the Flag**

**C. Roll Call**

*Mayor Brigit Bennington  
Mayor Pro Tem Josh Pullen  
Council Member Cameron Gregg*

Council Member Allison Lee  
Council Member Chris Ochoa

**D. Agenda Revisions and Announcements by City Clerk**

**E. Closed Session Reports by City Attorney**

**ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation of Recognition to resident Ahmad Hussein, Neighborhood Pride Enhancement Program Honoree.
2. Presentation to Residential Christmas Decorating Contest Winner.

**GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*Individuals wishing to speak during General Public Comments or on a particular numbered item are requested to submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the joint agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

**JOINT CONSENT CALENDAR**

1. Page 7                      Consideration of the Draft Minutes from the Regular Meeting held Tuesday, December 2, 2025.

**Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular meeting held Tuesday, December 2, 2025.

**Staff Person:**    Assistant City Clerk Jessica Giber

**Attachments:**   [Draft CC Min 2025-12-02](#)

2. Page 13                      Warrant Run Report (City- Successor Agency- Housing Authority- Community Development Commission- Water)

**Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

**Staff Person:**    Assistant City Manager Casey Brooksher



**Attachments:** [SR Warrant Run 12-16-2025](#)

[Attachment 1 - Warrant Run](#)

3. Page 15

Treasurer's Cash Report for the unaudited period ended October 31, 2025

**Recommended Action:**

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

**Staff Person:** Assistant City Manager Casey Brooksher

**Attachments:** [SR Treasurer's Report 12-16-2025](#)

[Attachment 1 - Treasurer's Report](#)

4. Page 27

Receive and File the Local Agency Special Tax and Bond Accountability Act Report (SB 165) for the Fiscal Year Ended June 30, 2025

**Recommended Action:**

It is recommended that the City Council receive and file the Local Agency Special Tax and Bond

Accountability Act Reports (SB 165) for Communities Facilities District (CFD) 2005-1 (Belgate Development Restructuring), CFD 2021-1 (Residential Maintenance & Services), CFD 2022-1 (Non-Residential Maintenance & Services), and CFD 2023-1 (Silverwood Maintenance & Services) for the Fiscal Year Ended June 30, 2025.

**Staff Person:** Assistant City Manager Casey Brooksher

**Attachments:** [SR Special Tax and Bond Accountability Act Report 12-16-2025](#)

[Attachment 1 - Special Tax & Bond Report \(Belgate Development\)](#)

[Attachment 2 - Special Tax & Bond Report \(Maintenance & Services\)](#)

5. Page 33

Fiscal Year 2024-2025 Annual Compliance Report for AB 1600 Development Impact Fees

**Recommended Action:**

It is recommended that the City Council receive and file the AB 1600 report on development fee activity that occurred during Fiscal Year (FY) 2024-2025.

**Staff Person:** Assistant City Manager Casey Brooksher

**Attachments:** [SR 2024-2025 Annual Compliance Report AB1600 12-16-2025](#)

[Attachment 1 - FY 2024-25 AB 1600 Report](#)

6. Page 71

Audited Hesperia Housing Authority Financial Statements for Fiscal Year Ended June 30, 2025, and Housing Successor SB 341 Report

**Recommended Action:**

It is recommended that the City Council and the Hesperia Housing Authority (HHA) Board receive and file the audited Hesperia Housing Authority -

Component Unit Financial Statements for the Fiscal Year Ended June 30, 2025, and the Housing Successor SB 341 Report.

**Staff Person:** Assistant City Manager Casey Brooksher

**Attachments:** [SR HHA Financial Statements for SB341 Report 12-16-2025](#)

[Attachment 1 - HHA Component Financial Statements June 30, 2025](#)

[Attachment 2 - SB 341 Housing Successor Report](#)

7. Page 109 Award of Contract for Public Engagement Services Related to Potential Sales Tax Measure

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to enter into an agreement with TeamCivX to conduct a public opinion poll and provide outreach consulting services for a potential sales tax initiative, in an amount not to exceed \$217,000, including a 15 percent contingency.

**Staff Person:** Assistant City Manager Casey Brooksher

**Attachments:** [SR TeamCivX Agreement 12-16-2025](#)

8. Page 113 Wireless Communication Facility Lease Escalation Rate Requests

**Recommended Action:**

It is recommended that the City Council approve requests from Phoenix Tower International (T-Mobile), operator of the wireless facility located at 11011 Santa Fe Avenue East, and New Cingular Wireless PCS, LLC (AT&T), operator of the wireless facility located at 12950 Sultana Street, to continue their current 3% annual rent escalation rather than adopting a 5% escalation required under the City's new Wireless Leasing Program.

**Staff Person:** Director of Development Services Orlando Acevedo

**Attachments:** [SR Wireless Communication Facility Lease Escalation Rate 12-16-2025](#)

[Attachment 1 - Leasing Program with Standard Lease Agreement](#)

## **PUBLIC HEARING**

*Individuals wishing to comment on public hearing items must submit a speaker slip to the City Clerk with the numbered agenda item noted. Speaker slips should be turned in prior to an agenda item being taken up. Comments will be limited to five minutes for Public Hearing items.*

### **WAIVE READING OF ORDINANCES**

*Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.*

9. Page 141 Development Code Amendment DCA25-00004; Applicant: City of Hesperia; Area affected: City-wide

**Recommended Action:**

The Planning Commission recommends that the City Council introduce and place on first reading Ordinance No. 2025-07 approving Development Code Amendment DCA25-00004.

**Staff Person:** Associate Planner Leilani Henry

**Attachments:** [SR Development Code Amendment DCA25-00004 12-16-2025](#)

[Ordinance 2025-07](#)

[Attachment 2 - Exhibit A DCA25-00004](#)

[Attachment 3 - Planning Commission Staff Report with Attachments](#)

## **NEW BUSINESS**

### **10. Page 155 Traffic Cabinets Wrap Discussion**

#### **Recommended Action:**

It is recommended that the City Council provide direction to staff on opportunities to implement a traffic cabinet wrap program throughout the city.

**Staff Person:** Public Relations Analyst Kelly Brady

**Attachments:** [SR Traffic Cabinets Wrap Discussion 12-16-2025](#)

[Attachment 1 - Hesperia Traffic Signals](#)

### **11. Page 159 City Council Appointments to Outside Agencies**

#### **Recommended Action:**

It is recommended that the City Council follow past practice and appoint liaisons (both primary and alternate) to various outside agencies for a one-year period to commence in January 2026.

**Staff Person:** Assistant City Clerk Jessica Giber

**Attachments:** [SR City Council Appointments to Outside Agencies 12-16-2025](#)

[Attachment 1 - 2025 Appointment Summary](#)

## **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.*

## **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.*

## **ADJOURNMENT**

*I, Jessica Giber, Assistant City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, December 11, 2025 at 5:30 p.m. pursuant to California Government Code §54954.2.*

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*Jessica Giber, Assistant City Clerk*

*Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.*



# City of Hesperia Meeting Minutes – Draft City Council

City Council Chambers  
9700 Seventh Ave.  
Hesperia CA, 92345

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Tuesday, December 2, 2025

6:30 PM

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REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA WATER DISTRICT

## **NO CLOSED SESSION**

### **CALL TO ORDER - 6:32 PM**

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

**Present:** 5 – Mayor Lee, Mayor Pro Tem Gregg, Council Member Bennington, Council Member Ochoa, and Council Member Pullen

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

## **ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation to outgoing Mayor Allison Lee by Mayor Pro Tem Cameron Gregg.

## **COUNCIL/BOARD REORGANIZATION**

1. Election of Officers:
  - A. Selection of the Mayor/Chair to serve for the City Council, Successor Agency to the Hesperia Community Redevelopment Agency, Community Development Commission, Housing Authority, Hesperia Fire Protection District and Hesperia Water District (term to expire at the first regular meeting held in December 2026).
  - B. Selection of the Mayor Pro Tem/Vice Chair to serve for the City Council, Successor Agency to the Hesperia Community Redevelopment Agency, Community Development Commission, Housing Authority,

Hesperia Fire Protection District and Hesperia Water District (term to expire at the first regular meeting held in December 2026).

**Staff Person:** Assistant City Clerk Jessica Giber

**A motion was made by Pullen, seconded by Lee, to appoint Council Member Bennington as Mayor. The motion carried by the following vote:**

**Aye:** 4 - Lee, Bennington, Ochoa, and Pullen

**Abstain:** 1 - Gregg

**A motion was made by Gregg, seconded by Lee, to appoint Council Member Pullen as Mayor Pro Tem. The motion carried by the following vote:**

**Aye:** 5 - Lee, Gregg, Bennington, Ochoa, and Pullen

**Nay:** 0

*Mayor Bennington took over as chair of the meeting at this time.*

### **GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*The following people commented:*

*Jessica Trapp via voicemail*

*Bob Nelson*

*Born Again*

*Ken Anderson*

*Alex Aristci*

*Gina Whelan*

### **JOINT CONSENT CALENDAR**

**A motion was made by Gregg, seconded by Lee that the Joint Consent Calendar be approved. The motion carried by the following vote:**

**Aye:** 5 - Lee, Gregg, Bennington, Ochoa, and Pullen

**Nay:** 0

1. Consideration of the Draft Minutes from the Special Meeting held Tuesday, November 18, 2025

#### **Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Special Meeting held Tuesday, November 4, 2025.

**Sponsors:** Assistant City Clerk Jessica Giber

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Water)

#### **Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor

Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

**Sponsors:** Assistant City Manager Casey Brooksher

3. 2025-26 Statement of Investment Policy

**Recommended Action:**

It is recommended that the Council/Board/Commission adopt Joint Resolution No. 2025-49, Successor Agency to the Hesperia Community Redevelopment Agency Resolution No. SA 2025-02, Hesperia Housing Authority Resolution No. HHA 2025-07, Community Development Commission Resolution No. CDC 2025-01, Hesperia Fire Protection District Resolution No. HFPD 2025-04, and Hesperia Water District Resolution No. HWD 2025-16, approving the Fiscal Year 2025-26 Statement of Investment Policy.

**Staff Person:** Assistant City Manager Casey Brooksher

4. Annual 2026-27 Recognized Obligation Payment Schedule

**Recommended Action:**

It is recommended that the Successor Agency adopt Resolution No. SA 2025-01, approving the Annual 2026-27 Recognized Obligation Payment Schedule (ROPS), including the Successor Agency's FY 2026-27 Administrative Budget, and authorizing staff to present the ROPS to the Oversight Board for its consideration and approval.

**Staff Person:** Assistant City Manager Casey Brooksher

5. Consideration of Ji Vel Relief Services Veterinary Contract

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to approve a one-year contract with Ji Vel Relief Veterinary Services in the not-to-exceed amount of \$197,000, and to approve a one-year contract for Spay and Neuter, telemedicine, vaccination clinics, and premise permit services.

**Staff Person:** Assistant City Manager Casey Brooksher

## **CONSENT ORDINANCE**

**A motion was made by Pullen, seconded by Ochoa, that the Consent Ordinance calendar be approved. The motion carried by the following vote:**

**Aye:** 5 - Lee, Gregg, Bennington, Ochoa and Pullen

**Nay:** 0

6. Adoption of Ordinance No. 2025-08 adopting the 2025 California Building Codes.

**Recommended Action:**

Place on second reading and adopt by title waiving the text of Ordinance No. 2025-08, adopting changes to Hesperia Municipal Code Chapters 15.04; adopting and amending the following codes and their references: the 2025 California Building Code, the 2025 California Residential Code, the 2025 California Electrical Code, the 2025 California Mechanical Code, the 2025 California Plumbing Code, the 2025 California Fire Code, the 2025 California Green Building Standards Code, the 2025 California Referenced Standards Code, the 2025 California Energy Code, the 2025 California Historical Building Code, the 2025 California Administrative Code, the 2025 California Existing Building Code, the 2025 California Wildland Urban Interface Code (all hereafter referenced as the Building Codes) and hold a public hearing regarding this matter on November 18, 2025 and continue the hearing to December 2, 2025.

**Staff Person:** Building Official Andrew Lemke

7. Specific Plan Amendment SPLA25-00001 and revised Tentative Tract Map No. 18955 (TTR25-00002); Applicant: Silverwood Development; Area Affected: Tapestry Specific Plan (referred to as Silverwood).

**Recommended Action:**

Place on second reading and adopt by title waiving the text of Ordinance No. 2025-09 and Resolution No. 2025-44, approving Specific Plan Amendment SPLA25-00001 and revised Tentative Tract Map No. 18955 (TTR25-00002), to amend the land use designation of multiple Planning Areas within the Tapestry Specific Plan (referred to as Silverwood) and to make modifications to the lot layout for multiple Planning Areas under TTM No.18955).

**Staff Person:** Senior Planner Edgar Gonzalez

**NEW BUSINESS**

8. Establishment of the Highway 395 Waterline Relocation Project as a Capital Improvement Project (CIP) and Appropriating of Funding for Waterline Upsizing

**Recommended Action:**

It is recommended that the City Council and Board of Directors of the Water District:

1.Adopt Joint Resolution No. 2025-50 and Hesperia Water District Resolution No. 2025-17 amending the Fiscal Year (FY) 2025-26 Capital Improvement Budget by appropriating \$250,000 to Water Capital Fund 701 (Fund 701); and

2.Approve the establishment of the Highway 395 Waterline Relocation Project as a Capital Improvement Project (CIP).

**Staff Person:**Director of Public Works/City Engineer Cassandra Sanchez

**A motion was made by Lee seconded by Pullen, that this item be approved. The motion carried by the following vote:**

**Aye:** 5 - Lee, Gregg, Bennington, Ochoa and Pullen

**Nay:** 0

9. Traffic Cabinets Wrap Discussion

**Recommendation Action:**

It is recommended that the City Council provide direction to staff on opportunities to implement a traffic cabinet wrap program throughout the city.

**Staff Person:** Public Relations Analyst Kelly Brady

**A motion was made by Bennington seconded by Gregg, that this item be brought back for further discussion on themes and community participation. The motion carried by the following vote:**

**Aye:** 5 - Lee, Gregg, Bennington, Ochoa and Pullen

**Nay:** 0



## **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*The Mayor, Mayor Pro Tem, and Council Members reported on various events and Committees.*

*During public comments, Council Member Gregg requested a report in response to the resident's public comment concerning their animals, including any applicable City policies.*

## **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*No comments*

## **ADJOURNMENT**

*The meeting was adjourned at 7:50 p.m.*

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*Jessica Giber, Assistant City Clerk*

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# City of Hesperia STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Water District

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager  
Keith Cheong, Senior Accountant  
Verenise Fierros, Accountant

**SUBJECT:** Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Water)

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## RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

## BACKGROUND

The Warrant Run totals represented below are for the period November 8, 2025 through November 21, 2025.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$5,165,251.58	\$317,623.00	\$0.00	\$5,482,874.58
Successor Agency	6,400.00	0.00	0.00	6,400.00
Housing Authority	0.00	161.84	0.00	161.84
Community Development Commission	0.00	0.00	0.00	0.00
Water	764,945.35	150,096.12	0.00	915,041.47
<b>Totals</b>	<b>\$5,936,596.93</b>	<b>\$467,880.96</b>	<b>\$0.00</b>	<b>\$6,404,477.89</b>

## CITY GOAL SUPPORTED BY THIS ITEM

**Financial Health** – Maintain a balanced budget and adequate reserves.

## ATTACHMENT(S)

1. Warrant Runs

**City of Hesperia**  
**WARRANT RUNS**  
**11/8/2025-11/21/2025**

**Attachment 1**

		W/E		W/E		WARRANT		YEAR-TO		PRIOR FY YTD	
FUND #		11/14/2025		11/21/2025		TOTALS		DATE		DATE	
								TOTALS *		TOTALS	
								Wires			
Accounts Payable											
100	GENERAL	\$	250,573.48	\$	4,289,242.72	\$	4,539,816.20	\$	-	\$	19,457,119.27
105	PENSION OBLIGATION TRUST	\$	-	\$	-	\$	-	\$	-	\$	-
106	OPEB TRUST	\$	-	\$	-	\$	-	\$	-	\$	-
110	SILVERWOOD	\$	-	\$	-	\$	-	\$	-	\$	56,192.50
200	HESPERIA FIRE DISTRICT	\$	-	\$	-	\$	-	\$	-	\$	-
204	MEASURE I - RENEWAL	\$	-	\$	27,518.20	\$	27,518.20	\$	-	\$	421,270.83
207	LOCAL TRANSPORT-SB 325	\$	-	\$	-	\$	-	\$	-	\$	-
209	GAS TAX-RMRA	\$	-	\$	-	\$	-	\$	-	\$	1,976.49
210	HFPD (PERS)	\$	-	\$	-	\$	-	\$	-	\$	1,896,318.00
241	CFD 2021-1 Resid Maint. & Serv	\$	-	\$	-	\$	-	\$	-	\$	1,265.00
242	CFD 2022-1 Non-Resd Maint & Serv	\$	-	\$	-	\$	-	\$	-	\$	1,913.00
243	CFD 2023-1 Silverwood Maint	\$	-	\$	-	\$	-	\$	-	\$	1,992.00
251	CDBG	\$	-	\$	-	\$	-	\$	-	\$	306,499.94
254	AB2766 - TRANSIT	\$	-	\$	-	\$	-	\$	-	\$	-
255	AB3229 SUPPLEMENTAL LAW	\$	-	\$	-	\$	-	\$	-	\$	-
256	ENVIRONMENTAL PROGRAMS GRANT	\$	4,523.72	\$	-	\$	4,523.72	\$	-	\$	28,741.44
262	SB 1383 LOCAL ASSISTANCE GRANT	\$	-	\$	1,666.66	\$	1,666.66	\$	-	\$	110,153.74
263	STREETS MAINTENANCE	\$	59,119.61	\$	30,617.85	\$	89,737.46	\$	-	\$	826,262.32
300	DEV. IMPACT FEES - STREET	\$	-	\$	-	\$	-	\$	-	\$	-
301	DEV. IMPACT FEES - STORM DRAIN	\$	-	\$	-	\$	-	\$	-	\$	16,725.82
306	DEV. IMPACT FEES - 2018-STREETS	\$	-	\$	1,300.00	\$	1,300.00	\$	-	\$	343,706.89
307	DIF 2018-DRAINAGE FACILITIES	\$	-	\$	-	\$	-	\$	-	\$	26,353.00
309	DIF 2018-CITY HALL FACILITIES	\$	-	\$	-	\$	-	\$	-	\$	-
312	DIF 2018-POLICE FACILITIES	\$	-	\$	-	\$	-	\$	-	\$	-
313	DIF A-04 DRAINAGE	\$	-	\$	-	\$	-	\$	-	\$	-
402	WATER RIGHTS ACQUISITION	\$	-	\$	-	\$	-	\$	-	\$	1,125,308.97
403	2013 REFUNDING LEASE REV BONDS	\$	-	\$	-	\$	-	\$	-	\$	-
404	2023 REFUNDING LEASE REV BONDS	\$	-	\$	-	\$	-	\$	-	\$	574,779.98
504	CITY WIDE STREETS - CIP	\$	-	\$	-	\$	-	\$	-	\$	242,480.81
509	CITY FACILITIES CIP	\$	-	\$	-	\$	-	\$	-	\$	-
800	EMPLOYEE BENEFITS	\$	455,850.75	\$	28,818.43	\$	484,669.18	\$	-	\$	4,120,399.98
801	TRUST/AGENCY	\$	8,542.16	\$	7,478.00	\$	16,020.16	\$	-	\$	1,021,146.75
802	AD 91-1 AGENCY	\$	-	\$	-	\$	-	\$	-	\$	-
804	TRUST-INTEREST BEARING	\$	-	\$	-	\$	-	\$	-	\$	1,113.10
807	CFD 2005-1	\$	-	\$	-	\$	-	\$	-	\$	1,154,368.67
808	HFPD (TRANSITION)	\$	-	\$	-	\$	-	\$	-	\$	335,635.00
815	PLAN REVIEW TRUST - FRONTIER	\$	-	\$	-	\$	-	\$	-	\$	-
CITY		\$	778,609.72	\$	4,386,641.86	\$	5,165,251.58	\$	-	\$	32,071,723.50
163	REDEVELOP OBLIG RETIREMENT-2018	\$	-	\$	6,400.00	\$	6,400.00	\$	-	\$	6,790,443.96
SUCCESSOR AGENCY		\$	-	\$	6,400.00	\$	6,400.00	\$	-	\$	6,790,443.96
370	HOUSING AUTHORITY	\$	-	\$	-	\$	-	\$	-	\$	6,579.77
HOUSING AUTHORITY		\$	-	\$	-	\$	-	\$	-	\$	6,579.77
170	COMMUNITY DEVELOPMENT COMMISSION	\$	-	\$	-	\$	-	\$	-	\$	-
COMMUNITY DEVELOPMENT COMMISSION		\$	-	\$	-	\$	-	\$	-	\$	-
700	WATER OPERATING	\$	391,447.93	\$	127,714.40	\$	519,162.33	\$	-	\$	13,569,251.95
703	WATER CAPITAL REHAB AND REPLACE	\$	-	\$	237,355.38	\$	237,355.38	\$	-	\$	444,187.91
705	WATER PENSION OBLIGATION TRUST	\$	-	\$	-	\$	-	\$	-	\$	-
701	WATER CAPITAL	\$	-	\$	-	\$	-	\$	-	\$	1,006,589.00
710	SEWER OPERATING	\$	3,358.81	\$	3,727.62	\$	7,086.43	\$	-	\$	7,975,171.55
711	SEWER CAPITAL	\$	-	\$	-	\$	-	\$	-	\$	840,646.65
720	RECLAIMED WATER OPERATIONS	\$	119.98	\$	1,221.23	\$	1,341.21	\$	-	\$	17,609.83
WATER		\$	394,926.72	\$	370,018.63	\$	764,945.35	\$	-	\$	23,853,456.89
ACCOUNTS PAYABLE TOTAL		\$	1,173,536.44	\$	4,763,060.49	\$	5,936,596.93	\$	-	\$	62,722,204.12
REG. PAYROLL											
City		\$	-	\$	317,623.00	\$	317,623.00	\$	-	\$	3,213,941.11
Housing Authority		\$	-	\$	161.84	\$	161.84	\$	-	\$	1,605.29
Water		\$	-	\$	150,096.12	\$	150,096.12	\$	-	\$	1,600,953.71
PAYROLL TOTAL		\$	-	\$	467,880.96	\$	467,880.96	\$	-	\$	4,816,500.11

# City of Hesperia STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and Council Members  
City Council, Serving as Successor Agency to the Hesperia  
Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Water District

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager  
Marc Morales, Senior Accountant  
Jonathan Settle, Accountant

**SUBJECT:** Treasurer's Cash Report for the unaudited period ended October 31, 2025

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## RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

## BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

## ISSUES/ANALYSIS

The Treasurer's Cash Reports for each agency, Income Statement for the Hesperia Golf Course, and Cash Summary Report for the Animal Control Donation Trust are presented on the following pages.

## CITY GOAL SUPPORTED BY THIS ITEM

**Financial Health** – Maintain a balanced budget and adequate reserves.

## FISCAL IMPACT

These reports reflect unaudited cash balances as of October 31, 2025.

## ALTERNATIVE(S)

Provide alternative direction to staff.

## ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Water District Investment Report
6. Hesperia Golf & Country Club Consolidated Income Statement – Unaudited October 2025
7. Animal Control Donation Trust Cash Flow Summary – Unaudited October 2025

<b>CITY OF HESPERIA</b>	
<b><u>FUND</u></b>	<b><u>VALUE</u></b>
General Fund (100 & 800)	35,380,603.96
Pension Obligation Trust (105)	589,503.46
OPEB Trust (106)	5,849.72
Silverwood	44,668.80
Measure I - Renewal (204)	14,969,741.74
Gas Tax Fund (205)	2,701,324.55
Gas Tax Swap (206)	2,026,015.92
Local Transportation SB325 (207)	1,406,050.69
Gas Tax - RMRA (209)	11,584,054.13
HFPD (PERS) (210)	943,678.74
Public Art (230)	271,501.53
CFD 2021-1 Resid Maint & Serv	2,929.28
CFD 2022-1 Non-Resid Maint & Serv	2,281.28
CFD 2023-1 Silverwood Maint	3,019.14
Community Dev Block Grant (251, 252, & 253)	774,867.55
AB27666 - Transit (254)	26,586.15
AB3229 Supplemental Law (255)	529,216.33
Beverage Recycling Grant (256)	306,281.27
Disaster (260)	64,395.73
American Rescue Plan Grant (261)	6,886,987.23
SB 1383 Local Assistance Grant (262)	147,217.70
Public Works Street Maint (263)	1,743,400.06
Development Impact Fund 2018 (306-312)	33,532,794.23
Development Impact Fund A-04 Drainage (313)	606,165.36
Development Impact Fund (300-304)	7,838,425.66
2012 Water Rights Acquisition (402)	788,023.21
2013 Refunding Lease Rev Bonds (403)	-
2023 Refunding Lease Rev Bonds (404)	1,367,671.75
City Wide-Capital Projects (504)	(6,282,002.63)
AD No. 91-1 (802)	414,271.89
CFD 2005-1 (807)	1,091,274.45
HFPD Transition (808)	-
Trust Fund (801, 803-806, & 815)	1,040,205.02
<b>TOTAL CITY FUNDS</b>	<b><u>\$ 120,807,003.90</u></b>

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

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<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	\$ <u>598,028.20</u>

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**HESPERIA HOUSING AUTHORITY**

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<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 4,469,875.85
VVEDA Housing Authority (371)	2,043,004.33
<b>TOTAL HOUSING AUTHORITY FUNDS</b>	<b>\$ <u>6,512,880.18</u></b>

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**COMMUNITY DEVELOPMENT COMMISSION**

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<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	\$ <u>3,691,485.73</u>

## **WATER**

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<b><u>FUND</u></b>	<b><u>VALUE</u></b>
Water Operating (700)	\$ 13,856,799.14
Water Capital (701)	9,759,970.79
Water Capital Rehab and Replace (703)	4,311,886.80
Water Contamination Mitigation (704)	2,792,818.69
Water Pension Obligation Trust (705)	13,100.20
Water OPEB Trust (706)	15.01
Sewer Operating (710)	6,892,747.96
Sewer Capital (711)	859,594.79
Sewer Capital Rehab and Replace (713)	888,811.61
Reclaimed Water Operations (720)	515,626.44
<b>TOTAL WATER FUNDS</b>	<b><u>\$ 39,891,371.43</u></b>



# City of Hesperia Investment Report Unaudited

ATTACHMENT 1

October 31, 2025

Type of Investment	Institution/ Fiscal Agent	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Local Agency Investment Funds	State of Calif.	4.150%	31-Oct-25	Demand	\$ 105,660,579.26	105,660,579.26	105,660,579.26	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Oct-25	Demand	15,146,424.64	15,146,424.64	15,146,424.64	
Total Unaudited Investments under the direction of the City					\$ 120,807,003.90	\$ 120,807,003.90	\$ 120,807,003.90	
Investments under the direction of fiscal agents:								
2012 Lease Revenue Bonds	US Bank	0.065%	31-Oct-25	Demand	-	-	-	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	US Bank	0.000%	31-Oct-25	Demand	65,095.72	65,095.72	65,095.72	2012 - Water Rights Interest Fund
2012 Lease Revenue Bonds	US Bank	0.335%	31-Oct-25	Demand	1,457,219.99	1,457,219.99	1,457,219.99	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	US Bank	0.335%	31-Oct-25	Demand	1,820.45	1,820.45	1,820.45	2012 - Water Rights Surplus Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.302%	31-Oct-25	Demand	-	-	-	2023 Refunding Lease Revenue Bonds Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.320%	31-Oct-25	Demand	175,080.89	175,080.89	175,080.89	2023 Refunding Lease Revenue Interest Funds
2024 CFD 2005-1 Refunding	US Bank	0.211%	31-Oct-25	Demand	1,000.81	1,000.81	1,000.81	2024 CFD 05-1 - Special Tax Fund
2024 CFD 2005-1 Refunding	US Bank	0.000%	31-Oct-25	Demand	139,127.34	139,127.34	139,127.34	2024 CFD 05-1 - Bond Fund
2024 CFD 2005-1 Refunding	US Bank	0.304%	31-Oct-25	Demand	1,135,013.47	1,135,013.47	1,135,013.47	2024 CFD 05-1 - Reserve Fund
Deposits - Workers' Comp	PERMA	n/a	31-Oct-25	n/a	987,995.04	987,995.04	987,995.04	GL 1352
Sully Miller Retention - Ranchero	US Bank	0.000%	31-Oct-25	n/a	1.08	1.08	1.08	Ranchero Road - Escrow Account
City of Hesperia Stabilized Trust	Charles Schwab	n/a	31-Oct-25	n/a	5,078,381.68	5,078,381.68	5,078,381.68	City Pension
City of Hesperia OPEB Trust	Charles Schwab	n/a	31-Oct-25	n/a	934,369.67	934,369.67	934,369.67	City OPEB
Hesperia Fire Protection PST	Charles Schwab	n/a	31-Oct-25	n/a	1,638,058.66	1,638,058.66	1,638,058.66	Fire Pension
Total Unaudited Investments under the direction of fiscal agents					\$ 11,613,164.80	\$ 11,613,164.80	\$ 11,613,164.80	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

\* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.

Marc Morales, Senior Accountant

*Successor Agency to the Redevelopment Agency*  
**Investment Report**  
**Unaudited**


October 31, 2025

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of Calif.	4.150%	31-Oct-25	Demand	\$ 523,049.19	\$ 523,049.19	523,049.19	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Oct-25	Demand	74,979.01	74,979.01	74,979.01	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 598,028.20</b>	<b>\$ 598,028.20</b>	<b>\$ 598,028.20</b>	
<b>Investments under the direction of fiscal agents:</b>								
2018 Refunding Bonds	US Bank	3.591%	31-Oct-25	Demand	11.14	11.14	11.14	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	US Bank	2.692%	31-Oct-25	Demand	9,369.35	9,369.35	9,369.35	2018A & 2018B - Interest Account
2018 Refunding Bonds	US Bank	0.000%	31-Oct-25	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 9,381.49</b>	<b>\$ 9,381.49</b>	<b>\$ 9,381.49</b>	

**Please Note: All market value data is provided courtesy of the City's fiscal agent US Bank.  
The 2018 Refunding Bonds are supported by a \$9,799,443.76 bond insurance policy.**

**I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.**

\* Note: The 2005 and 2007 Series Bonds were refinanced to 2018 Series Bonds in November 2018.


  
**Marc Morales, Senior Accountant**

# Hesperia Housing Authority Investment Report Unaudited

October 31, 2025

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Funds	State of California	4.150%	31-Oct-25	Demand	\$ 5,696,314.54	5,696,314.54	5,696,314.54
Local Bank Checking Accounts	U.S. Bank	n/a	31-Oct-25	Demand	816,565.64	816,565.64	816,565.64
Total Unaudited Investments under the direction of the City					\$ 6,512,880.18	\$ 6,512,880.18	\$ 6,512,880.18

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

  
Marc Morales, Senior Accountant

# Investment Report

## Unaudited

October 31, 2025

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Funds	State of California	4.150%	31-Oct-25	Demand	\$ 3,228,658.17	3,228,658.17	3,228,658.17
Local Bank Checking Accounts	U.S. Bank	n/a	31-Oct-25	Demand	462,827.56	462,827.56	462,827.56
Total Unaudited Investments under the direction of the City					\$ 3,691,485.73	\$ 3,691,485.73	\$ 3,691,485.73

### Investments under the direction of the City:

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

# Hesperia Water District Investment Report Unaudited

ATTACHMENT 5

October 31, 2025

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of California	4.150%	31-Oct-25	Demand	\$ 34,889,909.33	34,889,909.33	34,889,909.33	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Oct-25	Demand	5,001,462.10	5,001,462.10	5,001,462.10	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 39,891,371.43</b>	<b>\$ 39,891,371.43</b>	<b>\$ 39,891,371.43</b>	
<b>Investments under the direction of fiscal agents:</b>								
Hesperia Water District PST	Charles Schwab	n/a	31-Oct-25	n/a	1,400,907.60	1,400,907.60	1,400,907.60	HWD Pension
Hesperia Water District OPEB	Charles Schwab	n/a	31-Oct-25	n/a	281,340.27	281,340.27	281,340.27	HWD OPEB
Deposits - Workers' Comp	PERMA	n/a	31-Oct-25	n/a	1,041,561.53	1,041,561.53	1,041,561.53	GL 1352
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 2,723,809.40</b>	<b>\$ 2,723,809.40</b>	<b>\$ 2,723,809.40</b>	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

  
Marc Morales, Senior Accountant

Hesperia Golf and Country Club  
Consolidated Income Statement - Unaudited  
October 2025

ATTACHMENT 6

	Oct 25	Nov 24-Oct 25
<b>Income</b>		
General & Administrative	308.76	3,298.19
Course	121,222.00	1,180,248.78
Carts	1,935.00	23,062.45
Proshop	7,328.65	69,083.13
Food & Beverage	20,070.75	238,231.43
<b>Total Income</b>	<b>150,865.16</b>	<b>1,513,923.98</b>
Proshop	3,684.23	41,954.82
Food & Beverage	7,701.92	92,652.60
<b>Cost of Goods Sold</b>	<b>11,386.15</b>	<b>134,607.42</b>
<b>Gross Profit</b>	<b>139,479.01</b>	<b>1,379,316.56</b>
<b>Expense</b>		
50000 · Payroll Expenses		
General & Administrative	19,557.66	156,306.45
Course	49,362.05	378,769.23
Carts	12,647.01	101,534.70
Proshop	12,603.87	102,466.70
Food & Beverage	7,172.58	56,915.12
<b>Total 50000 · Payroll Expenses</b>	<b>101,343.17</b>	<b>795,992.20</b>
60000 · Operating Expenses		
General & Administrative	13,612.57	190,263.33
Course	29,010.67	387,403.33
Carts	9,251.69	112,252.23
Proshop	1,160.28	6,405.24
Food & Beverage	301.83	10,061.97
<b>Total 60000 · Operating Expenses</b>	<b>53,337.04</b>	<b>706,386.10</b>
<b>Total Expense</b>	<b>154,680.21</b>	<b>1,502,378.30</b>
<b>Net Income</b>	<b>-15,201.20</b>	<b>-123,061.74</b>

Animal Control Donation Trust  
Cash Flow Summary – Unaudited  
October 31, 2025

Attachment 7

<b>Beginning Balance (October 1, 2025)</b>	<b>\$ 89,404</b>
<b>Activity During Month:</b>	
Donations Received	275
Fees Paid (HDCF Administrative Fees)	(19)
<b>Net Change in Balance</b>	<u>256</u>
<b>Ending Balance (October 31, 2025)</b>	<b>\$ 89,660</b>

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# City of Hesperia

## STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and City Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager

**SUBJECT:** Receive and File the Local Agency Special Tax and Bond Accountability Act Report (SB 165) for the Fiscal Year Ended June 30, 2025

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### RECOMMENDED ACTION

It is recommended that the City Council receive and file the Local Agency Special Tax and Bond Accountability Act Reports (SB 165) for Communities Facilities District (CFD) 2005-1 (Belgate Development Restructuring), CFD 2021-1 (Residential Maintenance & Services), CFD 2022-1 (Non-Residential Maintenance & Services), and CFD 2023-1 (Silverwood Maintenance & Services) for the Fiscal Year Ended June 30, 2025.

### BACKGROUND

CFD 2005-1 is the result of a workout agreement to restructure the previously defaulted CFD 91-3 (Belgate Development Project) \$10,000,000 Special Tax Bonds, 1992 Series A (1992 Bonds). These bonds were used to finance the construction of certain street, sewer, water, storm drain, and fire suppression improvements within CFD No. 91-3. The 1992 Bonds were in default because the properties were not built-out as expected, which resulted in the failure to pay the special taxes.

On August 10, 2003, the City entered into a Workout Agreement with Hesperia-ET Ventures, LLC to restructure the defaulted 1992 Bonds from CFD 91-3. Because delinquent principal and interest on the 1992 Bonds continued to accrue since issuance, the amount to defease and redeem the 1992 Bonds exceeded \$18 million. In order to extend the maturity of the bonds and implement a new development plan, a new CFD was formed for the purpose of refunding the 1992 Bonds. In 2005, CFD 2005-1 was formed and the related CFD 2005-1 (Belgate Development Restructuring) \$18,554,508 Special Tax Bonds, 2005 Series A were issued to refinance and restructure the 1992 Bonds.

In December 2014, these bonds were refinanced into CFD 2005-1 Special Tax Refunding Bonds, Series 2014, achieving a net present value savings of \$4.2 million. The refinancing lowered the special taxes by approximately 12% for the parcel owners within the District. In 2024, the City Council approved an additional refinance of this bond in order to achieve further savings for the property owners. The CFD 2005-1 Bonds are secured by and payable solely from the proceeds of special taxes levied annually on the taxable property in the district.

**CFD 2021-1 (Residential Maintenance & Services)** - CFD 2021-1 was established March 15, 2022 to fund maintenance and associated services related to new residential development. The map of the boundary of CFD 2021-1, including Future Annexation Area (allowing future developments within the area to annex into CFD 2021-1), and the Rate and Method of Apportionment were approved on February 15, 2022. A Special Landowner Election was held the

same day. The second reading and adoption of Ordinance 2022-01 – Authorizing the Levy of Special Taxes, was approved on March 15, 2022. No bonds were issued related to this CFD.

**CFD 2022-1 (Non-Residential Maintenance & Services)** - CFD 2022-1 was established June 7, 2022, to mitigate the negative fiscal impacts associated with new development to the City, to include enhanced police protection services as well as funding for enhanced roadway maintenance services for future non-residential development. The map of the boundary of CFD 2022-1, including Future Annexation Area (allowing future developments within the area to annex into CFD 2022-1), and the Rate and Method of Apportionment were approved on May 17, 2022. A Special Landowner Election was held the same day. The second reading and adoption of Ordinance 2022-06 – Authorizing the Levy of Special Taxes, was approved on June 7, 2022. No bonds were issued related to this CFD.

**CFD 2023-1 (Silverwood Maintenance & Services)** - CFD 2023-1 was established August 15, 2023 to mitigate the negative fiscal impacts associated with the Silverwood Development, including enhanced public safety services as well as funding for enhanced roadway maintenance services. The map of the boundary of CFD 2023-1, including Future Annexation Area (allowing for future streamlined annexation of additional properties' zones within the Silverwood Specific Plan Area into CFD 2023-1), and the Rate and Method of Apportionment were approved on August 1, 2023. A Special Landowner Election was held the same day. The second reading and adoption of Ordinance 2023-11 – Authorizing the Levy of Special Taxes, was approved on August 15, 2023. No bonds were issued related to this CFD.

## **ISSUES/ANALYSIS**

Annually, a report is required of the CFD, which includes information prepared in compliance with the Local Agency Special Tax and Bond Accountability Act (Accountability Act). The Accountability Act was enacted by the California State Legislature through SB 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (Section 53410 of the Government Code of the State of California), an annual report must be filed by the local agency levying the special tax and/or issuing a bond measure and shall contain a description of the following:

1. The amount of the funds collected and expended.
2. The status of any project required or authorized to be funded by the special tax and/or bond measure.

In compliance with SB 165, the reports for CFD 2005-1, CFD 2021-1, CFD 2022-1, and CFD 2023-1 for the Fiscal Year (FY) Ended June 30, 2025 is provided as Attachments 1 and 2 to this staff report and includes information regarding the total amount of annual Special Taxes collected and expended during FY 2024-25, as well as the status of projects authorized by the bonds.

## **CITY GOAL SUPPORTED BY THIS ITEM**

**Financial Health** - Maintain a balanced budget and adequate reserves.

## **FISCAL IMPACT**

There is no fiscal impact associated with receiving and filing the SB 165 report.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Local Agency Special Tax and Bond Accountability Act Report (SB 165) – CFD 2005-1 (Belgate Development Restructuring)
2. Local Agency Special Tax and Bond Accountability Act Report (SB 165) – CFD 2021-1 (Residential Maintenance & Services), CFD 2022-1 (Non-Residential Maintenance and Services), and CFD 2023-1 (Silverwood Maintenance & Services)

# 1. SB 165: LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

Senate Bill 165 enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax/local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to bonds issued on or after January 1, 2001, in accordance with Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation (bond issuance) of the Special Tax District and others are handled through annual reports. This Report intends to comply with Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The Annual report shall contain all of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

The requirements of the Act apply to the Funds of:

City of Hesperia  
CFD No. 2005-1 (Belgate Development Restructuring)  
Special Tax Refunding Bonds, Series 2024

## Purpose of Special Tax

The original bonds were sold for the purpose of financing the construction and acquisition of certain street, sanitary sewer, water, storm drain, and fire suppression improvements. The 2005 CFD Bonds were issued to refinance the original bonds. The 2014 Bonds issued on December 18, 2014 were issued to refund the full outstanding series of bonds previously issued. The 2024 Bonds were issued in 2024 to refund the full outstanding series of bonds previous issued.

## Collections and Expenditures

Fund Name	06/30/2024 Balance	Amount Collected	Amount Expended	06/30/2025 Balance
Special Tax Fund	\$1,902,600.28	\$2,120,299.76	\$1,830,111.32	\$2,192,788.72

Fund Name	Initial Deposit	Amount Expended	6/30/2025 Balance	Status
Escrow Fund	\$12,985,055.10	\$12,985,055.10	\$0.00	Closed
Costs of Issuance Fund	276,221.31	276,221.31	0.00	Closed
Reserve Fund	627,028.48	0.00	1,265,976.53	Ongoing

## SB 165: LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.1 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410.

### Purpose of Special Tax

The Community Facilities Districts were formed to provide maintenance of police protection services, maintenance of lighting of parks, parkways, streets, roads, storm drains, and open space within each of the districts.

### Collections and Expenditures

The requirements of the Act apply to the Services Fund for the following districts:

District	FY 2024/25 Annual Levy	6/30/2025 Balance	Expended Amount	Service Status
CFD 2021-1 (Residential Maintenance & Services)	\$0.00	\$0.00	\$0.00	Ongoing
CFD 2022-1 (Non-Residential Maintenance & Services)	0.00	0.00	0.00	Ongoing
CFD 2023-1 (Silverwood Maintenance & Services)	0.00	0.00	0.00	Ongoing

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# City of Hesperia

## STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager  
Keith Cheong, Senior Accountant

**SUBJECT:** Fiscal Year 2024-2025 Annual Compliance Report for AB 1600 Development Impact Fees

---

### RECOMMENDED ACTION

It is recommended that the City Council receive and file the AB 1600 report on development fee activity that occurred during Fiscal Year (FY) 2024-2025.

### BACKGROUND

State of California Assembly Bill 1600 (AB 1600) – the Mitigation Fee Act (Government Code, Sections 66000 et seq.) sets forth the standards governing fees charged to address the impacts of development. The City Council adopted and updated various development impact fees applicable to new development within the City. The purpose of development impact fees is to finance the design, construction, and acquisition of facilities and equipment necessary to accommodate future development.

### ISSUES/ANALYSIS

Development impact fees that are collected are segregated and placed in special funds or accounts, which earn interest. Those funds are held for the facilities for which the fees are collected, in accordance with Government Code Section 66006. This report provides a summary of development fee activity and financial detail regarding each of the projects impacted during FY 2024-25 (July 1, 2024 through June 30, 2025). The summary of development fee activity and detail regarding each project is included as Attachment 1 to this report.

#### Annual Compliance Reporting for all Development Impact Fees

Government Code Section 66006(b) sets forth that for each Development Impact Fee (DIF) the City shall, within 180 days after the last day of each fiscal year, make available to the public the following information:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and interest earned.
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

Stated below are the unaudited DIF Balances as of June 30, 2025.

Fund	Fund Balance as of 6/30/2025
Transportation Facilities	\$ 21,903,462
Citywide Drainage Facilities	7,808,416
A-04 Drainage Facilities	601,355
Fire Facilities	6,655,819
Police Facilities	77,322
Public and City Hall Facilities	(3,107,751) <sup>1</sup>
Animal Control Facilities	460,382
Records Storage Facilities	221,395

Note:

1. Includes accumulated debt related to loan from the General Fund which was made in order to cover the shortfall in the required 87.25% contribution from Impact Fees. The General Fund loan amount will increase annually until Impact Fees are sufficient to make the full 87.25% contribution.

The attached report provides all the required elements and details regarding balance, fees collected, and project expenditures. The purpose of the applicable legal requirements under the Mitigation Fee Act, as it applies to findings and compliance reporting, is to provide the community with information as to the status and use of impact fees collected. Additionally, every five years, Government Code Section 66001(d) requires the City to identify the purpose for the continued collection of the fee and the anticipated amount of impact fees to be used towards future improvements. This five-year requirement was met with the Fiscal Years 2015-16 through 2020-21 report approved by the City Council in January 2022. The next five-year report requirement will be included with the Fiscal Year 2025-26 report.

The Fiscal Year 2024-2025 annual report presented meets the requirements per the Mitigation Fee Act.

In addition, per Section 66006(2), the City is required to review and accept the report not less than fifteen (15) days after the information has been made available to the public for review.



### **CITY GOAL SUPPORTED BY THIS ITEM**

**Financial Health** – Maintain a balanced budget and adequate reserves.

### **FISCAL IMPACT**

There is no fiscal impact. This report provides a summary of transaction activity that has already occurred and expenditures on projects previously authorized by the City Council.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. Attachment 1 – AB 1600 Report

**CITY OF HESPERIA**



**GOVERNMENT CODE SECTIONS 66001 AND 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025**

City of Hesperia  
9700 Seventh Avenue  
Hesperia, CA 92345

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### I EXECUTIVE SUMMARY

#### A Purpose of the Report

Sections 66001 and 66006 of the Government Code provide that the City of Hesperia ("City") shall make available to the public certain information and adopt described findings relative to development impact fees ("Impact Fees") collected pursuant to Section 66000 et seq. of the Government Code. The described information and findings relate to Impact Fees received, expended or to be expended in connection with public facilities to accommodate new development.

Section 66006(b) of the Government Code requires that for each Impact Fee the City shall, within 180 days after the last day of each Fiscal Year, make available to the public the following information for the Fiscal Year:

- A brief description of the type of fee in the account or fund; The amount of the fee;
- The beginning and ending fund balance of the account or fund; The amount of the fees collected and interest earned;
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement;
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements and volume of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

Section 66001(d) of the Government Code requires that for each Impact Fee, the City shall make all of the following findings every fifth year with respect to that portion of the account remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.



## SECTION I EXECUTIVE SUMMARY

The five-year report was provided (January 2022) as part of the Fiscal Years 2015-2016 through 2020-2021 reports.

The Impact Fees of the City for Fiscal Year 2024-2025 fund the following types of facilities:

- A. Transportation Facilities;
- B. Citywide Drainage Facilities;
- C. A-04 Drainage Facilities;
- D. Fire Facilities;
- E. Police Facilities;
- F. Public and City Hall Facilities;
- G. Animal Control Facilities; and
- H. Records Storage Facilities.

The Impact Fees were originally adopted by Ordinance No. 180 on September 16, 1993 (the "Ordinance"). The dollar amounts of the fees are adopted by resolution. The Impact Fees were previously updated by Resolution Nos. 2018-26 and 2020-69 on May 15, 2018, and November 17, 2020, respectively. The Impact Fees were last updated by Resolution No. 2022-01 on April 2, 2022.

The following Annual Report for Fiscal Year 2024-2025 include the information and proposed findings the City intends to review and adopt in accordance with Sections 66001 of the Government Code.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

### II FISCAL YEAR 2024-2025 ANNUAL REPORT

#### A. Transportation Facilities

1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

Transportation Facilities includes infrastructure necessary to provide safe and efficient vehicular access throughout the City. In order to meet the transportation demand of new development through build out, the City identified the need for new roadways and transit facility.

2. Amount of the Impact Fees.

**Table II-1: Transportation Facilities Fee by Land Use for Projects Submitted Prior to July 16, 2018 (Fund 300)**

Land Use	Fee Amount
Single Family	\$9,781.00 per unit
Multi-Family	\$6,259.00 per unit
Hotel/Motel	\$7,238.00 per unit
Non-Residential	\$2.12 per sq. ft.

**Table II-2: Transportation Facilities Fee by Land Use for Projects Submitted After July 16, 2018 (Fund 306)**

Land Use	Fee Amount
Single Family	\$9,952.00 per unit
Multi-Family	\$6,895.00 per unit
Commercial/Office/Retail	\$6,000.00 per 1,000 bldg. sq. ft.
Industrial	\$1,500.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$7,001.00 per room

**Table II-3: Transportation Facilities Fee by Land Use for Projects Submitted After April 2, 2022 (Fund 306)**

Land Use	Fee Amount
Single Family	\$12,371.00 per unit
Multi-Family	\$8,667.00 per unit
Commercial/Office/Retail	\$6,000.00 per 1,000 bldg. sq. ft.
Industrial	\$2,703.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$11,971.00 per room

3. Beginning and ending fund balance of account and sub-account(s).

Tables 1 and 2 in Appendix A list the beginning and ending fund balances for the Transportation Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

4. Amount of the proceeds from Land Sale collected and interest earned.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

Tables 1 and 2 in Appendix A show the amount of Transportation Facilities Fee collected, interest earned, proceeds from sale of land, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

5. Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

**Table II-4: Fiscal Year 2024-2025 Transportation Facilities  
Fee Expenditures**

Project	Amount	Percentage of Project Funded by Fees
Ranchero Road Improvements	\$1,809,042	59%
<b>Total</b>	<b>\$1,809,042</b>	<b>N/A</b>

6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

**Table II-5: Fiscal Year 2024-2025 Transportation  
Facilities Incomplete Projects with Sufficient Funding**

PROJECT	ESTIMATED CONSTRUCTION START	ESTIMATED CONSTRUCTION COMPLETION	ESTIMATED TOTAL COST	AMOUNT TO BE FUNDED BY IMPACT FEES
Ranchero Rd Improve-Mariposa	2021-2022	2025-2026	37,991,423	6,496,584
Aqueduct Crossing Improvements	TBD	TBD	9,797,000	4,631,069
Ranchero Road Aqueduct Crossing	2024-2025	TBD	18,362,000	10,702,972
Traffic Signal @ Ranchero/Seventh	2021-2022	2024-2025	618,854	274,703
Ranchero Rd Street Improve-Danbury to I	TBD	TBD	11,740,000	6,666,000

The City has determined that it has or will obtain sufficient funds to finance such projects.

7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the Transportation Facilities Fee Accounts in Fiscal Year 2024-2025.

8. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

No refunds were made from the Transportation Facilities Fee Accounts in Fiscal Year 2024-2025.

### B. Citywide Drainage Facilities

#### 1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Citywide Drainage Facilities will serve the residents of Hesperia by providing new drainage systems and improvements to existing drainage facilities in order to mitigate the impacts of new development on the existing drainage facilities. The drainage facilities to be financed include components for new detention basins, storm drain systems, street crossings, and flood control basins.

#### 2. Amount of the Impact Fees.

**Table II-6: Citywide Drainage Facilities Fee by Land Use  
for Projects Submitted Prior to July 16, 2018 (Fund 301)**

Land Use	Fee Amount
Single Family	\$1,284.00 per unit
Multi-Family	\$821.00 per unit
Hotel/Motel	\$937.00 per unit
Non-Residential	\$0.28 per sq. ft.

**Table II-7: Citywide Drainage Facilities Fee by Land Use  
for Projects Submitted After July 16, 2018 (Fund 307)**

Land Use	Fee Amount
Single Family	\$963.00 per unit
Multi-Family	\$367.00 per unit
Commercial/Office/Retail	\$300.00 per 1,000 bldg. sq. ft.
Industrial	\$632.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$213.00 per room

**Table II-8: Citywide Drainage Facilities Fee by Land Use  
for Projects Submitted After April 2, 2022 (Fund 307)**

Land Use	Fee Amount
Single Family	\$1,387.00 per unit
Multi-Family	\$529.00 per unit
Commercial/Office/Retail	\$300.00 per 1,000 bldg. sq. ft.
Industrial	\$910.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$306.00 per room

#### 3. Beginning and ending fund balance of account and sub-account(s).





## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

Tables 1 and 2 in Appendix B list the beginning and ending fund balances for the Citywide Drainage Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

4.Amount of the Impact Fees collected and interest earned.

Tables 1 and 2 in Appendix B show the amount of Citywide Drainage Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

5.Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

6.Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the Citywide Drainage Facilities Fee Accounts in Fiscal Year 2024-2025.

7.The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Citywide Drainage Facilities Fee Accounts in Fiscal Year 2024-2025.

### C. **A-04 Drainage Facilities**

1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The A-04 Drainage Facilities will serve the residents of Hesperia by providing new drainage systems and improvements to existing drainage facilities in the area identified by the City as the A-04 drainage area in order to mitigate the impacts of new development on the existing drainage facilities. The A-04 drainage facilities to be financed include components for new detention basins, storm drain systems, street crossings, and flood control basins.

In 2020, projected development within the A-04 drainage area caused the City to look specifically at the demographics and facility costs within the A-04 drainage area for the purpose of considering an Impact Fee specific to this area. As a result, improvements relating to the A-04 drainage area were removed from the Citywide needs list and an Impact Fee specific to the A-04 drainage area was adopted. Projects within the A-04 drainage area are still subject to Citywide Impact Fees.

2. Amount of the Impact Fees.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

**Table II-9: A-04 Drainage Facilities Fee by Land Use (Fund 313)**

Land Use	Fee Amount
Single Family	\$10,539.11 per unit
Multi-Family	\$5,018.63 per unit
Non-Residential	\$2,462.65 per 1,000 bldg. sq. ft.

3. Beginning and ending fund balance of account and sub-account(s).

Table 1 in Appendix C lists the beginning and ending fund balances for the A-04 Drainage Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

4. Amount of the Impact Fees collected and interest earned.

Table 1 in Appendix C shows the amount of A-04 Drainage Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

5. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

6. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the A-04 Drainage Facilities Fee Accounts in Fiscal Year 2024-2025.

7. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

### D. Fire Facilities

1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Fire Facilities includes those facilities used by the City to protect life and property. The City identifies the need for additional fire protection facilities as build out of the community occurs. In order to serve new development through build out in Hesperia, the City identified the need for one new fire station and expansion of existing fire stations.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

### 2.Amount of the Impact Fees.

**Table II-10: Fire Facilities Fee by Land Use for Projects Submitted Prior to July 16, 2018 (Fund 302)**

Land Use	Fee Amount
Single Family	\$1,425.00 per unit
Multi-Family	\$912.00 per unit
Hotel/Motel	\$1,054.00 per unit
Non-Residential	\$0.31 per sq. ft.

**Table II-11: Fire Facilities Fee by Land Use for Projects Submitted After July 16, 2018 (Fund 308)**

Land Use	Fee Amount
Single Family	\$648.00 per unit
Multi-Family	\$491.00 per unit
Commercial/Office/Retail	\$187.00 per 1,000 bldg. sq. ft.
Industrial	\$908.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$88.00 per room

**Table II-12: Fire Facilities Fee by Land Use for Projects Submitted After April 2, 2022 (Fund 308)**

Land Use	Fee Amount
Single Family	\$648.00 per unit
Multi-Family	\$491.00 per unit
Commercial/Office/Retail	\$187.00 per 1,000 bldg. sq. ft.
Industrial	\$908.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$437.00 per room

### 3.Beginning and ending fund balance of account and sub-account(s).

Tables 1 and 2 in Appendix D list the beginning and ending fund balances for the Fire Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024- 2025.

### 4.Amount of the Impact Fees collected and interest earned.

Tables 1 and 2 in Appendix D show the amount of Fire Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

### 5.Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

No projects were funded by the Fire Facilities Fees in Fiscal Year 2024-2025.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the Fire Facilities Fee Accounts in Fiscal Year 2024-2025.

8. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Fire Facilities Fee Accounts in Fiscal Year 2024-2025.

### E. Police Facilities

1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Police Facilities includes those facilities used by the City. In order to serve new development through build out, the City identified the need for additional equipment, specifically fixed and mobile police cameras.

2. Amount of the Impact Fees.

**Table II-13: Police Facilities Fee by Land Use for Projects Submitted Prior to July 16, 2018 (Fund 303)**

Land Use	Fee Amount
Single Family	\$423.00 per unit
Multi-Family	\$272.00 per unit
Hotel/Motel	\$313.00 per unit
Non-Residential	\$0.09 per sq. ft.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

**Table II-14: Police Facilities Fee by Land Use for Projects Submitted After July 16, 2018 (Fund 312)**

Land Use	Fee Amount
Single Family	\$10.00 per unit
Multi-Family	\$8.00 per unit
Commercial/Office/Retail	\$4.00 per 1,000 bldg. sq. ft.
Industrial	\$16.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$2.00 per room

**Table II-15: Police Facilities Fee by Land Use for Projects Submitted After April 2, 2022 (Fund 312)**

Land Use	Fee Amount
Single Family	\$10.00 per unit
Multi-Family	\$8.00 per unit
Commercial/Office/Retail	\$4.00 per 1,000 bldg. sq. ft.
Industrial	\$16.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$8.00 per room

3. Beginning and ending fund balance of account and sub-account(s).

Tables 1 and 2 in Appendix E list the beginning and ending fund balances for the Police Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

4. Amount of the Impact Fees collected and interest earned.

Tables 1 and 2 in Appendix E show the amount of Policies Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

5. Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

No projects were funded by the Police Facilities Fees in Fiscal Year 2024-2025.

6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

loan will be repaid, and the rate of Interest that the account or sub- account(s) will receive on the loan.

No transfers or loans were made from the Police Facilities Fee Accounts in Fiscal Years 2024-2025.

8. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Police Facilities Fee Accounts in Fiscal Year 2024-2025.

### F. Public and City Hall Facilities

1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Public and City Hall Facilities includes those facilities used by the City to provide a range of administrative duties and public services, exclusive of public safety.

2. Amount of the Impact Fees.

**Table II-16: Public Facilities Fee by Land Use for Projects Submitted Prior to July 16, 2018 (Fund 304)**

Land Use	Fee Amount
Single Family	\$1,109.00 per unit
Multi-Family	\$710.00 per unit
Hotel/Motel	\$810.00 per unit
Non-Residential	\$0.24 per sq. ft.

**Table II-17: City Hall Facilities Fee by Land Use for Projects Submitted After July 16, 2018 (Fund 309)**

Land Use	Fee Amount
Single Family	\$530.00 per unit
Multi-Family	\$424.00 per unit
Commercial/Office/Retail	\$194.00 per 1,000 bldg. sq. ft.
Industrial	\$837.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$81.00 per room

**Table II-18: City Hall Facilities Fee by Land Use for Projects Submitted After April 2, 2022 (Fund 309)**

Land Use	Fee Amount
Single Family	\$546.00 per unit
Multi-Family	\$424.00 per unit
Commercial/Office/Retail	\$194.00 per 1,000 bldg. sq. ft.
Industrial	\$856.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$412.00 per room



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

### 3. Beginning and ending fund balance of account and sub-account(s).

Tables 1 and 2 in Appendix F list the beginning and ending fund balances for the Public and City Hall Facilities Fee Accounts from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

### 4. Amount of the Impact Fees collected and interest earned.

Tables 1 and 2 in Appendix F show the amount of Public and City Hall Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

### 5. Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

**Table II-19: Fiscal Year 2024-2025 Public and City Hall  
Facilities Fee Expenditures**

Project	Amount	Percentage of Project Funded by Fees
General Fund Loan Interest Payments <sup>1</sup>	\$189,991	100%
<b>Total</b>	<b>\$189,991</b>	<b>N/A</b>

Note:

1. In October 2013, the Hesperia Joint Public Finance Authority issued the 2013 Refunding Lease Revenue Bonds to refinance the previous 2005 Civic Plaza Certificates of Participation. As with the prior 2005 Certificates of Participation, Impact Fees would continue to fund 87.25% of the annual debt service, with the General Fund contributing the remaining 12.75%. The bonds interest rates are fixed, ranging from 2.00% to 5.00%. The original principal amount was \$12,445,000. As of June 30, 2023, the outstanding principal balance was \$9,610,000. Beginning in Fiscal Year 2014-2015, Impact Fees were insufficient to fully fund the 87.25% contribution. As a result, a loan from the General Fund was issued so that the required contribution for the annual bond debt service payment could be made. The loan amount will increase annually until Impact Fees are sufficient to make the full 87.25% contribution and includes interest calculated at the Local Agency Investment Fund (LAIF) rate. During FY 2024-25, the General Fund Loan to City Hall Facilities DIF as of June 30, 2025 remains at \$4,173,324.

### 6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

### 7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.





## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

**Table II-20: Fiscal Year 2024-2025 Public and City Hall  
Facilities Interfund Transfers**

Description of Project for which Interfund Transfer will be Used	Funds(s) from Which Fees were Transferred	Fund(s) to Which Fees were Transferred	Total Amount Transferred
2013 Bonds Debt Service Payments	Fund 309	Fund 403	\$641,418
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$641,418</b>

No loans were made from the Public and City Hall Facilities Fee Accounts in Fiscal Year 2024-2025.

The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Public and City Hall Facilities Fee Accounts in Fiscal Year 2024-2025.

### G. Animal Control Facilities

#### 1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Animal Control Facilities includes those facilities used by the City to provide basic animal control services. In order to serve new development through build out in Hesperia, the City identified the need for a new animal control facility.

#### 2. Amount of the Impact Fees.

**Table II-21: Animal Control Facilities Fee by Land Use Submitted Prior to  
April 2, 2022 (Fund 310)**

Land Use	Fee Amount
Single Family	\$223.00 per unit
Multi-Family	\$176.00 per unit
Commercial/Office/Retail	\$0.00 per 1,000 bldg. sq. ft.
Industrial	\$0.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$0.00 per room





## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

**Table II-22: Animal Control Facilities Fee by Land Use Submitted After April 2, 2022 (Fund 310)**

Land Use	Fee Amount
Single Family	\$227.00 per unit
Multi-Family	\$176.00 per unit
Commercial/Office/Retail	\$0.00 per 1,000 bldg. sq. ft.
Industrial	\$0.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$0.00 per room

3. Beginning and ending fund balance of account and sub-account(s).

Table 1 in Appendix G lists the beginning and ending fund balances for the Animal Control Facilities Fee Account from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

4. Amount of the Impact Fees collected and interest earned.

Table 1 in Appendix G shows the amount of Animal Control Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

5. Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

No projects were funded by the Animal Control Facilities Fees in Fiscal Year 2024-2025.

6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the Animal Control Facilities Fee Account in Fiscal Year 2024-2025.

8. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Animal Control Facilities Fee Account in Fiscal Year 2024-2025.



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

### H. Records Storage Facilities

#### 1. Description of the type of Impact Fees in the account or sub-account(s) of the City.

The Records Storage Facilities includes those facilities used by the City to provide additional storage services. In order to serve new development through build out in Hesperia, the City identified the need for a new records storage facility.

#### 2. Amount of the Impact Fees.

**Table II-23: Records Storage Facilities Fee by Land Use Submitted Prior to April 2, 2022 (Fund 311)**

Land Use	Fee Amount
Single Family	\$26.00 per unit
Multi-Family	\$20.00 per unit
Commercial/Office/Retail	\$9.00 per 1,000 bldg. sq. ft.
Industrial	\$41.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$4.00 per room

**Table II-24: Records Storage Facilities Fee by Land Use Submitted After April 2, 2022 (Fund 311)**

Land Use	Fee Amount
Single Family	\$26.00 per unit
Multi-Family	\$20.00 per unit
Commercial/Office/Retail	\$9.00 per 1,000 bldg. sq. ft.
Industrial	\$41.00 per 1,000 bldg. sq. ft.
Hotel/Motel	\$20.00 per room

#### 3. Beginning and ending fund balance of account and sub-account(s).

Table 1 in Appendix H lists the beginning and ending fund balances for the Records Storage Facilities Fee Account from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

#### 4. Amount of the Impact Fees collected and interest earned.

Table 1 in Appendix H shows the amount of Records Storage Facilities Fees collected, interest earned, and miscellaneous income during Fiscal Years 2020-2021 through 2024-2025.

#### 5. Identification of each improvement on which Impact Fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the City that was funded with Impact Fees.

No projects were funded by the Records Storage Facilities Fees in Fiscal Year



## SECTION II FISCAL YEAR 2024-2025 ANNUAL REPORT

2024-2025.

6. Identification of an approximate date by which the construction of project(s) of the City will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete project of the City, as identified in paragraph (2) of subdivision (A) of Section 66001, and the project of the City remains incomplete.

The City has determined that no projects currently have sufficient funds to finance construction.

7. Description of each interfund transfer or loan made from the account or sub-account(s), including project(s) of the City on which the transferred or loaned Impact Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of Interest that the account or sub-account(s) will receive on the loan.

No transfers or loans were made from the Records Storage Facilities Fee Account in Fiscal Year 2024-2025.

8. The amount of refunds made or revenues allocated for other purposes if the administrative costs of refunding unexpended revenues exceed the amount to be refunded.

No refunds were made from the Records Storage Facilities Fee Account in Fiscal Year 2024-2025.

## **APPENDIX A**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **TRANSPORTATION FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX A  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
TRANSPORTATION FACILITIES  
LAST FIVE FISCAL YEARS

**Table 1: Transportation Facilities Transaction Detail (Fund 300)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$10,710,591	\$8,212,475	\$8,195,238	\$424,108	\$436,943	\$10,710,591
<b>Sources of Funds</b>						
Fee Revenues	\$212,399	\$12,885	\$146,971	\$0	\$0	\$372,255
Interest Income	\$12,119	(\$9,413)	\$20,633	\$70,354	\$23,913	\$117,606
Proceeds from Land Sale	\$0	\$0	\$4,484,430	\$0	\$2,644,000	\$7,128,430
Other Income	\$0	\$3,367	\$401	\$621	\$0	\$4,389
<b>Total Sources of Funds</b>	\$224,518	\$6,839	\$4,652,435	\$70,975	\$2,667,913	\$7,622,680
<b>Uses of Funds</b>						
Capital Improvement Projects	(659,896)	(24,076)	(41,535)	(58,140)	(138,364)	(922,011)
Capital Outlay	\$0	\$0	\$0	\$0	(\$21,577)	(21,577)
Loan Interest Expense	(186,498)	\$0	\$0	\$0	\$0	(186,498)
Loan Principal Payment	(1,876,240)	\$0	(\$5,237,114)	\$0	\$0	(7,113,354)
Property Disposition Cost	\$0	\$0	(\$7,144,916)	\$0	\$0	(7,144,916)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	-
<b>Total Uses of Funds</b>	(2,722,634)	(24,076)	(12,423,565)	(\$58,140)	(\$159,941)	(15,388,356)
<b>Ending Balance (6/30)</b>	\$8,212,475	\$8,195,238	\$424,108	\$436,943	\$2,944,915 *	\$2,944,915

[1] Includes the return of the Army Corps of Engineers habitat deposit related to the completion of the Ranchero Road Interchange project.

[2] The City sold two parcels of land for \$7,144,000 and established an agreement with the buyer to retain \$2,644,000 in escrow until the completion of the City's Sewer Lift Station Project. The project is completed, so the funds were remitted to the City.

[3] The City entered into an agreement with SBCTA for the construction and financing of the Ranchero Road Interchange. The original principal was \$18,762,403. As of June 30, 2025, the outstanding principal balance was \$0.

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

**Table 2: Transportation Facilities Transaction Detail (Fund 306)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$4,092,581	\$6,622,490	\$8,381,128	\$6,785,985	\$13,034,589	\$4,092,581
<b>Sources of Funds</b>						
Fee Revenues	\$2,504,287	\$5,066,812	\$8,834,355	\$7,532,914	\$6,936,175	\$30,874,543
Interest Income	\$25,622	(\$81,642)	\$177,282	\$478,140	\$660,442	\$1,259,844
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Sources of Funds</b>	\$2,529,909	\$4,985,170	\$9,011,637	\$8,011,054	\$7,596,617	\$32,134,387
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	(1,309,578)	(4,337,551)	(1,750,416)	(1,672,660)	(9,070,205)
Capital Outlay-Land	\$0	\$0	\$0	(\$12,034)	\$0	(12,034)
Loan Interest Expense	\$0	(40,714)	(248,901)	\$0	\$0	(289,615)
Loan Principal Payment	\$0	(1,876,240)	(6,020,328)	\$0	\$0	(7,896,568)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	-
<b>Total Uses of Funds</b>	\$0	(3,226,532)	(10,606,780)	(1,762,450)	(1,672,660)	(17,268,422)
<b>Ending Balance (6/30)</b>	\$6,622,490	\$8,381,128	\$6,785,985	\$13,034,589	\$18,958,546 *	\$18,958,546

\*States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX B**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **CITYWIDE DRAINAGE FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX B  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
CITYWIDE DRAINAGE FACILITIES  
LAST FIVE FISCAL YEARS

**Table 1: Citywide Drainage Facilities Transaction Detail (Fund 301)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$3,058,712	\$3,047,930	\$3,054,478	\$3,132,740	\$3,284,952	\$3,058,712
<b>Sources of Funds</b>						
Fee Revenues	\$29,708	\$1,702	\$19,411	\$0	\$0	\$50,821
Interest Income	\$14,649	(\$26,709)	\$58,851	\$152,212	\$134,278	\$333,281
Other Income	\$18,280	\$31,555	\$0	\$0	\$0	\$49,835
Total Sources of Funds	\$62,637	\$6,548	\$78,262	\$152,212	\$134,278	\$433,937
<b>Uses of Funds</b>						
Capital Improvement Projects	(73,419)	\$0	\$0	\$0	(\$163,015)	(236,434)
Capital Outlay	\$0	\$0	\$0	\$0	\$0	-
Contract Services	\$0	\$0	\$0	\$0	(\$48,454)	(48,454)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	(73,419)	-	-	-	(211,469)	(284,888)
<b>Ending Balance (6/30)</b>	\$3,047,930	\$3,054,478	\$3,132,740	\$3,284,952	\$3,207,761 *	\$3,207,761

[1]

[1] Includes a \$18,115 reimbursement from a developer for Southern California Edison license fees paid by the City and \$183 in property tax refunds for land purchases.

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

**Table 2: Citywide Drainage Facilities Transaction Detail (Fund 307)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$337,065	\$555,240	\$1,484,416	\$2,549,212	\$3,658,105	\$337,065
<b>Sources of Funds</b>						
Fee Revenues	\$216,074	\$943,081	\$1,040,955	\$959,712	\$897,615	\$4,057,437
Interest Income	\$2,101	(\$13,905)	\$23,841	\$149,181	\$161,384	\$322,602
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds	\$218,175	\$929,176	\$1,064,796	\$1,108,893	\$1,058,999	\$4,380,039
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	(\$16,142)	(\$16,142)
Capital Outlay-Land	\$0	\$0	\$0	\$0	(\$100,307)	(\$100,307)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$0	\$0	\$0	\$0	(\$116,449)	(\$116,449)
<b>Ending Balance (6/30)</b>	\$555,240	\$1,484,416	\$2,549,212	\$3,658,105	\$4,600,655 *	\$4,600,655

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX C**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



### **A-04 DRAINAGE FACILITIES FEE FINANCIAL SUMMARY REPORT**



APPENDIX C  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
A-04 DRAINAGE FACILITIES  
LAST FIVE FISCAL YEARS

**Table 1: A-04 Drainage Facilities Transaction Detail (Fund 313)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$0	\$948,688	\$57,926	\$823,569	\$1,537,462	\$0
<b>Sources of Funds</b>						
Fee Revenues	\$0	\$73,780	\$769,356	\$1,537,666	\$169,118	\$2,549,920
Interest Income	\$1,076	(\$78)	\$2,557	\$49,282	\$48,564	\$101,401
Other Income	\$959,049	\$0	\$0	\$0	\$0	\$959,049
Total Sources of Funds	\$960,125	\$73,702	\$771,913	\$1,586,948	\$217,682	\$3,610,370
<b>Uses of Funds</b>						
Capital Improvement Projects	(\$11,437)	(\$5,415)	(\$6,270)	(\$2,700)	\$0	(\$25,822)
Capital Outlay-Land	\$0	\$0	\$0	(\$870,355)	\$350	(\$870,005)
Other Uses of Funds	\$0	(\$959,049)	\$0	\$0	\$0	(\$959,049)
Refund of Fees	\$0	\$0	\$0	\$0	(\$1,154,140)	(\$1,154,140)
Total Uses of Funds	(\$11,437)	(\$964,464)	(\$6,270)	(\$873,055)	(\$1,153,790)	(\$3,009,016)
<b>Ending Balance (6/30)</b>	\$948,688	\$57,926	\$823,569	\$1,537,462	\$601,354 *	\$601,354

[1] A developer with plans to build residential properties within the City secured a tax-exempt bond through a Statewide Community Infrastructure Program (SCIP) in which the developer and City both participated, but for which the City has no repayment obligation in any form. The bonds were issued to finance development impact fees due from the developer of the project to the City. As a result of the bond issue which closed during Fiscal Year 2021-2022, \$959,049 in development impact fees received during Fiscal Year 2020-2021 were subsequently required to be transferred to the bond trustee in Fiscal Year 2021-2022; therefore, deferred revenue was recorded as of 6/30/2021. Draws against bond proceeds will begin as progress is made on capital improvements within the A-04 drainage area.

[2] The \$1,154,140 in Refund of Fees is due to a legal settlement.

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX D**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **FIRE FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX D  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
FIRE FACILITIES  
LAST FIVE FISCAL YEARS

**Table 1: Fire Facilities Transaction Detail (Fund 302)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$1,406,317	\$1,439,518	\$1,428,613	\$1,478,066	\$1,549,881	\$1,406,317
<b>Sources of Funds</b>						
Fee Revenues	\$26,438	\$1,884	\$21,491	\$0	\$0	\$49,813
Interest Income	\$6,763	(\$12,789)	\$27,962	\$71,815	\$64,958	\$158,709
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds	\$33,201	(\$10,905)	\$49,453	\$71,815	\$64,958	\$208,522
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance (6/30)</b>	\$1,439,518	\$1,428,613	\$1,478,066	\$1,549,881	\$1,614,839 *	\$1,614,839

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

**Table 2: Fire Facilities Transaction Detail (Fund 308)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$263,389	\$424,930	\$1,598,824	\$2,920,311	\$4,243,758	\$263,389
<b>Sources of Funds</b>						
Fee Revenues	\$159,891	\$1,189,117	\$1,297,667	\$1,149,250	\$612,633	\$4,408,558
Interest Income	\$1,650	(\$15,223)	\$23,820	\$174,197	\$184,589	\$369,033
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds	\$161,541	\$1,173,894	\$1,321,487	\$1,323,447	\$797,222	\$4,777,591
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance (6/30)</b>	\$424,930	\$1,598,824	\$2,920,311	\$4,243,758	\$5,040,980 *	\$5,040,980

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX E**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **POLICE FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX E  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
POLICE FACILITIES  
LAST FIVE FISCAL YEAR

**Table 1: Police Facilities Transaction Detail (Fund 303)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$21,082	\$23,062	\$286	\$6,554	\$6,873	\$21,082
<b>Sources of Funds</b>						
Fee Revenues	\$8,017	\$546	\$6,239	\$0	\$0	\$14,802
Interest Income	\$91	\$8	\$29	\$319	\$288	\$735
<u>Other Income</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$8,108	\$554	\$6,268	\$319	\$288	\$15,537
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay-Equipment	(\$6,128)	(\$23,330)	\$0	\$0	\$0	(\$29,458)
Materials & Operations	\$0	\$0	\$0	\$0	\$0	\$0
<u>Refund of Fees</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Uses of Funds	(\$6,128)	(\$23,330)	\$0	\$0	\$0	(\$29,458)
<b>Ending Balance (6/30)</b>	\$23,062	\$286	\$6,554	\$6,873	\$7,161 *	\$7,161

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

**Table 2: Police Facilities Transaction Detail (Fund 312)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$4,316	\$6,874	\$20,341	\$35,156	\$57,288	\$4,316
<b>Sources of Funds</b>						
Fee Revenues	\$2,531	\$20,551	\$22,523	\$19,861	\$10,361	\$75,827
Interest Income	\$27	(\$196)	\$261	\$2,271	\$2,512	\$4,875
<u>Other Income</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$2,558	\$20,355	\$22,784	\$22,132	\$12,873	\$80,702
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay-Equipment	\$0	(\$6,888)	(\$7,969)	\$0	\$0	(\$14,857)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
<u>Operating Transfers Out</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Uses of Funds	\$0	(\$6,888)	(\$7,969)	\$0	\$0	(\$14,857)
<b>Ending Balance (6/30)</b>	\$6,874	\$20,341	\$35,156	\$57,288	\$70,161 *	\$70,161

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX F**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **PUBLIC AND CITY HALL FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX F  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
PUBLIC AND CITY HALL FACILITIES  
LAST FIVE FISCAL YEARS

**Table 1: Public Facilities Transaction Detail (Fund 304)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	(\$3,328,253)	\$0	\$2	\$0	\$0	(\$3,328,253)
<b>Sources of Funds</b>						
Fee Revenues	\$23,470	\$1,459	\$16,638	\$0	\$0	\$41,567
Interest Income	\$0	\$4	\$75	\$0	\$0	\$79
Other Income	\$3,304,783	\$0	\$0	\$0	\$0	\$3,304,783
Total Sources of Funds	\$3,328,253	\$1,463	\$16,713	\$0	\$0	\$3,346,429
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0
Operating Transfers Out-Debt Service	\$0	(\$1,461)	(\$16,715)	\$0	\$0	(\$18,176)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$0	(\$1,461)	(\$16,715)	\$0	\$0	(\$18,176)
<b>Ending Balance (6/30)</b>	\$0	\$2	\$0	\$0	\$0 *	\$0

[1] Beginning in Fiscal Year 2014-2015, Impact Fees were insufficient to fully fund the 87.25% contribution. As a result, a loan from the General Fund was issued so that the required contribution for the annual bond debt service payment could be made. The amount shown above includes \$3,304,783 in funds transferred from Fund 309 to Fund 304. This was done in order to move the City's General Fund loan debt accumulated under Fund 304 to Fund 309 so that Fund 304 can be closed.

[2] Includes \$18,176 in annual debt service payments on the bonds transferred to Fund 403. A total of \$3,426,401 has been transferred to Fund 403 for debt service payments since Fiscal Year 2015-2016. Fund 403 is a City non-Impact Fee fund used to pay annual debt service on the 2013 Refunding Lease Revenue Bonds.

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

**Table 2: City Hall Facilities Transaction Detail (Fund 309)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$225,952	(\$3,674,754)	(\$3,379,499)	(\$3,035,399)	(\$2,878,620)	\$225,952
<b>Sources of Funds</b>						
Fee Revenues	\$133,575	\$1,077,215	\$1,181,031	\$1,043,569	\$556,197	\$3,991,587
Interest Income	\$1,191	(\$10,130)	\$12,292	\$71,249	\$46,080	\$120,682
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
Transfers In	\$0	\$1,461	\$16,715	\$0	\$0	\$18,176
Loan from General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources of Funds	\$134,766	\$1,068,546	\$1,210,038	\$1,114,818	\$602,277	\$4,130,445
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	(\$19,270)	(\$16,790)	(\$97,135)	(\$171,524)	(\$189,991)	(\$494,710)
Operating Transfers Out-Debt Service	(\$4,016,202)	(\$756,501)	(\$768,803)	(\$786,515)	(\$641,418)	(\$6,969,439)
Refund of Fees	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	(\$4,035,472)	(\$773,291)	(\$865,938)	(\$958,039)	(\$831,409)	(\$7,464,149)
<b>Ending Balance (6/30)</b>	(\$3,674,754)	(\$3,379,499)	(\$3,035,399)	(\$2,878,620)	(\$3,107,752) *	(\$3,107,752)

[1] Includes \$3,023,238 in annual debt service payments on the bonds transferred to Fund 403 and Fund 404, and \$3,304,783 in funds transferred to Fund 304.

[2] Reflects General Fund loan debt accumulated in order to cover the shortfall in the required 87.25% contribution from Impact Fees. The General Fund loan amount will increase annually until Impact Fees are sufficient to make the full 87.25% contribution.

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX G**

City of Hesperia

Government Code Sections 66001 and 66006 Annual Report

Fiscal Year 2024-2025



## **ANIMAL CONTROL FACILITIES FEE FINANCIAL SUMMARY REPORT**



APPENDIX G  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEAR 2024-2025  
ANIMAL CONTROL FACILITIES  
LAST FIVE FISCAL YEAR

**Table 1: Animal Control Facilities Transaction Detail (Fund 310)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$74,663	\$128,288	\$205,553	\$273,010	\$366,822	\$74,663
<b>Sources of Funds</b>						
Fee Revenues	\$52,977	\$79,120	\$63,386	\$79,193	\$76,796	\$351,472
Interest Income	\$648	(\$1,855)	\$4,071	\$14,619	\$16,764	\$34,247
<u>Other Income</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$53,625	\$77,265	\$67,457	\$93,812	\$93,560	\$385,719
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
<u>Refund of Fees</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Uses of Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance (6/30)</b>	\$128,288	\$205,553	\$273,010	\$366,822	\$460,382 *	\$460,382

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

## **APPENDIX H**

City of Hesperia  
Government Code Sections 66001 and 66006 Annual Report  
Fiscal Year 2024-2025



## **RECORDS STORAGE FACILITIES FEE FINANCIAL SUMMARY REPORT**

APPENDIX H  
GOVERNMENT CODE SECTION 66006  
ANNUAL REPORT  
FISCAL YEARS 2020-2021 THROUGH 2024-2025  
RECORDS STORAGE FACILITIES

**Table 1: Records Storage Facilities Transaction Detail (Fund 311)**

DESCRIPTION	FISCAL YEAR 2020-2021	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023	FISCAL YEAR 2023-2024	FISCAL YEAR 2024-2025	TOTAL
<b>Beginning Balance (7/1)</b>	\$10,923	\$17,479	\$69,436	\$128,179	\$186,684	\$10,923
<b>Sources of Funds</b>						
Fee Revenues	\$6,487	\$52,621	\$57,721	\$50,836	\$26,593	\$194,258
Interest Income	\$69	(\$664)	\$1,022	\$7,669	\$8,118	\$16,214
<u>Other Income</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$6,556	\$51,957	\$58,743	\$58,505	\$34,711	\$210,472
<b>Uses of Funds</b>						
Capital Improvement Projects	\$0	\$0	\$0	\$0	\$0	\$0
<u>Refund of Fees</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Uses of Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance (6/30)</b>	\$17,479	\$69,436	\$128,179	\$186,684	\$221,395 *	\$221,395

\* States that the Ending Balance for FY 2024-2025 is not a finalized figure as the 2024-2025 ACFR has not been released at this time.

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# City of Hesperia STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and Council Members  
Chair and Board Members, Hesperia Housing Authority

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager  
Orlando Acevedo, Director of Development Services  
Eydee Jimenez, Economic Development Supervisor

**SUBJECT:** Audited Hesperia Housing Authority Financial Statements for Fiscal Year Ended June 30, 2025, and Housing Successor SB 341 Report

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## RECOMMENDED ACTION

It is recommended that the City Council and the Hesperia Housing Authority (HHA) Board receive and file the audited Hesperia Housing Authority – Component Unit Financial Statements for the Fiscal Year Ended June 30, 2025, and the Housing Successor SB 341 Report.

## BACKGROUND

The State of California Health and Safety Code §34176.1(f) and §34327.6 require that the housing successor (HHA) shall conduct, and provide to its governing body, and independent financial audit of the Low and Moderate Income Housing Asset fund within six months after the end of each fiscal year. In addition, the housing successor shall provide to its governing body the SB 341 report, as a component of the HHA audit.

## ISSUES/ANALYSIS

The Agency's independent auditor, CliftonLarsonAllen LLP (CLA) performed an audit of the HHA for Fiscal Year 2024-25. The document that comprises the Financial Statements, commonly referred to as the Audit for the Authority, is the Hesperia Housing Authority - Component Unit Financial Statements – June 30, 2025.

Additionally, the HHA provides the Board with the audited financial statements and SB 341 Report, which satisfies the legal requirement set forth by the State. These documents are included as Attachments 1 and 2.

The Annual Comprehensive Financial Report, which reflects the Citywide Financial Statements, Component Unit Financial Statements for the Fire Protection District, Community Development Commission, HHA, and Water District, as well as the Single Audit, will be formally presented to the City Council in April of 2026.

## CITY GOAL SUPPORTED BY THIS ITEM

**Financial Health** - Maintain a balanced budget and adequate reserves.

## FISCAL IMPACT

None.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. June 30, 2025 Component Unit Financial Statements for the Hesperia Housing Authority
2. SB 341 Housing Successor Report

**HESPERIA HOUSING AUTHORITY**

**COMPONENT UNIT  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**

**HESPERIA HOUSING AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Hesperia Housing Authority  
Hesperia, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hesperia Housing Authority (the Authority) (a component unit of the City of Hesperia), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Irvine, California  
December 8, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Hesperia Housing Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year (FY) ending June 30, 2025. Please read it in conjunction with the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

During FY 2024-25, the Authority net position increased by 2% or approximately \$0.3 million from June 30, 2024. This is primarily due to an increase of \$0.3 million in cash related to investment income.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

### REPORTING THE AUTHORITY AS A WHOLE

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

#### ***Government-Wide Financial Statements***

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of this year's activities?" The Government-Wide Statements – The Statement of Net Position and the Statement of Activities – report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting method, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *statement of net position* presents financial information on all of the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## REPORTING THE AUTHORITY'S MOST SIGNIFICANT FUNDS

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority uses a governmental fund to account for its operations.

**Governmental Funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Notes to the Financial Statements** – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

## THE HESPERIA HOUSING AUTHORITY AS A WHOLE

Our analysis focuses on the Condensed Statement of Net Position (Table 1) and Changes in Net Position (Table 2) of the Authority. As noted earlier, net position over time, may serve as a useful indicator of a government's financial position.

**Table 1**  
**Condensed Statement of Net Position**

	2024	2025	Changes from 2024 to 2025	
			Amount	Percentage
Current and other assets	\$ 12,833,265	\$ 13,110,522	\$ 277,257	2%
Capital assets	0	0	0	0%
Total assets	12,833,265	13,110,522	277,257	2%
Total deferred outflow of resources	0	0	0	0%
Current liabilities	874	2,679	1,805	207%
Total liabilities	874	2,679	1,805	207%
Total deferred inflow of resources	0	0	0	0%
Net Position:				
Restricted	12,832,391	13,107,843	275,452	2%
<b>Total Net Position</b>	<b>\$ 12,832,391</b>	<b>\$ 13,107,843</b>	<b>\$ 275,452</b>	<b>2%</b>

The following is a brief explanation for the changes in Table 1 above for the fiscal year ending June 30, 2025:

- Current and other assets in the amount of \$13.1 million increased by \$277,257 from the year ending June 30, 2025. This is a result of an increase of \$0.3 million in cash and cash equivalent, which is related to investment income.
- Current liabilities totaled \$2,679 at June 30, 2025, which is an increase of \$1,805 and is primarily attributed to the timing of the payment of invoices and payroll for staff time spent on Housing Authority activities.
- Total Net Position increased by \$275,452 as a result of the changes to assets and liabilities discussed above.

## AUTHORITY ACTIVITIES

As shown in Table 2, the Authority's June 30, 2025, net position increased by approximately \$0.3 million. Total June 30, 2025, revenue of \$0.3 million exceeds the Authority's current year expenditures of \$64,790, and is lower than the June 30, 2024, revenue by \$87,297. The year-over-year decrease in revenue is primarily due to interest income from a homebuyer assistance program loan repayment in FY 2023-24. The Fiscal Year 2024-25 expenditures of \$64,790 slightly increased in comparison to the FY 2023-24 expenditures of \$62,733.

**Table 2**  
**Changes in Net Position**

	2024	2025	Changes from 2024 to 2025	
			Amount	Percentage
<b>Revenues</b>				
General revenues:				
Income from money and property	\$ 334,193	\$ 293,973	\$ (40,220)	-12%
Other	93,346	46,269	(47,077)	-50%
Total revenues	427,539	340,242	(87,297)	-20%
<b>Expenses</b>				
Development Services	62,733	64,790	2,057	3%
Total expenses	62,733	64,790	2,057	3%
Change in net position	364,806	275,452	(89,354)	-24%
Net position at July 1	12,467,585	12,832,391	364,806	3%
Net position at June 30	\$ 12,832,391	\$ 13,107,843	\$ 275,452	2%

## **FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS**

At year-end, the Authority's governmental funds reported combined fund balances of \$13.1 million.

- The fund balance of the Hesperia Housing Authority Fund is \$11.1 million, which is restricted for low- and moderate-income housing functions. The Fund balance has increased by \$0.2 million from June 30, 2024, which is due to interest earnings.
- The Victor Valley Economic Development Agency (VVEDA) Housing Authority Fund balance is \$2 million, which increased by \$0.1 million from June 30, 2024, due to interest earnings on cash balances. It should be noted that VVEDA funds must be utilized for low- and moderate-income housing functions in the VVEDA target area.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In Fiscal Year 2025-26, the Authority's budget anticipates revenues of \$0.4 million, which will be offset by expenditures of approximately \$74,304 million to maintain current operations.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Finance Department, at the City of Hesperia, 9700 Seventh Avenue, Hesperia, California 92345.

## **FINANCIAL STATEMENTS**



**HESPERIA HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 6,408,913
Receivables:	
Accrued Interest	57,749
Due from City of Hesperia	60
Land Held for Resale	<u>6,643,800</u>
Total Current Assets	13,110,522
Noncurrent Assets:	
Notes Receivable	23,023,930
Allowance for Notes Receivable	<u>(23,023,930)</u>
Total Noncurrent Assets	-
Total Assets	13,110,522
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Other Current Liabilities	<u>2,679</u>
<b>NET POSITION</b>	
Restricted for Low Income Housing	<u>13,107,843</u>
Total Net Position	<u><u>\$ 13,107,843</u></u>

See accompanying Notes to Financial Statements.

**HESPERIA HOUSING AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
Development Services	\$ 64,790	\$ -	\$ -	\$ -	\$ (64,790)
Total Governmental Activities	<u>\$ 64,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(64,790)</u>
<b>GENERAL REVENUES</b>					
Income from Money and Property					293,973
Other					<u>46,269</u>
Total General Revenues					<u>340,242</u>
<b>CHANGE IN NET POSITION</b>					275,452
Net Position - Beginning of Year					<u>12,832,391</u>
<b>NET POSITION - END OF YEAR</b>					<u><u>\$ 13,107,843</u></u>

See accompanying Notes to Financial Statements.

**HESPERIA HOUSING AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Hesperia Housing Authority	VVEDA Housing Authority	Total Housing Authority Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,400,968	\$ 2,007,945	\$ 6,408,913
Accrued Interest	39,668	18,081	57,749
Due from City of Hesperia	60	-	60
Notes Receivable	23,023,930	-	23,023,930
Allowance for Notes Receivable	(23,023,930)	-	(23,023,930)
Land Held for Resale	6,643,800	-	6,643,800
	<u>\$ 11,084,496</u>	<u>\$ 2,026,026</u>	<u>\$ 13,110,522</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	<u>\$ 2,679</u>	<u>\$ -</u>	<u>\$ 2,679</u>
<b>FUND BALANCES</b>			
Restricted:			
Low Income Housing	<u>11,081,817</u>	<u>2,026,026</u>	<u>13,107,843</u>
	<u>\$ 11,084,496</u>	<u>\$ 2,026,026</u>	<u>\$ 13,110,522</u>
Total Liabilities and Fund Balances	<u>\$ 11,084,496</u>	<u>\$ 2,026,026</u>	<u>\$ 13,110,522</u>

See accompanying Notes to Financial Statements.

**HESPERIA HOUSING AUTHORITY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

The Authority has no reconciling items from the Governmental Funds Balance Sheet to the Statement of Net Position.

*See accompanying Notes to Financial Statements.*

**HESPERIA HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Hesperia Housing Authority	VVEDA Housing Authority	Total Housing Authority Funds
<b>REVENUES</b>			
Use of Money and Property	\$ 204,644	\$ 89,329	\$ 293,973
Other Revenues	46,269	-	46,269
Total Revenues	<u>250,913</u>	<u>89,329</u>	<u>340,242</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	<u>64,790</u>	<u>-</u>	<u>64,790</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	186,123	89,329	275,452
Fund Balances - Beginning of Year	<u>10,895,694</u>	<u>1,936,697</u>	<u>12,832,391</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 11,081,817</u></u>	<u><u>\$ 2,026,026</u></u>	<u><u>\$ 13,107,843</u></u>

See accompanying Notes to Financial Statements.

**HESPERIA HOUSING AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

The Authority has no reconciling items from the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.

*See accompanying Notes to Financial Statements.*

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1    REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Hesperia Housing Authority (Authority), which is a subsidiary component unit of the City of Hesperia (City), was established on April 5, 2011 by Resolution No. 2011-022 of the City Council. The Hesperia Housing Authority was activated when the dissolution of the former Hesperia Community Redevelopment Agency occurred on February 1, 2012. The Authority develops, manages, and promotes programs and projects that preserve and improve the supply of affordable housing in the City for low and moderate income persons.

**B. Basis of Presentation**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Hesperia Housing Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

The accounting system of the Authority is organized and operated on the basis of two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1    REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**B. Basis of Presentation (Continued)**

Governmental Fund Financial Statements (Continued)

Fund financial statements for the Authority's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

The Authority's Governmental Fund Balances are comprised of the following component:

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

In the governmental fund statements, when expenditures are incurred, the Authority uses the most restrictive funds first. The Authority would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

The Authority has two major funds described below:

*Hesperia Housing Authority Fund* is used to account for Low and Moderate Housing activity. The fund balance is set aside to provide for future low and moderate income housing.

*Victor Valley Economic Development Authority (VVEDA) Housing Authority Fund* is used to account for Low and Moderate Housing activity within the VVEDA project area that is located within the boundaries of the City.

**C. Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements.

In the government-wide statement of net position and the statement of activities, activities are presented using the economic resources measurement focus. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the government are reported.

In the fund financial statements, all governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.



**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1    REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**C. Measurement Focus (Continued)**

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as a fund asset. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

In the statement of net position, the net position is classified in the following categories:

- Investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets. The Authority has no capital assets.
- Restricted net position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position – This amount is the net position that does not meet the definition of “investment in capital assets, net of related debt” or “restricted net position”.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

**D. Basis of Accounting**

Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1    REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**D. Basis of Accounting (Continued)**

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

**E. Cash and Investments**

Investments are stated at fair value (quoted market price or best available estimate thereof, see Note 2).

**F. Claims and Judgments**

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the Authority records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2025, in the opinion of the Authority's Attorney, the Authority had no material unrecorded claims that would require loss provision in the financial statements, including losses for claims that are Incurred But Not Reported (IBNR). Small dollar claims and judgments are recorded as expenditures when paid.

The Authority participates in the insurance program of the City of Hesperia. Information relating to the insurance program can be found in the notes to the basic financial statements of the City of Hesperia.

**G. Land Held for Resale**

Land held for resale is carried at the lower of cost or estimated realizable value.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1    REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**H. Capital Assets**

Capital assets, which include equipment, are depreciated and are reported in the government-wide financial statements. Authority policy has set the capitalization threshold for reporting capital assets at \$5,000.

Capital assets have an estimated useful life greater than one year and are valued at historical cost or estimated cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of acquisition. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset ranging from 5 to 30 years. The Authority has no capital assets.

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority does not have any type of these items at June 30, 2025.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any type of these items at June 30, 2025.

**J. Receivables**

All accounts, taxes, and service receivables are shown net of an allowance for uncollectibles.

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS**

**A. Equity in Cash and Investment Pool of the City of Hesperia**

The Authority does not have a separate bank account; however, the Authority's cash and investments are maintained in an investment pool managed by the City. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

**B. Investments Authorized by the California Government Code and the Authority's Investment Policy**

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 Years	Unlimited	None
U.S. State or Local Agency Securities	5 Years	Unlimited	None
Banker's Acceptances	180 Days	25%	5%
Commercial Paper	270 Days	15%	10%
Negotiable Certificates of Deposit	5 Years	25%	None
Repurchase Agreements	1 Year	20%	None
Local Agency Investment Fund (LAIF)	N/A	Unlimited	None
Medium-Term Notes	5 Years	30%	None
Mutual and Money Market Funds	N/A	20%	10%
Collateralized Bank Deposits	5 Years	10%	None
Investment Pools	N/A	30%	None
Municipal Bonds	5 Years	10%	None
Supranational Obligations	5 Years	30%	None
Public Bank Obligations	5 Years	100%	None

**C. Disclosures Related to Interest Rate Risk, Credit Risk and Custodial Credit Risk, and Fair Value Measurements**

The Authority's cash and cash equivalents are pooled with the City of Hesperia's cash and investments. Additional disclosures regarding the pooled investments related to interest rate risk, credit risk, custodial credit risk and fair value measurements are available in the City of Hesperia's Annual Comprehensive Financial Report.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 NOTES RECEIVABLE**

Notes receivable, totaling \$23.0 million at June 30, 2025 consists of loans provided for low and moderate income housing, with interest between 1% and 3% and maturity of 55 years. Payments on these notes are based on a percentage of the residual receipts. The Authority does not know the timing of the repayment of the notes, as there is not enough information on the receipt of residual receipts; therefore, the Authority has recorded an allowance for uncollectible for the outstanding balance of \$23.0 million.

Notes receivable at June 30, 2025 include the following:

	Outstanding June 30, 2024	Additions	Deductions	Outstanding June 30, 2025
A. KDF VAH I, L.P.	\$ 3,271,270	\$ 29,000	\$ -	\$ 3,300,270
B. KDF Hesperia, L.P.	1,986,645	24,458	-	2,011,103
C. KDF Hesperia II, L.P.	2,683,185	28,102	-	2,711,287
D. PDDC San Remo Hesperia, L.P.	4,485,952	39,557	-	4,525,509
E. PDDC San Remo Hesperia II, L.P.	5,956,142	46,060	(54,361)	5,947,841
F. Eagle Hesperia 55, L.P.	4,109,676	76,639	-	4,186,315
G. Homebuyer Assistance Program	341,605	-	-	341,605
Totals	<u>\$ 22,834,475</u>	<u>\$ 243,816</u>	<u>\$ (54,361)</u>	<u>\$ 23,023,930</u>

**A. KDF VAH I, L.P.**

In July 2006, the former Hesperia Community Redevelopment Agency (HCRA) entered into an Owner Participation Agreement (OPA) with KDF VAH I, L.P. (a California limited partnership) for the development, construction and operation of a 68-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$2,900,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than 55 years and shall bear interest at a rate of 1%. The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2025 is \$400,270. The balance of the loan outstanding at June 30, 2025 was \$3,300,270. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3    NOTES RECEIVABLE (CONTINUED)**

**B.    KDF Hesperia, L.P.**

In December 2005, the former HCRA entered into an OPA with KDF Hesperia, L.P. (a California limited partnership) for the development, construction and operation of a 110-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$1,250,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than 55 years and shall bear simple interest at a rate of 1%. The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. On February 1, 2012, the Housing Authority issued a loan of \$398,589, with an interest rate of 3%, to assist with converting the construction loan to a permanent loan. Accrued interest on the combined notes through June 30, 2025 is \$362,514. The balance of the loan outstanding at June 30, 2025 was \$2,011,103. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

**C.    KDF Hesperia II, L.P.**

In March 2006, the former HCRA entered into an OPA with KDF Hesperia II, L.P. (a California limited partnership) for the development, construction and operation of a 72-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$2,000,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than 55 years and shall bear interest at a rate of 1%. The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. On February 1, 2012, the Authority issued a loan of \$270,070, with an interest rate of 3%, to assist with converting the construction loan to a permanent loan. Accrued interest on the combined notes through June 30, 2025 is \$441,217. The balance of the loan outstanding at June 30, 2025 was \$2,711,287. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 NOTES RECEIVABLE (CONTINUED)**

**D. PDDC San Remo Hesperia, L.P.**

On November 2007, the former HCRA entered into an OPA with PDDC San Remo Hesperia, L.P. (Palm Desert Development Company, a California limited partnership) for the development, construction, and operation of a 65-unit apartment complex of which certain units shall be available to very low-income tenants and low-income tenants. Under the terms of the OPA, the HCRA loaned \$3,955,711 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than 55 years and shall bear interest at a rate of 1%. The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2025 is \$569,798. The balance of the loan outstanding at June 30, 2025 was \$4,525,509. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

**E. PDDC San Remo Hesperia II, L.P.**

On October 5, 2010, the former HCRA entered into an OPA with PDDC San Remo Hesperia II, L.P. (Palm Desert Development Company, a California limited partnership) for the development, construction, and operation of a 58-unit apartment complex of which certain units shall be available to very low-income tenants and low-income tenants. Under the terms of the OPA, the HCRA loaned \$6,613,620 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than 55 years and shall bear interest at a rate of 1%. The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2025 is \$559,631 and principal and interest payments received are \$1,540,225. The balance of the loan outstanding at June 30, 2025 was \$5,947,841. Any unpaid balance is due and payable at the maturity date.

**F. Eagle Hesperia 55, L.P.**

On February 16, 2016, the former HCRA entered into an OPA with Eagle Hesperia 55 L.P. (a California limited partnership) for the development, construction, and operation of a 96-unit apartment complex of which certain units shall be available to low income senior citizens. Under the terms of the OPA, the Authority loaned \$3,831,975 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of 55 years, with the option of extending the term up to 25 years; the option must be exercised between the 53rd year and 54th year. The loan shall bear interest at a rate of 2%. The agreement is secured by a deed of trust on the property. Accrued interest on the note through June 30, 2025 is \$354,340. The balance of the loan outstanding at June 30, 2025 was \$4,186,315. Any unpaid balance is due and payable at the maturity date.

**HESPERIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 NOTES RECEIVABLE (CONTINUED)**

**G. Homebuyer Assistance Program**

On July 17, 2012 the City Council and Housing Authority adopted Joint Resolution No. 2012-061 and HHA 2012-010 approving implementation of the Seller Mortgage Carryback Program (SMCP) that carried back a portion of the sale price of properties as a second mortgage loan and; the SMCP will enable the City and HHA to fund the amount needed to make the purchase price of single family residential properties affordable to households whose income is 50% AMI or below, in the form of a 30-year deferred, zero interest bearing loan for an original amount of \$428,554. The SMCP loan is secured by a second deed of trust on the property. Principal payments received to date are \$86,949. At June 30, 2025, four of the five loans are outstanding with total balance of \$341,605.

**NOTE 4 RISK MANAGEMENT**

The Authority, through the City of Hesperia, is a member of the Public Entity Risk Management Authority (PERMA), a joint powers authority for the purpose of achieving savings on insurance premiums. Disclosures regarding these policies are available in the City of Hesperia's Annual Comprehensive Financial Report.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**HESPERIA HOUSING AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
HESPERIA HOUSING AUTHORITY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>FUND BALANCE - BEGINNING OF YEAR</b>	\$ 10,895,694	\$ 10,895,694	\$ 10,895,694	\$ -
<b>RESOURCES (INFLOWS)</b>				
Use of Money and Property	98,000	98,000	204,644	106,644
Other Revenues	94,269	94,269	46,269	(48,000)
Amount Available for Appropriations	192,269	192,269	250,913	58,644
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Current:				
Development Services	78,976	78,976	64,790	14,186
<b>EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	113,293	113,293	186,123	72,830
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 11,008,987</u>	<u>\$ 11,008,987</u>	<u>\$ 11,081,817</u>	<u>\$ 72,830</u>

See accompanying Note to Required Supplementary Information.

**HESPERIA HOUSING AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
VVEDA HOUSING AUTHORITY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>FUND BALANCE - BEGINNING OF YEAR</b>	\$ 1,936,697	\$ 1,936,697	\$ 1,936,697	\$ -
<b>RESOURCES (INFLOWS)</b>				
Use of Money and Property	30,000	30,000	89,329	59,329
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,966,697</u>	<u>\$ 1,966,697</u>	<u>\$ 2,026,026</u>	<u>\$ 59,329</u>

See accompanying Note to Required Supplementary Information.

**HESPERIA HOUSING AUTHORITY**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

**NOTE 1    BUDGETARY DATA**

In conjunction with the City of Hesperia's budgeting process, the Authority adopts annual operating budgets for the governmental funds each year. The Authority's Board approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. The Board conducts public hearings prior to its adoption. Supplemental appropriations, when required during the period, are also approved by the Board. Increases in annual expenditures require approval by the Board. Interdepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the fund level for each fund. At fiscal year-end, all operating budget appropriations lapse. However, encumbrances at year-end are reported as reservations of fund balance. Budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**HOUSING SUCCESSOR ANNUAL REPORT  
REGARDING THE  
LOW- AND MODERATE-INCOME HOUSING ASSET  
FUND FOR FISCAL YEAR 2024-25  
PURSUANT TO  
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)  
FOR THE  
HESPERIA HOUSING AUTHORITY**

This Housing Successor Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of December 8, 2025. This Report sets forth certain details of the Hesperia Housing Authority (Housing Successor) activities during Fiscal Year 2024-25 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for Fiscal Year 2024-25 (Fiscal Year), as a part of the 2025 Annual Comprehensive Financial Report, as prepared by Clifton Larson Allen (Audit), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law.

- I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
- IV. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.
- V. **Description of Transfers:** This section describes transfers, if any, to another Housing Successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on

or after February 1, 2012, provide a status update on the project.

- VIII. **Description of Outstanding Obligations under Section 33413:** This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the housing Successor's plans to meet unmet obligations, if any.
- IX. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five-year period, with the time period beginning January 1, 2018, and whether the statutory thresholds have been met.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deeds-restricted rental housing assisted individually or jointly by the housing successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is July 1, 2015, to June 30, 2025.
- XI. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.
- XII. **Recent Legislation:** Recent state housing legislation continues to expand tools and streamline processes for affordable housing production. Key updates include:
- **SB 35 Amendments (2023–24):** Expands ministerial approval and CEQA streamlining for qualifying affordable housing projects.
  - **AB 480 (2024):** Updates reporting and monitoring requirements for Housing Successor Agencies, including tracking of assisted units and covenants.
  - **AB 1490 (2024):** Strengthens anti-displacement planning and tenant protections.
  - **Density Bonus Law Updates (AB 1287 & AB 682):** Expands eligibility for density bonuses and increases incentives for deeper affordability.
  - **Housing Accountability Act Amendments (AB 1633):** Strengthens enforcement against improper denial or delay of qualifying housing projects.
  - **AB 2011 / SB 4 Implementation:** Creates CEQA-exempt ministerial approval pathways for affordable housing on commercial corridors and nonprofit-owned property.
  - **Surplus Land Act Updates:** Expands state oversight and compliance requirements for disposition of land that could be used for affordable housing.

These updates support statewide housing goals and may influence future LMIHAF-funded activities or Housing Successor procedures.

This Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website [www.hesperiacalifornia.gov](http://www.hesperiacalifornia.gov).

#### I. **AMOUNT DEPOSITED INTO LMIHAF**

A total of \$250,913 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS.

## II. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$11,081,817 of which \$0 is held for items listed on the ROPS.

## III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following is a description of expenditures from the LMIHAF by category:

	<u>Fiscal Year</u>
Monitoring & Administration Expenditures	\$ 64,790
Homeless Prevention and Rapid Rehousing	
Services Expenditures	0
Housing Development	
Expenditures	0
Expenditures on Low	
Income Units	
Expenditures on Very-Low Income Units	0
Expenditures on Extremely-Low Income Units	0
Total Housing Development Expenditures	64,790
ADDITIONAL EXPENSE:	
Loss on land held for resale	0
Total LMIHAF Expenditures in Fiscal Year	<u>\$ 64,790</u>

## IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the housing Successor.

	<u>As of End of Fiscal Year</u>
Statutory Value of Real Property Owned by Housing Authority	\$ -
Value of Loans and Grants Receivable	23,023,930
Total Value of Housing Successor Assets	<u>\$23,023,930</u>

## V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

## VI. PROJECT DESCRIPTIONS

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

## VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset. In furtherance thereof, the Housing Successor does not have any real property.

#### **VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413**

**Replacement Housing:** According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's implementation Plans are posted on the City's website at [www.hesperica.gov](http://www.hesperica.gov).

**Inclusionary/Production Housing:** According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at [www.hesperica.gov](http://www.hesperica.gov).

#### **IX. EXTREMELY-LOW INCOME TEST**

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

For informational purposes, the following provides the Housing Successor's Extremely-Low Income Housing Test as of FY 2024 – 2025.

<b>Extremely-Low Income Test</b>	<b>FY 2024-2025</b>
LMIHAF Spent on Extremely-Low Income Households	\$0
Total LMIHAF Spent (Five Year Total FY 2021 thru 2025)	2,557,152
Extremely-Low Income Test	0%

#### **X. SENIOR HOUSING TEST**

The Housing Successor is to calculate the percentage of units of deed restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.



The following provides the Housing Successor's Senior Housing Test for the 10-year period of July 1, 2015, through June 30, 2025.

<b>Senior Housing Test</b>	<b>July 1, 2015- June 30, 2025</b>
# of Assisted Senior Rental Units	96
# of Total Assisted Rental Units	474
Senior Housing Percentage	20%

**XI. EXCESS SURPLUS TEST**

The LMIHAF has a \$0 Excess Surplus. The Housing Successor has three fiscal years to encumber, or transfer, the excess surplus, if any. The Housing Successor has not had an Excess Surplus since February 1, 2012.

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**DATE:** December 16, 2025  
**TO:** Mayor and City Council Members  
**FROM:** Rachel Molina, City Manager  
**BY:** Casey Brooksher, Assistant City Manager  
**SUBJECT:** Award of Contract for Public Engagement Services Related to Potential Sales Tax Measure

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## RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to enter into an agreement with TeamCivX to conduct a public opinion poll and provide outreach consulting services for a potential sales tax initiative, in an amount not to exceed \$217,000, including a fifteen percent contingency.

## BACKGROUND

On August 19, 2025, the City Council held a workshop to review the City's tax environment and discuss long-term revenue needs. As part of the presentation, staff provided an overview of the City's major General Fund revenue sources, trends affecting sales tax performance, and comparisons with neighboring jurisdictions. The workshop also included a review of the City's current service levels and identified infrastructure needs.

Following the discussion, the City Council expressed interest in continuing to evaluate a potential local sales tax measure and unanimously directed staff to begin the bidding process to identify a consultant to assist with public engagement and to assess community priorities and overall receptiveness to a future measure.

Acting on the City Council's direction, a Request for Proposals (RFP) was released on September 21, 2025, with a submission deadline of October 16, 2025. After outreach to qualified firms, the City received nine proposals. Each proposal was evaluated by a seven-member staff review committee consisting of the City Manager, Assistant City Manager, Deputy City Manager, Director of Development Services, Director of Public Works, Deputy HR and IT Director, and Deputy City Engineer.

Based on the initial scoring and review, the committee selected two firms to participate in in-person interviews in the second week of December. Following the interview process, which included participation from the City Manager, Assistant City Manager, and Director of Development Services, the panel unanimously identified TeamCivX as the top-ranked firm.

## ISSUES/ANALYSIS

TeamCivX specializes in local revenue measures for cities and special districts throughout California and has helped agencies pass more than 100 tax measures, with a success rate exceeding 90 percent. Locally, TeamCivX has worked with the cities of Barstow, Fontana, Ontario, Redlands, and San Bernardino.

TeamCivX has proposed a three-phase approach of Test, Vet, and Build.

- **Test Phase**

During the Test phase, TeamCivX will work with True North Research to complete a feasibility assessment. This assessment will help determine whether a sales tax measure has a reasonable chance of success. The work includes reviewing voter trends, evaluating election timing, and identifying community priorities.

True North will also conduct a baseline survey using a statistically reliable sample of Hesperia voters who are likely to participate in the November 2026 election. The survey will be available in English and Spanish and will be distributed via email, text, telephone, and online recruitment. A minimum of 400 completed interviews is included, with a 95 percent confidence level.

Phase 1 also includes developing and testing the survey instrument, programming it for online and telephone use, and processing the results. TeamCivX will provide a topline summary and a full written report with findings and recommendations, which will be presented to staff and the City Council.

- **Vet Phase**

If the survey results show a viable path forward, Phase 2 focuses on community outreach and informational communications. TeamCivX will help the City develop materials that explain the City's funding needs and provide opportunities for community input. This work includes preparing fact sheets, talking points, FAQs, and content for the City's website, newsletters, and social media. In addition, TeamCivX will assist with community and public meetings by preparing presentation materials and supporting staff with informational messaging.

- **Build Phase**

Phase 3 focuses on developing a potential sales tax measure for the ballot. Based on the survey results and Phase 2 community input, TeamCivX will work with City staff to prepare the components of a proposed measure. This work includes recommending a final tax rate and duration, refining funding priorities, and ensuring the programs supported by the measure are clearly described for the public.

The following table outlines the projected timeline for each phase of the process. The City Council will receive updates at each milestone as work progresses.

Timeframe	Milestone	Description
Jan - Mar 2025	Phase 1	Test Phase – Feasibility Assessment
Mar - June 2025	Phase 2	Vet Phase – Public Outreach
June 2025	Phase 3	Build Phase – Prepare ballot language and legal analysis
July 2025	Council Resolution	Council votes (2/3 required) to place the tax measure on the ballot.
August 09, 2026	Ballot Deadline	Submit the resolution to the County Registrar to appear on the November 2026 ballot.
August 2026	Voter Guide Finalized	The county prepares impartial analysis and arguments for/against.
October 07, 2026	Vote-by-Mail Begins	Ballots are mailed to voters 29 days before election day.
November 03, 2026	Election Day	Voters decide on the measure. General tax requires 50% + 1 to pass.

## CITY GOAL SUPPORTED BY THIS ITEM

A voter-approved sales tax increase would support each goal. With that, continued engagement regarding sales tax satisfies the financial health goal.

- **Financial Health** - Maintain a balanced budget and adequate reserves.

## FISCAL IMPACT

During the August 19, 2025, Sales Tax Workshop, staff estimated that a consultant would cost between \$50,000 and \$100,000. The consultant services portion of the TeamCivX proposal falls within the staff's original estimates. However, the total cost is higher because the proposal includes two citywide mailers and a digital outreach effort, which were not included in the original estimate presented at the workshop. In addition, the contingency amount is requested to provide flexibility should the City need additional mailers or outreach activities based on community response or City Council direction.

A breakdown of cost is as follows:

<b>Consultant Services</b>	
Six Months of Consulting	\$47,000
Feasibility Study and Monitoring	56,000
<b>Total Consultant Services</b>	<b>103,000</b>
<b>Marketing and Outreach</b>	
Two Mailers to Registered Voters	61,000
One Digital Outreach	25,000
<b>Total Marketing and Outreach</b>	<b>86,000</b>
<b>Total Proposed Contract</b>	189,000
<i>Fifteen Percent Contingency</i>	<i>28,000</i>
<b>Total Recommended Award</b>	<b>\$217,000</b>

Funding for this agreement will be included in the Mid-Year Budget. The General Fund, with a projected cash reserve of 6.2 months in the Adopted Fiscal Year 2025-26 Budget, has sufficient reserves to fund this contract.

## ALTERNATIVE(S)

1. Provide alternative direction to staff.

## ATTACHMENT(S)

None

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**DATE:** December 16, 2025

**TO:** Mayor and Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Orlando Acevedo, Director of Development Services

**SUBJECT:** Wireless Communication Facility Lease Escalation Rate Requests

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## RECOMMENDED ACTION

It is recommended that the City Council approve requests from Phoenix Tower International (T-Mobile), operator of the wireless facility located at 11011 Santa Fe Avenue East, and New Cingular Wireless PCS, LLC (AT&T), operator of the wireless facility located at 12950 Sultana Street, to continue their current 3% annual rent escalation rather than adopting a 5% escalation required under the City's new Wireless Leasing Program.

## BACKGROUND

On April 15, 2025, the City Council adopted the Leasing Program for Wireless Communication Facilities on City-Owned Property (Program), which established standardized lease terms, base rents, and a fixed 5% annual escalation for all new or renewing wireless leases.

Several existing leases predate this program and currently operate under a 3% annual escalation, which reflected common industry practice when they were executed. As these leases approach renewal or require legal updates, they are required to conform to the City's newly enacted Leasing Program which includes the 5% escalation standard, unless the City Council approves an exception.

Phoenix Tower International and AT&T both operate wireless facilities on City-owned property under agreements that include 3% annual escalators. As part of ongoing negotiations, both companies have formally requested to retain their existing 3% escalation. This action ensures consistency with their original lease terms while maintaining compliance with the City's requirement that exceptions to the Leasing Program be approved by the City Council.

## ISSUES/ANALYSIS

As part of the lease update process, staff requested confirmation of escalation terms consistent with the City's Leasing Program, prompting both carriers to formally submit requests to retain the 3% escalation rate. Both Phoenix Tower International (T-Mobile) and AT&T explained that the 3% escalator is a long-standing corporate standard and is consistent with escalation rates used across numerous municipal wireless leases throughout California. According to both companies, 3% remains the industry norm for long-term telecommunications infrastructure agreements and is the only escalation rate their internal frameworks authorize.

Both entities further noted that they are unable to provide financial comparisons between the 3% and 5% escalation rates due to confidentiality and proprietary restrictions. PTI referenced limitations under their Subordination, Non-Disturbance, and Attornment (SNDA) agreements, while AT&T cited corporate confidentiality and the sensitivity of long-term revenue modeling. Nonetheless, both carriers referenced several regional municipal sites, including water tank facilities and other public properties, where 3% escalations continue to be the standard.

In addition, the carriers emphasized that their networks support essential public communications, including emergency services, and that maintaining a predictable 3% escalation aligns with long-term operational and financial planning for these critical systems. They indicated that higher or fluctuating escalation rates could create administrative and financial challenges that their corporate policies are not structured to accommodate.

Although the City's Leasing Program requires a 5% escalation for future leases, the two agreements under consideration are legacy contracts that have historically operated under 3%. Allowing them to remain at this rate preserves continuity, avoids disruption to long-established agreements, and reflects standard practice for comparable municipal wireless leases in California.

This requested exception applies only to existing agreements and does not modify or alter the future implementation of the City's Wireless Leasing Program.

#### **CITY GOAL SUPPORTED BY THIS ITEM**

This item supports the City's long-term development and infrastructure objectives by ensuring continuity of wireless service and supporting telecommunications facilities relied upon by residents, businesses, and public safety agencies.

#### **FISCAL IMPACT**

Approving the 3% escalation will not create a direct fiscal impact, as both leases already operate at this rate. The City will continue receiving the same escalation already built into the existing agreements.

#### **ALTERNATIVE(S)**

Provide alternative direction to staff.

#### **ATTACHMENT(S)**

1. Leasing Program with Standard Lease Agreement



# **City of Hesperia**

## **Cell Tower Leasing Program**

Effective Date: April 15, 2025

### **Introduction**

The City of Hesperia supports reliable and modern wireless communication by leasing City-owned land for wireless infrastructure. This program ensures consistency, compliance, and long-term revenue generation while promoting community benefit.

### **Purpose**

This program establishes clear guidelines for leasing City-owned property for wireless communication facilities. Leases that follow the parameters outlined here do not require City Council approval, expediting the process.

### **Key Objectives**

- Revenue Optimization: Establish market-based lease rates with fixed annual increases.
- Efficiency: Streamline leasing and compliance processes.
- Consistency: Use a Standard Lease Agreement for all sites.

### **Lease Terms**

- Term: 5 years with up to two 5-year renewals
- Base Rent:
  - \$2,000–\$2,400/month
- Annual Increase: Fixed 5%
- Subleases: Must be approved; City retains 50% of sublease revenue
- Surety Bond: \$100,000 required
- Indemnification: Lessee must hold City harmless from liability

### **Process & Oversight**

- DSD – Planning: Reviews design, zoning, and permits
- EDD – Economic Development: Negotiates and manages leases
- City Council: Approval required only if terms fall outside this program

### **Compliance & Maintenance**

- Lessees must maintain sites and complete repairs within 5 business days
- Non-compliance may result in penalties or lease suspension
- Required Insurance:
  - \$2M General Liability / \$4M aggregate
  - \$1M Auto Liability
  - \$1M Workers' Comp

### **Access**

The City reserves the right to inspect leased facilities for emergency or maintenance purposes.

**WIRELESS COMMUNICATIONS FACILITY LEASE AGREEMENT  
BETWEEN CITY OF HESPERIA  
AND**

[REDACTED]

This WIRELESS COMMUNICATIONS FACILITY LEASE AGREEMENT (“**Lease Agreement**” or “**Agreement**”) entered into as of this [REDACTED] day of [REDACTED], 20[REDACTED] is between CITY OF HESPERIA, a California municipal corporation (“**Landlord**”), and [REDACTED] (“**Tenant**”) (collectively, “**Parties**”).

**RECITALS**

**WHEREAS**, Landlord is the owner of that certain real property located in the County of San Bernardino, as described in **Exhibit A**, attached hereto and by this reference incorporated herein (“**Landlord’s Property**”); and

**WHEREAS**, Tenant desires to lease a portion of Landlord's Property, as described in **Exhibit B**, in connection with its federally licensed communications business together with a right of ingress and egress and a right to install its wireless communications facilities including wireless antenna or antenna array (collectively, “**Communications Facility**,” “**Equipment**” or “**Facility**”) on Landlord’s Property; and

**WHEREAS**, subject to the following terms and conditions, Tenant and Landlord desire to enter into this Lease Agreement which shall supersede all other agreements whether oral or written between Tenant and Landlord concerning the herein subject Landlord’s Property, Premises and Communication Facility; and

**WHEREAS**, Tenant and Landlord hereby enter into this Lease Agreement on the terms and conditions set forth herein and the Parties expressly agree that this is not an easement.

**NOW, THEREFORE**, in consideration of the promises and of the mutual obligations and agreements in this Lease Agreement, the receipt of which is hereby acknowledged, the Parties agree as follows:

**1. LANDLORD’S PROPERTY**

Landlord is the record owner of that certain parcel of real property located in the State of California, County of San Bernardino, City of Hesperia, commonly known as [REDACTED], also known as Assessor’s Parcel No. [REDACTED], (the “**Landlord’s Property**”). The legal description of the Landlord’s Property is contained in **Exhibit A** attached to and incorporated in this Lease.

**2. THE PREMISES**

**2.1 Description**

Landlord hereby leases to Tenant and Tenant leases from Landlord that portion of the Landlord’s Property generally described as follows: approximately [REDACTED] square feet of ground space in

which Tenant, upon obtaining all necessary permits, shall install its **Communications Facility**. The location of the Premises, the legal description of ingress and egress pathways to the Premises, and other portions of the Premises shall be as shown in **Exhibit B** and the map that is contained in **Exhibit B**, attached hereto and by this reference incorporated herein. The Premises include and permit the following:

- (a) An equipment building of approximately [REDACTED] square feet in size as described in **Exhibit B** (“**Equipment Building**”).
- (b) A new [REDACTED] tower (the “**Tower**”).
- (c) A [REDACTED] foot wide nonexclusive strip of land area for the purpose of installing and maintaining all necessary underground cables and utilities from the Equipment Building to the **Tower** (“**Sub-Grade Cable Run Area**”).

## **2.2 Plans Specifications**

**Exhibit C** shall provide full plans and specifications of the equipment, tower, photo simulations and landscaping plans (the “**Site Plan**”). Specifications shall include location of end-of-path site and azimuth. Specifications of any rooftop equipment shall include roof weight loading and how cables will be attached to ground level facilities. The tower, antennas and site installations shall be built exactly per such plans unless Landlord agrees to changes before they are implemented. Landlord shall have final design approval.

Prior to construction, Tenant shall deliver to Landlord true and complete sets of submissions and correspondence to and from the local zoning authority and other government entities including the California Public Utilities Commission, the Federal Communications Commission and Federal Aviation Authority.

## **2.3 Communications Facility Property; Equipment**

All portions of the Communications Facility brought onto the Premises by Tenant will be and shall remain Tenant’s personal property with the exception of Tenant-installed property for the benefit of Landlord such as Tenant-installed light poles or other structures used for antenna mounting that replace Landlord’s original poles or structures. Such exceptions are and shall be the property of the Landlord and shall not be removed without approval of Landlord. Following completion of the Equipment Building and written approval and acceptance thereof by Landlord, which shall not be unreasonably withheld, ownership of the Landlord’s portion of the Equipment Building as indicated on **Exhibit B** shall automatically transfer to Landlord. Each party shall be responsible for cost of maintenance and repairs to their respective portions of the Equipment Building.

Prior to installing or allowing any Equipment to be installed in or on the Premises, Tenant shall submit detailed engineering plans and specifications of the planned installation to Landlord for Landlord’s written approval, which approval shall not be unreasonably delayed. Landlord’s review of Tenant’s plan shall include a review of the appearance of the Equipment. The Equipment to be installed must be in compliance with all federal, state, and local laws, including but not limited to local zoning and design requirements, and must adhere to all technical standards set forth in this Lease Agreement. Landlord’s approval of any installation is not a representation that such

installation of the Equipment is in compliance with all applicable governmental laws, ordinances, rules and regulations or that such Equipment will not cause interference with other systems, if any, then in operation on the Premises. Tenant hereby confirms and agrees that its Equipment shall be installed and operated solely within the Premises.

Tenant understands and acknowledges that it shall at no time install or modify any wireless Communications Facilities or wireless antennas unless it first obtains the necessary approvals and permits in accordance with the Landlord's local laws, or any other applicable state and federal ordinances and regulations. Tenant further acknowledges that all facilities to be maintained within the Premises, whether currently included in the exhibits attached hereto or to be modified or built in the future require all necessary approvals and permits mentioned herein.

#### **2.4    Access.**

Access to the site is subject to the notice requirements in **Section 15**.

#### **2.5    Setbacks.**

Any setback of the Premises from the Landlord's Property boundaries and the width of any access road shall be the width required by the applicable governmental authorities, including police and fire departments.

#### **2.6    Parking**

No parking is permitted in the lease area except as specified herein: Tenant and its employees, representatives and contractors may park their vehicles on Landlord's Property only when necessary to carry personnel, Equipment or supplies, or for the purpose of necessary construction, repairs, operation or maintenance on the Premises as allowed under this Lease Agreement.

### **3.       LEASE AND IRREVOCABLE NON-EXCLUSIVE INGRESS AND EGRESS**

Landlord hereby leases the Premises to Tenant to access, install, operate, maintain and remove Tenant's Communications Facility in and on the Premises, and grants to Tenant an irrevocable, non-exclusive area during the term of this Lease Agreement for reasonable ingress and egress from a public right of way immediately abutting Landlord's Property to and from the Premises, (collectively, "Ingress and Egress Area") seven (7) days a week, twenty-four (24) hours per day for the sole purpose of installing, operating and maintaining the Communications Facility including conduits and pipes over, under and along the Ingress and Egress Area as more fully described in **Exhibit B** and **Exhibit C**. Tenant shall conduct no activities other than those set forth in this Lease Agreement without the prior written consent of Landlord.

### **4.       TERM, RENT, AND SECURITY DEPOSIT**

#### **4.1    Term**

This Lease Agreement shall not be valid unless and until signed by the City Manager ("Effective Date"). No right in or to the Premises shall vest in Tenant until the occurrence of the Effective Date.

This Lease Agreement shall be for an initial term of five (5) years ("**Initial Term**"), commence upon full execution of this agreement ("**Commencement Date**"). The Lease Agreement shall be terminated in accordance with the provisions governing termination as set forth in **Section 8** herein.

Tenant shall have the option to renew for an additional two (2) terms of five (5) years each (each a "**Renewal Term**"), for a total term of twenty-five (25) years if all Renewal Terms are granted. Renewal shall be automatic unless Landlord or Tenant terminates lease in accordance with the provisions governing termination as set forth in **Section 8** herein. No renewal shall be permitted if Tenant is in default of this Lease Agreement on the last day preceding such Initial or Renewal Term.

Provided all Renewal Terms to this Lease Agreement are exercised by the Parties, and unless the Parties terminate this Lease Agreement prior to the Termination Date as set forth in **Section 8**, this Lease Agreement shall terminate on [REDACTED] ("**Termination Date**") without any further notice to Tenant. Tenant shall vacate the Premises, in accordance with the terms of this Lease Agreement no later than sixty (60) days from the Termination Date.

At the end of the lease term, with the express consent of the Landlord, the Parties may continue the lease of the Leased Property on a temporary month-to-month basis ("**Temporary Holdover Period**") on the same conditions and terms of this License Agreement except that the Monthly Rent shall be in the amount of 150% of the Monthly Rent in effect at the expiration of this Lease Agreement. Said Temporary Holdover Period shall not exceed 180 days from the date of the end of the lease term. Tenant shall notify Landlord in writing of its request to continue the lease on a month-to-month basis one hundred eighty (180) days in advance of the Termination Date. Nothing contained herein shall grant Tenant the right to holdover after the term of this Lease Agreement has expired.

#### **4.2     Rent**

This Lease Agreement shall commence on the aforementioned Commencement Date at the initial rental rate of [REDACTED] ("**Monthly Rent**"). The Monthly Rent shall be payable to Landlord on the first day of each month, in advance without offset or deduction, and shall be non-refundable. The first month of rent shall be pro-rated from the Commencement Date to the end of the month at a rate of [REDACTED] per day.

Tenant's failure to pay Monthly Rent by the fifteenth (15th) day of each month shall subject Tenant to a late charge in an amount equal to twenty percent (20%) per annum of the overdue amount or the maximum allowable by law, whichever is greater, until all amounts owing to Landlord are paid in full. Said late charge shall be automatically imposed without notice. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder or by law.

The Monthly Rate shall increase annually during the Initial Term and any Renewal Term, effective as of each anniversary of the Commencement Date, by an amount equal to five (5%), per annum above the amount of the Monthly Rate in effect immediately prior to such increase.

All Monthly Rent payments shall be sent to the Landlord's address in **Section 15**.

#### **4.3     Surety Bond**

Upon execution of this Lease, Tenant shall deposit with the Landlord a security deposit in the amount of One Hundred Thousand Dollars (\$100,000) in the form of a corporate surety bond ("Surety Bond") acceptable to Landlord, to secure Tenant's faithful performance of all terms, covenants and conditions of this Lease. Tenant agrees that Landlord may (but shall not be required to) apply the Surety Bond in whole or in part to remedy any damage to the Premises caused by Tenant, its Agents or Invitees, or any failure of Tenant to perform any other terms, covenants or conditions contained herein (including, but not limited to, the payment of Rent or other sum due hereunder either before or after a default), without waiving any of Landlord's other rights and remedies hereunder or at law or in equity and without any obligation. Tenant waives the provisions of Section 1950.7 of the California Civil Code or any similar law, statute or ordinance now or hereafter in effect and agrees that Landlord may retain any portion of Security Deposit reasonably necessary to compensate Landlord for any other foreseeable or unforeseeable loss or damage caused by the acts or omissions of Tenant, its Agents or Invitees.

### **5.     PERMITTED USE OF THE PREMISES**

The Premises may be used only for (i) the transmission and reception of communication signals within or utilizing the frequency bands duly licensed by the Federal Communications Commission; (ii) the construction, maintenance, repair, and replacement of its Equipment including antennas, cables and facilities, and improvements related thereto; and (iii) activities related to the foregoing, provided that none of the activities described (i), (ii), or (iii) require any physical expansion or relocation of any portion of the Premises or violate Tenant's duties of non-interference set forth herein (collectively, "Tenant's Permitted Use") as described in the project plans and specifications in **Exhibit C** attached hereto and by this reference incorporated herein.

#### **5.1     Colocation**

Tenant may divide, sublease, sublicense, apportion or otherwise piggyback or colocate additional wireless telecommunication operators on the Facility (each such event individually constituting a "Colocation"), provided, however, that prior to any colocation, Tenant shall obtain the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, and Tenant shall obtain any approvals or permits required by the City of Hesperia. Additionally, Tenant shall deliver to Landlord within 30 days of each colocation, a fully executed copy of the agreement evidencing such colocation.

#### **5.2     Additional Rent for Colocation**

Tenant shall pay to Landlord, as Additional Rent, 50% of the monthly rent Tenant receives from each such wireless telecommunications operator for a Colocation.

#### **5.3     Access**

At all times throughout the term of this Lease Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, and subcontractors, will have twenty-four (24) hour per day,

seven (7) days per week right of access to and over Landlord's Property, along Landlord's specified access routes, for the installation, maintenance and operation of the Communications Facility and any utilities serving the Premises, subject to the following requirements:

- Tenant shall provide notice to Landlord as required by **Section 15**.
- Tenant shall provide a minimum of two (2) weeks written notice to Landlord prior to the planned initial installation of equipment.
- Tenant shall provide forty-eight (48) hours advance notice to Landlord prior to bringing any vehicles or equipment onsite. Vehicular access shall be denied if the vehicle or Equipment: (1) has a gross vehicle weight in excess of 10,000 pounds; (2) has skid steering including track driven vehicles or Equipment; (3) possesses outriggers or stabilizers; (4) needs to be transported by trailer; or (5) is not recognized by the Department of Motor Vehicles to be legally driven or operated across/over public roads or highways.
- Tenant shall provide twenty-four hours (24) advance telephone notice to Landlord prior to any routine, non-emergency, maintenance of the equipment to be undertaken by Tenant, its employees, agents, servants, contractors or subcontractors, or any of their employees, agents or servants.
- In the case of an emergency, Tenant shall be required to provide as much notice as is reasonably practicable in the situation.

## **6. MAINTENANCE AND REPAIR**

Tenant will: (i) keep, maintain and repair the Premises in good condition, reasonable wear and tear excepted, and (ii) repair any damage caused by Tenant to Landlord's Property including but not limited to accessways to the Premises. Tenant's maintenance obligation in the preceding sentence shall include, but not be limited to, the replacement of any lights that may be mounted upon the Facility.

Tenant shall repair any damage the Premises or the Landlord's Property caused by Tenant during construction, maintenance and operations, or any time said damage is caused by Tenant. Tenant shall repair the Premises or Landlord's Property to substantially the same condition in which they existed upon the start of construction within five (5) business days from the date of Tenant's receipt of Landlord's written notice to repair such damage. Tenant shall reimburse Landlord for all of Landlord's direct and indirect costs associated with such repair, including labor and material costs (the "**Total Repair Costs**") incurred by the Landlord to repair such damage if necessitated by Tenant's failure to make such repair. Should damages be deemed severe in Landlord's sole determination, Landlord reserves the right to require more immediate timeliness of Tenant's response or to repair without Tenant's consent and at Tenant's expense.

A late fee of twenty percent (20%) of the Total Repair Costs shall be assessed for each business day the repair is not completed according to mutually agreed upon deadlines.

## **7. COMPLIANCE WITH ALL LAWS, RADIO FREQUENCY EMISSIONS**

Tenant's use of the Premises and its Communications Facility on the Premises shall comply with all applicable Governmental Requirements of federal, state and local laws, rules and regulations, including but not limited to the non-interference and radio frequency emissions rules of the Federal Communications Commission (FCC) and the Federal Aviation Administration (FAA). **"Governmental Requirements"** shall mean all applicable requirements under any federal, state or local statutes, rules, regulations, ordinances, or other requirements of any duly constituted public authority having jurisdiction over the Premises. Tenant shall indemnify Landlord and hold it harmless from all expenses, costs, damages, losses, claims or other expenses and liabilities arising from Tenant's failure to comply with Government Requirements, except to the extent such expenses, costs, damages, losses, claims or other expenses and liabilities arise from the gross negligence or willful misconduct of Landlord. Tenant shall monitor and certify such compliance in accordance with requirements as may be established by Landlord.

Tenant's ability to use the Premises shall be dependent upon Tenant obtaining currently valid certificates, permits, and other approvals, which may be required from any federal, state, or local authorities. Landlord shall reasonably cooperate with Tenant, but at no expense to Landlord, in obtaining such approvals.

Tenant shall be accountable for RF safety by submitting annual test results to confirm compliance with the FCC's RF emission guidelines. Such testing should be sufficiently detailed to ensure that employees in the vicinity of the wireless antenna will not be harmed. Tenant shall also provide warning signs on the antenna and an automatic shutdown if workers are near the antenna.

Tenant is responsible for compliance with all tower marking and lighting requirements of the FAA and the FCC. Tenant shall indemnify and hold harmless Landlord from any fines or other liabilities caused by Tenant's failure to comply with such requirements.

## **8. TERMINATION**

Either Landlord or Tenant shall have the right to terminate this Lease Agreement after the Initial Term of Five (5) years for any cause by providing the other party with sixty (60) days written notice.

Tenant shall at its own cost and expense remove its personal property and fixtures, foundations and underground conduits and utilities, from the Premises and shall restore the Premises to good order and condition, reasonable wear and tear excepted on or before the 60<sup>th</sup> day after the receipt of the notice of termination by Landlord or the issuance of the notice of termination by Tenant and/or sixty (60) days prior to the Termination Date, whichever occurs first, at which time Tenant shall peacefully quit and surrender the Premises and accessways. If Tenant fails to remove such Equipment within sixty (60) days after expiration or earlier termination of this Lease Agreement, Tenant at Tenant's sole option may: (i) remove and dispose of the Equipment and Tenant shall reimburse Landlord for the reasonable costs actually incurred of such removal and restoration of the Premises; or (ii) Landlord may deem the Equipment abandoned, whereupon the Equipment shall become Landlord's property, and Landlord shall have all rights to the Equipment, including without limitation the right to use, reuse, sell, lease, or dispose of same.

In the event that Tenant abandons the Premises for a continuous period of sixty (60) days or more,



Landlord may, at its sole discretion, proceed to remove Tenant's Equipment and bill Tenant for same, and this Lease Agreement shall automatically terminate after Landlord gives thirty (30) days' written notice to Tenant. In such case, Landlord shall impose and Tenant shall pay such back Monthly Rental and incurred costs as required by this Lease Agreement.

This Lease Agreement may further be terminated by Landlord or Tenant if either party remains in default under **Section 14** of this Lease Agreement after the applicable cure period has lapsed.

## **9. PERSONAL PROPERTY TAXES**

Tenant shall pay all taxes and rental fees levied, assessed, or imposed by reason of Tenant's use of the Premises, including but not limited to possessory interest tax pursuant to California Revenue and Taxation Code Section 107.6, regardless of to whom taxes and/or fees are addressed. Tenant agrees to pay, before delinquency, all such taxes levied. Tenant shall be liable for failure to pay any possessory property taxes. Tenant shall also pay before delinquency, all taxes assessed against personal property of Tenant which may be located in or upon the Premises.

## **10. LIENS**

During the term hereof, Tenant shall keep the Premises free from all liens, including but not limited to mechanic's liens and further encumbrances by reason of the use of the Premises by Tenant. Failure of Tenant to remove any potential or recorded lien against the Premises within thirty (30) days of receipt of notice of recordation shall be considered an Event of Default of this Lease Agreement and cause for termination under **Section 14** herein.

## **11. UTILITIES**

Tenant shall be directly responsible to pay all charges for all utilities required by Tenant's use of the Premises including but not limited to gas, electricity, water and telephone. Tenant shall make all arrangements with utility providers and government authorities for all utilities and other like services to the Premises during the term of this Lease Agreement.

## **12. INDEMNIFICATION**

### **12.1 Indemnification; Definitions**

To the maximum extent permitted by law, including but not limited to California Civil Code Section 2778, Tenant shall indemnify, defend, and hold harmless Landlord, its officers, agents, representatives and employees (individually and collectively "**Landlord Indemnitee**") from and against a "Liability" [as defined in Subparagraph (a) below] or an "Expense" [as defined in Subparagraph (b) below], or both, that arise out of, pertain to, or relate to an act, error, or omission of Tenant, its employees, agents, contractors and persons whom Tenant employs or hires (individually and collectively "**Tenant Indemnitor**"):

- (a) **“Liability”** means claims, suits, actions, causes of action, proceedings, judgments, decrees, awards, settlements, liens, losses, damages, injuries, or liability of any kind, whether the liability is:
  - (1) Actual or alleged;
  - (2) In contract or in tort; or
  - (3) For bodily injury (including accidental death), personal injury, advertising injury, or property damage.
- (b) **“Expense”** means fees, costs, sums, penalties, fines, charges, or expenses of any kind, including, but not limited to:
  - (1) Attorney’s fees;
  - (2) Costs of an investigation, litigation, arbitration, mediation, administrative or regulatory proceeding, or appeal;
  - (3) Fees of an accountant, expert witness, consultant, or other professional; or
  - (4) Pre or post: judgment interest or settlement interest.

## **12.2 Obligations**

Under this **Section 12**, Tenant Indemnitor’s defense and indemnification obligations:

- (a) Apply to a Liability, or an Expense, or both, that arise out of, pertain to, or relate to the actual or alleged passive negligence of a Landlord Indemnitee; but
- (b) Do not apply to a Liability, or an Expense, or both, that arise out of, pertain to, or relate to the sole active negligence or willful misconduct of a Landlord Indemnitee.

## **12.3 Defense**

To the extent that Tenant Indemnitor’s insurance policy provides an upfront defense to Landlord Indemnitee, Tenant Indemnitor’s obligation to defend a Landlord Indemnitee under this **Section 12**:

- (a) Means that Tenant shall provide and pay for legal counsel satisfactory to Landlord Indemnitee;
- (b) Arises when a claim, suit, complaint, pleading, or action against a Landlord Indemnitee arises out of, pertains to, relates to, or asserts an act, error, or omission of Tenant Indemnitor; and
- (c) Arises regardless of whether a claim, suit, complaint, pleading, or action specifically names or identifies Tenant Indemnitor.

**Section 12.3** does not limit or extinguish Tenant Indemnitor's obligation to reimburse a Landlord Indemnatee for the costs of defending the Landlord Indemnatee against a Liability, or an Expense, or both. Landlord Indemnatee's right to recover defense costs and attorney's fees under this **Section 12** does not require, and is not contingent upon, Landlord Indemnatee's first:

- (a) Requesting that Tenant Indemnitor provide a defense to the Landlord Indemnatee; or
- (b) Obtaining Tenant Indemnitor's consent to the Landlord Indemnatee's tender of defense.

If Tenant Indemnitor contracts all or any portion of its work under this Lease Agreement, Tenant Indemnitor shall require that each contractor indemnify, defend and hold harmless Landlord Indemnatee under the terms in this Section 12.

Tenant Indemnitor's obligation to indemnify, defend, and hold harmless Landlord Indemnatee will remain in effect and will be binding upon Tenant Indemnitor whether the Liability, or the Expense, or both, accrues— or is discovered— before or after this Lease Agreement's expiration, cancellation, or termination.

#### **12.4 Application of Section**

Except for **Section 12.3**, this Article's indemnification and defense provisions are separate and independent from the insurance provisions in **Section 13**. In addition, the indemnification and defense provisions in this Article:

- (a) Are neither limited to nor capped at the coverage amounts specified under the insurance provisions in **Section 13**; and
- (b) Do not limit, in any way, the applicability, scope, or obligations of the insurance provisions in **Section 13**.

### **13. INSURANCE**

In order to accomplish the indemnification of Tenant provided for in this Lease Agreement, but without limiting the indemnification, Tenant shall secure and maintain through the term of this Lease Agreement the following types of insurance with limits as shown in this Lease Agreement.

Tenant shall obtain, pay for, and maintain during the life of this Lease Agreement a Commercial General Liability policy, including Contractual Liability, and an Automobile Liability policy which shall protect it and Landlord from claims for injuries and damages. The Commercial General Liability and Automobile Liability policies shall include the Landlord, its officers, agents, and employees as additional insureds under the policy in the following amounts:

- Commercial general liability insurance in an amount not less than Two Million Dollars (\$2,000,000) per occurrence and Four Million Dollars (\$4,000,000) general aggregate and Four Million Dollars (\$4,000,000) completed operations aggregate; and

- Automobile liability insurance covering all owned, non-owned and hired vehicles with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident for personal injuries, including accidental death, to any one person and for property damage.
- The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated and that all excess policies shall cover Landlord, its officers, agents and employees as additional insureds and said policies are primary coverage.
- Workers' Compensation insurance with statutory limits and Employers Liability insurance with limits of \$1,000,000 per accident for bodily injury and disease.
- Property Insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

Said policies shall contain a "Severability of Interest" clause and a "Primary Coverage" clause for any loss arising from or caused by Tenant's exercise of this Lease. Said policies shall contain a statement of obligation on the carrier's part to notify the Landlord, by U.S. Mail, at least thirty (30) days in advance of any policy cancellation. Tenant shall provide Landlord with at least thirty (30) days advance notice in the event of any policy termination or reduction in the amount of coverage. Tenant shall require the carriers of the above-required coverages to waive all rights of subrogation against Landlord, its officers, agents, and employees. Said policies shall be issued by companies authorized to do business in California and having not less than Best's A-VII rating or approved by Landlord in its business judgment, and shall be issued in the name of Tenant.

Before execution of this Lease Agreement, Tenant shall furnish Landlord with a "Certificate of Insurance" and an "Additional Insured Endorsement." Said documents shall include policy language evidencing the additional insured status of Landlord, its officers, agents and employees. Said documents shall be countersigned by the insurance carrier or its authorized representative, on forms satisfactory to the Landlord's City Attorney, which set forth the above provisions. The countersigned certificate, along with the additional insured endorsement, shall include the Landlord, its officers, agents, and employees as additional insureds under the Commercial General Liability policy. Said insurance shall be primary to the coverage of the Landlord and neither Landlord nor any of its insurers shall be required to contribute to any loss. This policy contains a severability of interest clause."

Tenant shall maintain all required insurance in force at all times during the Term of this Agreement. Failure to maintain said insurance, due to expiration, cancellation, or reduction in coverage shall be cause for the Landlord to give notice to immediately terminate this Lease Agreement. Failure to reinstate said insurance within ten (10) days of said notice shall constitute a material breach and shall be cause for the immediate termination and forfeiture of this Lease Agreement.

Notwithstanding the foregoing, Tenant shall have the right to self-insure with respect to the insurance coverage with the approval of the City. The required proof of such self-insurance shall be in a form satisfactory by the Landlord's City Attorney.

No less than ten (10) days prior to the annual anniversary date of said insurance policy coverage, Tenant shall deliver to Landlord a renewal certificate of insurance and renewal additional insured endorsement in a form satisfactory to the City Attorney and in conformance with the requirements set forth herein.

Landlord reserves the right to modify its insurance requirements pursuant to this Lease Agreement on a tri-annual basis unless circumstances arise that require earlier consideration of said insurance requirements.

#### **14. DEFAULT AND RIGHT TO CURE**

The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder in whole or part by Tenant.

- The failure by Tenant to make the payment of Monthly Rent or any other payment required to be made by Tenant hereunder when due, where such failure shall continue for a period of thirty (30) days after written notice thereof is received by Tenant from Landlord.
- Tenant's failure to maintain insurance coverage as required in **Section 13**.
- The failure by Tenant to observe or perform any other provision contained in this Lease Agreement, where such failure shall continue for a period of thirty (30) days after written notice thereof is received by Tenant from Landlord; provided, however, that it shall not be deemed an Event of Default by Tenant if Tenant shall commence to cure such failure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

Upon an Event of Default caused in whole or part by Tenant which is not cured or commenced to be cured by Tenant, Landlord in addition to any and all other remedies available to Landlord at law or in equity, shall be entitled to one or more of the following remedies: (i) terminate this Lease Agreement; (ii) obtain immediate restraint by injunction; or (iii) prior to a determination and authorization by a court of competent jurisdiction, to re-enter the Premises and remove persons and personal property therefrom.

#### **15. NOTICES**

All notices hereunder must be in writing and given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier U.S. Postal mailbox or any U.S. Post Office, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Should Landlord or Tenant have a change of address, or a change in the designated individual with knowledge of this Lease Agreement, the other party shall immediately be notified in writing of such change, provided, however, that each address for notice must include a street address and not merely a post office box. All notices, demands or requests from Tenant to Landlord shall be given to Landlord addressed as follows:

**Landlord:** City of Hesperia  
9700 Seventh Ave.

Hesperia, CA 92345  
Attn: Economic Development  
Email: econdev@cityofhesperia.us  
Phone: 760-947-1909

With copy to: Pam K. Lee, City Attorney  
1 Park Plaza, Suite 1000  
Irvine, CA 9214  
[plee@awattorneys.com](mailto:plee@awattorneys.com)  
949-223-1170

**Tenant:** NAME  
Address  
Attn:  
Email:  
Phone:

**With copy to:** NAME  
Address  
Attn:  
Email:  
Phone:

## 16. HAZARDOUS SUBSTANCES

Tenant agrees that it will not use, generate, store, or dispose of any Hazardous Material on, under, about, or within the Premises in violation of any federal, state, or local law or regulation. Landlord represents, warrants and agrees that neither Landlord nor, to Landlord's knowledge, any third party has used, generated, stored or disposed or permitted the use, generation, storage or disposal of, any Hazardous Material on, under, about or within Premises in violation of any law or regulation. Tenant shall defend, indemnify and hold harmless Landlord against any and all losses, liabilities, claims, and costs (including reasonable attorneys' fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph.

"Hazardous Material" shall mean any hazardous or radioactive material, polychlorinated biphenyls, friable asbestos or other hazardous or medical waste substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act, as amended or by any other federal, state or local law, statute, rule, regulation or order concerning environmental matters, or any matter which would trigger any employee or community "right-to-know; requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. This paragraph shall survive the termination of this Lease Agreement.

## 17. QUIET ENJOYMENT

Landlord warrants and agrees that Tenant, upon paying the Monthly Rent and performing the covenants herein provided, shall peaceably and quietly have and enjoy the Premises. Landlord

shall not cause or permit any use of the Premises, which interferes with or impairs the quality of the communications services being rendered by Tenant from the Leased Premises.

Subject to the terms of this Lease Agreement, Landlord reserves for itself, its successors and assigns the right to use the Premises, or any portion thereof for any purposes that Landlord may find necessary. Landlord acknowledges that Tenant's use of the Premises includes proprietary trade secrets. Accordingly, Landlord, except in cases of emergency, shall have no right to enter the Tenant Portion of the Equipment Building without Tenant's prior consent and accompaniment which shall not be unreasonably withheld.

## **18. NON-INTERFERENCE**

Tenant shall operate its communications and related existing ground Equipment as described in **Exhibit C** on the Premises in a manner that will not cause harmful interference with the use or enjoyment of the Premises by Landlord and other tenants or licensees ("Existing Tenants") in and/or on the Premises. Tenant shall be responsible for all costs associated with any tests deemed necessary to resolve any and all interference.

Tenant's activities on the Premises shall not interfere with Landlord's radio communication operations including but not limited to interference with Landlord's radio frequencies, effective radiated power and physical location. Such interference shall be deemed a material breach by Tenant subject to **Section 14** herein, and Tenant shall have the responsibility to promptly terminate said interference. If interference caused by Tenant's failure to comply with FCC or FAA rules and regulations has not been corrected within the required period specified by the FCC or FAA after Tenant receives notice thereof, Landlord may require Tenant to remove from its facilities the specific items causing such interference.

Landlord shall not interfere nor shall Landlord allow any use of the Premises conferred after the Effective Date to interfere in any way with the communications operations of Tenant as described in this Lease Agreement. Such interference with Tenant's communications operations shall be deemed a material breach by Landlord, and Landlord shall have the responsibility to promptly terminate said interference.

Landlord shall not alter its existing or contemplated use of the Premises, nor shall Landlord permit any tenants, licensees, employees, invitees or agents obtaining rights to the Premises from and after the Commencement Date to use any portion of the Premises in any way which unreasonably interferes with the operations of Tenant. Without limiting the generality of the foregoing, Landlord hereby acknowledges that in the event of any unreasonable interference with Tenant's Permitted Use as a result of the transmission or reception (or both) of radio, microwave or other telecommunications signals by a future tenant, licensee, or occupant of the Premises, Tenant's rights hereunder to conduct Tenant's Permitted Use shall be and remain superior to the rights of any such future tenant, licensee or occupant, subject, however, to the provisions of **Section 18** herein.

Landlord reserves the right to license or lease other portions of the Premises to other parties during the Term of this Lease Agreement and any month to month tenancy thereafter. Accordingly, Landlord agrees that any other person or entity who may install Equipment subsequent to the

Commencement in and/or on the Premises, including, without litigation, existing tenants or licensees, will be permitted to install only such communications Equipment that is of a type and frequency that does not cause harmful interference to Tenant or any persons or entities collocated on Tenant's facilities. In the event any such person or entity's Equipment causes such interference, Landlord will cause the interfering party to take all steps necessary to correct and eliminate the interference or such interfering party will be required to cease operations until such interference is removed. To the extent that Tenant's operations are not within the parameters of its FCC license, this protection from collocated interference will not be applicable, but it shall be applicable with respect to those operations, or portions thereof, falling within the FCC license parameters. Notwithstanding the foregoing, Tenant's right to be free from interference and Landlord's duties concerning the prevention and/or correction of interference shall be subject to **Section 18** herein.

In the event that Tenant commences to use the Premises in a manner as to which Tenant is not presently licensed by the FCC but, Tenant's right to conduct such particular use shall be subordinate to the use of the Premises by Landlord and other tenants or licensees thereof existing on or before the date on which the Tenant subsequently obtains the necessary FCC licensure. Landlord shall be under no obligation to exercise the duties concerning interference described in **Section 18** with respect to a future use of the Premises by Tenant as described in this **Section 18**.

## **19. SECURITY**

Tenant acknowledges that while Landlord makes every effort to protect and secure all property within the park, it does not guarantee the security of the Premises. Tenant shall be responsible to maintain its own security measures as it pertains to Tenant's use of the Premises.

## **20. CONDEMNATION**

In the event Landlord or any other public or private entity that has condemnation authority under state law initiates condemnation proceedings affecting the Premises, Landlord or other said entity will provide at least forty-eight (48) hours' notice of the proceeding to Tenant. If Landlord or other said entity takes all of the Premises, or a portion sufficient, in Tenant's sole determination, to render the Premises unsuitable for Tenant, this Lease Agreement will terminate as of the date the title vests in the Landlord or other said authority. Tenant will be entitled to reimbursement for any prepaid Monthly Rent on a prorated basis and no severance fee shall apply.

## **21. MISCELLANEOUS PROVISIONS**

### **21.1 Waiver**

Landlord's failure to exercise any of its rights resulting from a default or breach of covenant on the part of Tenant shall not be construed as a waiver thereof, nor shall any custom or practice which may grow up between the Parties in the course of administering this Lease Agreement be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant of any term, covenant or condition hereof, or to exercise any right given it resulting from any such default. A waiver of a particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default.

### **21.2 Time Essence**



Time is of the essence of this Lease Agreement and of each provision.

### **21.3 No Partnership**

This Lease Agreement shall not be construed to continue any form of partnership or joint venture between Landlord and Tenant.

### **21.4 Construction**

Section titles or captions contained in this Lease Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease Agreement or any provision hereof.

Unless defined otherwise, the words used in this Lease Agreement shall be construed according to their plain meaning in the English language. The language used in this Lease Agreement shall not be interpreted strictly for or against either party.

If any provision of this Lease Agreement is capable of two constructions, one of which would render the provision valid and the other of which would render the provision invalid, then the provision shall have the meaning that renders it valid.

The singular includes the plural and vice-versa and the masculine includes the feminine and neuter, whenever the context so requires.

### **21.5 Warranty**

Landlord warrants and agrees that Landlord is seized of good and sufficient title to and interest in the Premises, and has full authority to enter into and execute this Lease Agreement, and that there are no undisclosed liens, judgments or impediments of title of record or not of record on the Premises that would affect this Lease Agreement. Landlord makes no representation or warranty whatsoever concerning the suitability of the Premises for the purposes intended by Tenant. Except as otherwise expressly set forth in this Lease Agreement, Tenant further acknowledges that neither Landlord, nor any of Landlord's officers, agents, and employees have made nor is Tenant entering into this Lease Agreement in reliance upon any such representations.

### **21.6 Governing Law**

This Lease Agreement and the performance hereon shall be governed, interpreted, construed, and regulated by the laws of the State of California.

### **21.7 Entire Lease Agreement**

This Lease Agreement constitutes the entire Lease Agreement between the Parties hereto pertaining to the subject matter hereof, fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties hereto, or any of them, pertaining to the subject matter hereof, and may be modified only by written agreement signed by all of the Parties hereto.

### **21.8 Binding Power**

Each person executing this Lease Agreement warrants and represents that he or she is duly authorized to execute this Lease Agreement on behalf of Landlord or Tenant.

### **21.9 Assignment & Subleases**

Tenant shall not assign this Lease Agreement or otherwise transfer all or any part of its interest in this Lease Agreement without the prior written consent of Landlord, which consent shall not be unreasonably denied, withheld, or delayed. Tenant may assign all or any of its interests in this Lease Agreement without such consent to Tenant's Affiliate or to any entity which acquires all or substantially all of the Tenant's assets in the market defined by the Federal Communications Commission in which the Premises is located by reason of a merger, acquisition, or other business reorganization. Upon notification to Landlord of such assignment, transfer or sale, Tenant will be relieved of all future performance, liabilities and obligations under this Agreement. All insurance policies and other documents bearing Tenant's name that must be provided by Tenant to landlord must be reissued and filed anew with Landlord not later than thirty (30) days before any such transfer is final and completed.

Tenant may not otherwise assign or sublease this Lease Agreement without Landlord's consent, which consent may be delayed in Landlord's sole discretion, except in connection with an assignment as collateral to secure a loan from a bona fide third party lender obtaining such assignment as a part of a larger collateral pool. Any assignment consented to by Landlord in its sole discretion shall not operate to release the assigning Tenant from its liabilities or obligations arising hereunder.

Tenant shall not sublease the Premises, in whole or in part, without Landlord's consent, which consent shall not be unreasonably denied, withheld, or delayed.

### **21.10 Severability**

If any portion of this Lease Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in such court's option to render such portion enforceable and, so modified, such portion and the balance of this Lease Agreement shall continue in full force and effect.

### **21.11 Attorneys' Fees**

In case suit shall be brought because of the breach or alleged breach of any covenant herein contained on the part of any party to be kept or performed, or for declaratory relief, the prevailing party or Parties shall recover from the non-prevailing party or Parties all costs and expenses incurred therein, including reasonable attorneys' fees and expenses incurred in enforcing any judgment.

### **21.12 Section 7901**

Notwithstanding this Lease Agreement or any provision contained herein, the Parties agree and acknowledge that Tenant preserves all rights and benefits under Section 7901 of the California

Public Utilities Code, and nothing herein shall be deemed to have waived such rights.

### **21.13 Force Majeure**

For the purposes of this Lease Agreement, “**Force Majeure**” means an unforeseen event or condition deemed by Landlord as calling for immediate action to avoid the threat of loss or injury of property and/or danger to public safety—including, but not limited to, an act of God, labor dispute, civil unrest, epidemic, and/or natural disaster.

**IN WITNESS WHEREOF**, Landlord and Tenant have executed this Lease Agreement as of the date and year first written above.

**LANDLORD**  
**City of Hesperia, a municipal corporation**

---

Rachel Molina, City Manager

ATTEST

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Melinda Sayre, City Clerk

APPROVED AS TO FORM  
Aleshire & Wynder, LLP

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Pam K. Lee, City Attorney

**TENANT**  
**Name**

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Name:  
Title:

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Name:  
Title:

**SCHEDULE OF EXHIBITS**

**Exhibit A** (the Landlord's Property)  
**Exhibit B** (the Premises)  
**Exhibit C** (the Site Plan)

**LANDLORD ACKNOWLEDGEMENT**

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, the  
undersigned, a Notary Public in and for said State, personally appeared

\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the  
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(typed or printed)

(Seal)

**TENANT ACKNOWLEDGEMENT**

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, the undersigned, a Notary Public in and for said State, personally appeared

\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(typed or printed)

(Seal)

**EXHIBT A**

**Landlord's Property**  
**Number of pages: \_\_\_\_\_ ( )**

**EXHIBIT B**

**Premises**

**Number of pages:** \_\_\_\_\_ ( )



## **EXHIBIT C**

### **Site Plan**

**Number of pages:**\_\_\_\_\_ (\_\_\_\_\_)

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# City of Hesperia STAFF REPORT



**DATE:** December 16, 2025

**TO:** Mayor and Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Orlando Acevedo, Director of Development Services  
Ryan Leonard, Principal Planner  
Leilani Henry, Associate Planner

**SUBJECT:** Development Code Amendment DCA25-00004; Applicant: City of Hesperia;  
Area affected: City-wide

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## RECOMMENDED ACTION

The Planning Commission recommends that the City Council introduce and place on first reading Ordinance No. 2025-07 approving Development Code Amendment DCA25-00004.

## BACKGROUND

The proposed Development Code Amendment is intended to incorporate necessary revisions to the Municipal Code to address residential outdoor lighting. Over the past several years, the City has received complaints from residential property owners regarding exterior lighting that produces excessive glare or shines directly in neighboring homes.

Currently, the City's Municipal Code contains regulations limiting lighting intensity for commercial and industrial properties to no more than 0.5 footcandles at property lines abutting a street or residentially designated property. However, the Development Code does not provide specific standards governing the intensity or placement of lighting on residential lots. This has created Code Enforcement challenges when responding to complaints of excessive or misdirected lighting within neighborhoods.

The proposed Development Code Amendment would modify Section 16.20.135 of the Development Code by establishing new standards for outdoor residential lighting and updating existing glare regulations for commercial properties as well as other uses adjacent to residential properties.

## ISSUES/ANALYSIS

The proposed Development Code Amendment would introduce new regulations to ensure that residential outdoor lighting does not adversely impact neighboring properties. Staff is proposing that outdoor lighting on residentially zoned properties, whether direct or indirect, should not exceed 0.1 footcandles at property lines shared with other residential parcels and 0.5 footcandles at property lines adjacent to public rights-of-way.

In addition, all residential light fixtures would be required to be directed downward and fully shielded to prevent light from spilling onto adjacent properties. Blinking or flashing residential outdoor lighting would be prohibited, except for temporary holiday lighting. Temporary holiday lighting would be permitted from November 15 through January 15 for winter holidays, or within

30 days of other nationally recognized holidays, provided it does not create a traffic hazard by impairing driver visibility or simulating emergency vehicle lighting.

Additionally, the City's General Performance Standards and parking lot lighting requirements currently contain conflicting provisions regarding glare. This Development Code Amendment consolidates and clarifies the standards, ensuring consistency across the Code, and does not introduce new requirements for commercial or industrial properties.

*Planning Commission Review:*

On October 9, 2025, the Planning Commission voted 5–0 to forward this item to the City Council with a recommendation for approval. During the hearing, several Commissioners requested that the amendment include provisions for residential security lighting and specify duration standards. Staff incorporated the Planning Commission's comments into the proposed Development Code Amendment by adding regulations specifying that Security lighting shall be equipped with motion-sensor activation and shall automatically extinguish or otherwise conform to the lighting standards within five (5) minutes following activation. No public comments were received at the hearing.

**Environmental:**

Approval of the Development Code Amendment is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3), as it can be seen with certainty that there is no significant effect on the environment. The proposed Development Code Amendment and Specific Plan Amendment are also exempt under Section 16.12.415(B)(10) of the City's CEQA Guidelines, as they do not propose to increase the density or intensity allowed by the General Plan.

**Conclusion:**

The proposed Development Code Amendment resolves inconsistencies within the existing Municipal Code, establishes enforceable residential lighting standards, and addresses community concerns regarding glare and light trespass. By providing staff with clear regulatory tools, the proposed Development Code Amendment will help preserve neighborhood character and quality of life. Staff recommends approval of Development Code Amendment DCA25-00004.

**CITY GOAL SUPPORTED BY THIS ITEM**

**Future Development** - Facilitate balanced growth to ensure cohesive community development and pursue economic development.

**FISCAL IMPACT**

There is no fiscal impact to the General Fund associated with this report.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Ordinance No. 2025-07

2. Exhibit "A"
3. Planning Commission Staff Report with attachments

**ORDINANCE No. 2025-07**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA ADOPTING A DEVELOPMENT CODE AMENDMENT TO ESTABLISH NEW STANDARDS FOR OUTDOOR RESIDENTIAL LIGHTING AND CLARIFY EXISTING GLARE REGULATIONS FOR COMMERCIAL AND INDUSTRIAL PROPERTIES (DCA25-00004)**

**WHEREAS**, on January 5, 1998, the City Council of the City of Hesperia adopted Ordinance No. 250, thereby adopting the Hesperia Municipal Code; and

**WHEREAS**, the City of Hesperia has initiated an application for Development Code Amendment DCA25-00004 described herein (hereinafter referred to as the “Application”); and

**WHEREAS**, the City’s Development Code currently contains limited standards for outdoor residential lighting, which has resulted in neighborhood conflicts and challenges in enforcement; and

**WHEREAS**, the City’s General Performance Standards and parking lot lighting requirements contain inconsistent glare regulations, necessitating consolidation and clarification; and

**WHEREAS**, Development Code Amendment DCA25-00004 proposes to establish new residential outdoor lighting standards, including limits on light trespass, shielding, fixture orientation, and restrictions on blinking and flashing lights, with limited exceptions for temporary holiday lighting and security lighting; and

**WHEREAS**, Development Code Amendment DCA25-00004 will also consolidate lighting requirements and glare regulations for commercial and industrial properties as well as other uses adjacent to residential properties; and

**WHEREAS**, the proposed Development Code Amendment is exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3), where it can be seen with certainty that there is no significant effect on the environment. The proposed Development Code Amendment does not include any new development. As future development is proposed on parcels that are larger than 5 acres, they will be reviewed independently for CEQA compliance. In addition, the proposed Development Code Amendment would not introduce any new significant environmental impacts that were not previously analyzed in the General Plan Environmental Impact Report; and

**WHEREAS**, on October 9, 2025, the Planning Commission of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed amendment and concluded said hearing on that date; and

**WHEREAS**, on December 16, 2025, the City Council of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed amendment and concluded said hearing on that date; and

**WHEREAS**, all legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HESPERIA DOES ORDAIN AS FOLLOWS:**

Section 1. The City Council hereby specifically finds that all of the facts set forth in this Ordinance are true and correct.

Section 2. Based upon substantial evidence presented to the City Council, including written and oral staff reports, the City Council specifically finds that the proposed Ordinance is consistent with the goals and objectives of the adopted General Plan as it will enhance neighborhood quality of life by providing clear, enforceable standards for residential outdoor lighting and reducing glare, while promoting the public health, safety, and welfare.

Section 3. The proposed Development Code Amendment is necessary because the existing regulations do not contain development standards for the intensity, placement, or operational characteristics of outdoor residential lighting. This Development Code Amendment establishes standards for residential outdoor lighting and clarifies existing glare regulations for commercial properties, providing staff with the tools to address complaints and enforce consistent lighting practices.

Section 4. These development standards are necessary to protect public health, safety, and general welfare by minimizing land use conflicts, reducing excessive light glare and providing staff with the tools to address nuisance complaints.

Section 5. Based on the findings and conclusions set forth in this Ordinance, this Council hereby adopts Development Code Amendment DCA25-00004, to modify the City's General Performance Standards by establishing new standards for outdoor residential lighting and updating existing glare regulations for commercial and industrial properties, as well as other uses adjacent to residential properties as shown on Exhibit "A."

Section 6. This Ordinance shall take effect thirty (30) days from the date of adoption.

Section 7. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be posted in three (3) public places within the City of Hesperia pursuant to the provisions of Resolution No. 2007-101.

**ADOPTED AND APPROVED** on this 20<sup>th</sup> day of January 2026.

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Brigit Bennington, Mayor

ATTEST:

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Jessica Giber, Assistant City Clerk

# **“EXHIBIT “A”**

## **DCA25-00004**

The following are modifications to Chapter 16.20.135 of the City of Hesperia Municipal Code (additions are in underlined red text and deletions are shown with ~~red and strikethrough~~):

### **16.20.135 - Glare.**

A. Glare levels shall be measured with a photoelectric photometer, following the standard spectral luminous efficiency curve adopted by the International Commission on Illumination.

B. All commercial/industrial exterior lighting shall be hooded and directed downward to reduce glare. The proposed outdoor lights shall not cause glare or illumination exceeding 0.5 foot-candles within the right-of-way or adjacent to residential properties. Any activity producing glare in a community industrial or regional industrial district shall be carried on so that direct or indirect light from the source shall not cause glare above 0.5 footcandles when measured in a residential district or lot.

C. All Residential outdoor lighting direct or indirect from the source, shall not be more than 0.1 footcandles when measured at property lines adjacent to other residential parcels and not more than 0.5 footcandles when measured at property lines adjacent to right of way.

1. All light fixtures must be directed downward as well as shielded, installed, and maintained to keep the light from crossing over to adjacent properties.
2. Blinking and flashing residential outdoor lighting shall be prohibited with the exception of temporary holiday lighting as follows: Temporary holiday lighting shall be used for decorative purposes from November 15 through January 15 for winter holidays, or within 30 days of other nationally recognized holidays and shall not create a traffic hazard by impairing driver visibility or mimicking emergency vehicle lighting.
3. Security lighting shall be equipped with motion-sensor activation and shall automatically extinguish or otherwise conform to the lighting standards set forth in this Section, within five (5) minutes following activation.

D. All other uses not mentioned in this section, such as parks, public facilities or recreational uses, shall comply with commercial/industrial exterior standards as follows:



1. Exterior lighting shall be hooded and directed downward to reduce glare. All outdoor lights shall not cause glare or illumination exceeding 0.5 foot-candles within the right-of-way or at property lines adjacent to residential properties.

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# City of Hesperia STAFF REPORT

## Attachment 3



**DATE:** October 9, 2025

**TO:** Planning Commission

**FROM:** Nathan R. Freeman, Director of Development Services

**BY:** Ryan Leonard, Principal Planner  
Leilani Henry, Associate Planner

**SUBJECT:** Specific Plan Amendment DCA25-00004; Applicant: City of Hesperia; Area affected: City-wide

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### RECOMMENDED ACTION

That the Planning Commission recommend that the City Council introduce and place on first reading Resolution No. 2025-18 approving Development Code Amendment DCA25-00004.

### BACKGROUND

The proposed Development Code Amendment (Attachment 1) is intended to incorporate necessary revisions to the Municipal Code to address residential outdoor lighting. Over the past several years, the City has received complaints from residential property owners regarding exterior lighting that produces excessive glare or shines directly in neighboring homes.

Currently, the City's Municipal Code contains regulations limiting lighting intensity for commercial and industrial properties to no more than 0.5 footcandles at property lines abutting a street or residentially designated property. However, the Development Code does not provide specific standards governing the intensity or placement of lighting on residential lots. This has created Code Enforcement challenges when responding to complaints of excessive or misdirected lighting within neighborhoods.

The proposed Development Code Amendment would modify Section 16.20.135 of the Development Code by establishing new standards for outdoor residential lighting and updating existing glare regulations for commercial properties.

### ISSUES/ANALYSIS

The proposed Development Code Amendment would introduce new regulations to ensure that residential outdoor lighting does not adversely impact neighboring properties. Staff is proposing that outdoor lighting on residentially zoned properties, whether direct or indirect, should not exceed 0.1 footcandles at property lines shared with other residential parcels and 0.5 footcandles at property lines adjacent to public rights-of-way.

In addition, all residential light fixtures would be required to be directed downward and fully shielded to prevent light from spilling onto adjacent properties. Blinking or flashing residential outdoor lighting would be prohibited, except for temporary holiday lighting. Temporary holiday lighting would be permitted from November 15 through January 15 for winter holidays, or within 30 days of other nationally recognized holidays, provided it does not create a traffic hazard by impairing driver visibility or simulating emergency vehicle lighting.

Additionally, the City's General Performance Standards and parking lot lighting requirements currently contain conflicting provisions regarding glare. This Development Code Amendment consolidates and clarifies the standards, ensuring consistency across the Code, and does not introduce new requirements for commercial or industrial properties.

**Environmental:** Approval of the Development Code Amendment is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3), as it can be seen with certainty that there is no significant effect on the environment. The proposed Development Code Amendment and Specific Plan Amendment are also exempt under Section 16.12.415(B)(10) of the City's CEQA Guidelines, as they do not propose to increase the density or intensity allowed by the General Plan.

**Conclusion:** The proposed Development Code Amendment resolves inconsistencies within the existing Municipal Code, establishes enforceable residential lighting standards, and addresses community concerns regarding glare and light trespass. By providing staff with clear regulatory tools, the proposed Development Code Amendment will help preserve neighborhood character and quality of life. Staff recommends approval of Development Code Amendment DCA25-00004.

#### **CITY GOAL SUPPORTED BY THIS ITEM**

Future Development: Facilitate balanced growth to ensure cohesive community development and pursue economic development.

#### **FISCAL IMPACT**

None.

#### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

#### **ATTACHMENT(S)**

1. Exhibit "A"
2. Resolution PC-2025-18

# **“EXHIBIT “A”**

## **DCA25-00004**

The following are modifications to Chapter 16.20.135 of the City of Hesperia Municipal Code (additions are in underlined red text and deletions are shown with ~~red and strikethrough~~):

### **16.20.135 - Glare.**

A. Glare levels shall be measured with a photoelectric photometer, following the standard spectral luminous efficiency curve adopted by the International Commission on Illumination.

B. All commercial/industrial exterior lighting shall be hooded and directed downward to reduce glare. The proposed outdoor lights shall not cause glare or illumination exceeding 0.5 foot-candles within the right-of-way or adjacent to residential properties. Any activity producing glare in a community industrial or regional industrial district shall be carried on so that direct or indirect light from the source shall not cause glare above 0.5 footcandles when measured in a residential district or lot.

C. All Residential outdoor lighting, whether direct or indirect from the source, shall not exceed 0.1 footcandles when measured at property lines adjacent to other residential parcels and shall not exceed 0.5 footcandles when measured at property lines adjacent to a public right of way.

1. All light fixtures must be directed downward as well as shielded, installed, and maintained to keep the light from crossing over to adjacent properties.
2. Blinking and flashing residential outdoor lighting is prohibited, except for temporary holiday lighting. Temporary holiday lighting may be used for decorative purposes from November 15 through January 15 for winter holidays, or within 30 days of other nationally recognized holidays and shall not create a traffic hazard by impairing driver visibility or mimicking emergency vehicle lighting.

# ATTACHMENT 2

## RESOLUTION NO. PC-2025-18

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HESPERIA RECOMMENDING THAT THE CITY COUNCIL INTRODUCE AND PLACE ON FIRST READING AN ORDINANCE APPROVING DEVELOPMENT CODE AMENDMENT DCA25-00004 TO ESTABLISH NEW STANDARDS FOR OUTDOOR RESIDENTIAL LIGHTING AND CLARIFY EXISTING GLARE REGULATIONS FOR COMMERCIAL AND INDUSTRIAL PROPERTIES (DCAA25-00004)**

**WHEREAS**, on January 5, 1998, the City Council of the City of Hesperia adopted Ordinance No. 250, thereby adopting the Hesperia Municipal Code; and

**WHEREAS**, the City proposes Development Code Amendment DCA25-00004 to establish new standards for outdoor residential lighting and clarify existing glare regulations for commercial and industrial properties; and

**WHEREAS**, the City's Development Code currently contains limited standards for outdoor residential lighting, which has resulted in neighborhood conflicts and challenges in enforcement; and

**WHEREAS**, the City's General Performance Standards and parking lot lighting requirements contain inconsistent glare regulations, necessitating consolidation and clarification; and

**WHEREAS**, Development Code Amendment DCA25-00004 proposes to establish new residential outdoor lighting standards, including limits on light trespass, shielding, fixture orientation, and restrictions on blinking and flashing lights, with limited exceptions for temporary holiday lighting; and

**WHEREAS**, the proposed Specific Plan Amendment is exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3), where it can be seen with certainty that there is no significant effect on the environment. The proposed Specific Plan Amendment does not include any new development. As future development is proposed on parcels that are larger than 5 acres, they will be reviewed independently for CEQA compliance. In addition, the proposed Specific Plan Amendment would not introduce any new significant environmental impacts that were not previously analyzed in the General Plan Environmental Impact Report; and

**WHEREAS**, on October 9, 2025, the Planning Commission of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed amendment and concluded said hearing on that date; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA PLANNING COMMISSION AS FOLLOWS:**

Section 1. The Planning Commission hereby specifically finds that all of the facts set forth in this Resolution are true and correct.

Section 2. Based upon substantial evidence presented to the Commission, including written and oral staff reports, the Commission specifically finds that the proposed

Development Code Amendment is consistent with the goals and objectives of the adopted General Plan, as it will enhance neighborhood quality of life by providing clear, enforceable standards for residential outdoor lighting and reducing glare, while promoting the public health, safety, and welfare.

Section 3. The proposed Development Code Amendment is necessary because the existing regulations do not contain development standards for the intensity, placement, or operational characteristics of outdoor residential lighting. This amendment establishes standards for residential outdoor lighting and clarifies existing glare regulations for commercial properties, providing staff with tools to address complaints and enforce consistent lighting practices.

Section 4. Based on the findings and conclusions set forth in this Resolution, this Commission hereby recommends adoption of Development Code Amendment DCA25-00004, to modify the City's General Performance Standards by establishing new standards for outdoor residential lighting and updating existing glare regulations for commercial properties; and as shown on Exhibit "A."

Section 5. That the Secretary shall certify to the adoption of this Resolution.

**ADOPTED AND APPROVED** on this 9<sup>th</sup> day of October 2025.

  
\_\_\_\_\_  
Roger Abreo, Chair, Planning Commission

ATTEST:

  
\_\_\_\_\_  
Maricruz Montes, Secretary, Planning Commission

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**DATE:** December 16, 2025  
**TO:** Mayor and Council Members  
**FROM:** Rachel Molina, City Manager  
**BY:** Melinda Sayre, Deputy City Manager/City Clerk  
Kelly Brady, Public Relations Analyst  
**SUBJECT:** Traffic Cabinets Wrap Discussion

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## RECOMMENDED ACTION

It is recommended that the City Council provide direction to staff on opportunities to implement a traffic cabinet wrap program throughout the city.

## BACKGROUND

At the September 2, 2025, City Council Meeting, Council Member Ochoa requested to explore ideas and opportunities to wrap utility boxes with public art. At the December 2, 2025, City Council Meeting, a discussion to implement the program took place and the City Council directed staff to present five themes for the photography contest.

## ISSUES/ANALYSIS

Traffic cabinets in Hesperia present an opportunity for the installation of public art which will beautify thoroughfares and support community branding. Wrapping the traffic cabinets serves other purposes as well, such as reducing temperatures within the box which helps to extend infrastructure life. Cabinet wraps are also believed to be as easy to clean as unwrapped cabinets. It is not recommended that paint is applied directly to the cabinets because having an artist work for an extended period in the right-of-way may present a hazard and because the paint would likely deteriorate in the sun or with the application of cleaner used in graffiti removal. The estimated useful life of a cabinet wrap is between 4-7 years, as they fade from exposure over time.

There are currently 34 traffic cabinets in the City, with the potential for two additional cabinets to be added next year. Staff recommends a phased approach that begins with 12 cabinets. For the first three years, staff will wrap 12 cabinets annually. Beginning the fourth year, an update of the original group of 12 cabinets will be undertaken. This approach allows the photography and themes to change out within each area over time, with the old and potentially faded wraps being replaced. As new signals are installed, they will be incorporated into the following cycle of wraps.

To implement this new program, it is recommended that the City Council approve the themes below, allowing the community to select the theme for the first phase.

- 1) Desert Beauty – Inspired by the City's desert landscape and natural terrain
- 2) Active Community – A sport and activity-focused theme with designs that represent community activity

- 3) Community Connected – A people-centered theme highlighting community gathering, interaction, and events
- 4) Flora and Fauna of the Mojave River Valley – A nature theme featuring native plants and wildlife in the Mojave River Valley
- 5) Seasons and Colors of Hesperia – A color-driven theme that visualizes how the City's environment shifts throughout the year

Next, the City Council is asked to approve the following recommendations for yearly wrap installation.

<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
Main Street at I Avenue	Ranchero Road at Santa Fe	Arrowhead Lake Road at Rocksprings Road
Main Street at G Avenue	Ranchero Road at Seventh Avenue	Main Street at Peach Avenue
Main Street at E Avenue	Ranchero Road at Cottonwood Avenue	I Avenue at Sultana Street
Main Street at C Avenue	Ranchero at Maple Avenue	Main Street at Timberlane Avenue/Sultana Street
Main Street at Third Avenue	Ranchero Road at Caliente Road	Main Street at Escondido Avenue
Main Street at Seventh Avenue	Ranchero Road at Mariposa Road	Main Street at Mountain Vista Avenue
Seventh Avenue at Smoke Tree Street	Caliente Road at HCC	Main Street at Mariposa Road
Main Street at Ninth Avenue	Escondido Avenue at Muscatel Street	Main Street at Key Pointe Avenue
Main Street at Eleventh Avenue	Muscatel Street at Malibu Park (Paseo)	Main Street at Cataba Road
Main Street at Cottonwood Avenue	Escondido Avenue at The Marketplace (near Kaiser and Walmart)	Main Street at Mesa Linda Street
Main Street at Maple Avenue	Main Street at Topaz Avenue	Phelan Road at Caliente Road
Eighth Avenue at Smoke Tree Street (Paseo at City Hall)	Seventh Avenue at Sequoia Street (New Traffic Signal Planned)	Ranchero Road at I Avenue (New Traffic Signal Planned)

The photography contest will be open to all Hesperia residents, with initial judging conducted by the City Council Advisory Committee. The committee's selections will then be presented to the community to choose the photos for the twelve cabinets each year.

#### **CITY GOAL SUPPORTED BY THIS ITEM**

**Future Development** — Facilitate balanced growth to ensure cohesive community development and pursue economic development.

#### **FISCAL IMPACT**

The cost estimate per traffic cabinet is approximately \$1,800; this includes the design, surface preparation on each traffic cabinet, and installation of the wrap material. Should the City Council approve this program, a budget amendment will be presented during the Mid-Year review in February 2026, with the actual/final costs.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

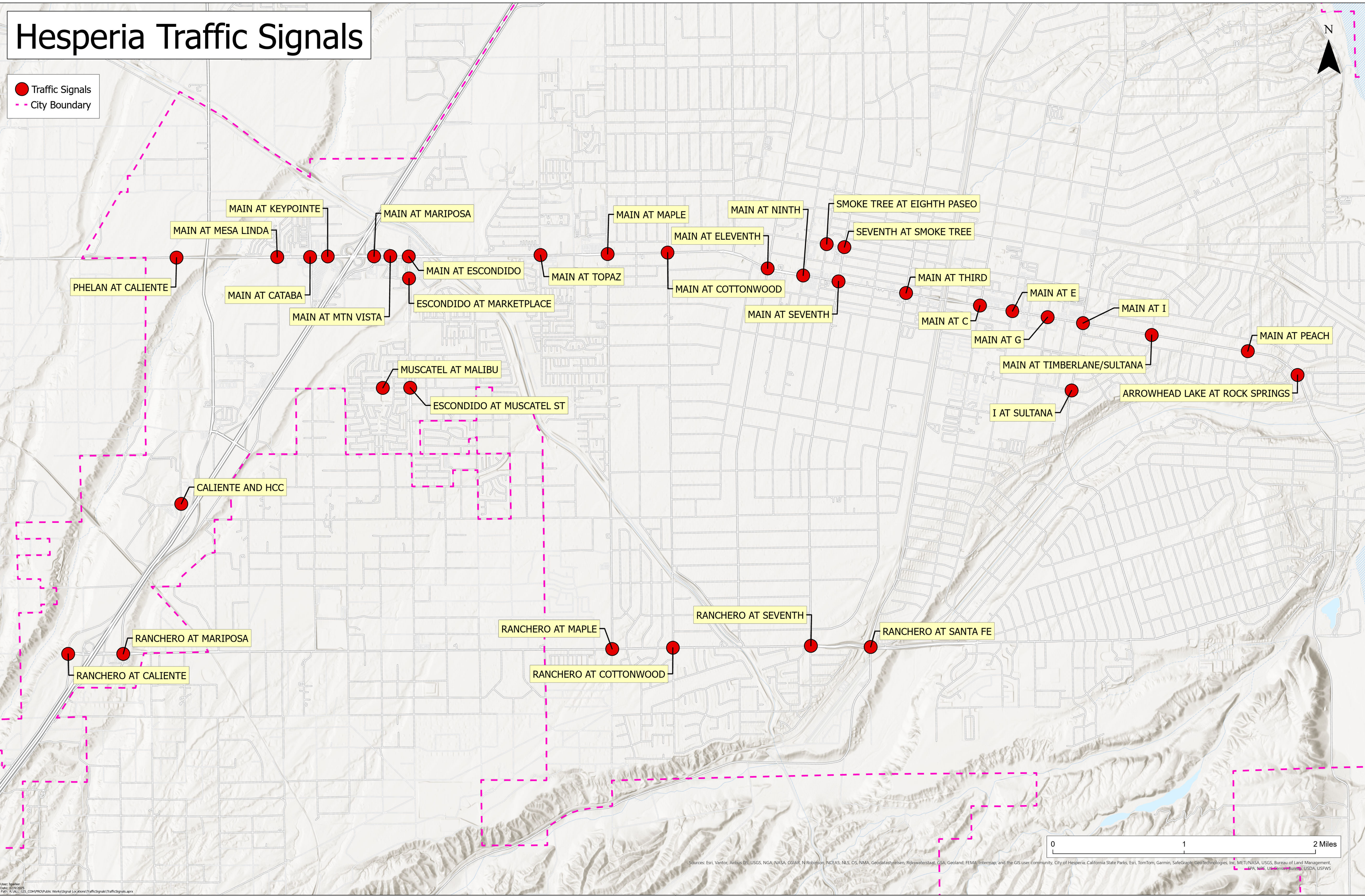
1. Hesperia Traffic Signals



# Hesperia Traffic Signals

Traffic Signals

City Boundary





City of Hesperia  
STAFF REPORT



**DATE:** December 16, 2025  
**TO:** Mayor and Council Members  
**FROM:** Rachel Molina, City Manager  
**BY:** Melinda Sayre, Deputy City Manager/City Clerk  
Jessica Giber, Assistant City Clerk  
**SUBJECT:** City Council Appointments to Outside Agencies

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### RECOMMENDED ACTION

It is recommended that the City Council follow past practice and appoint liaisons (both primary and alternate) to various outside agencies for a one-year period to commence in January 2026.

### BACKGROUND

Historically, the Council has reviewed the liaison assignments (both primary and alternate) to various outside agencies. The City Council currently has representatives on the following:

**Cal Cities – Desert Mountain Division** (*Bi-monthly, Date and location will vary, no compensation*)

Cal Cities (League of California Cities) is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence state policy decisions that affect cities. The Desert Mountain Division Committee participates in policy development and carries out grassroots activities in support of the League's legislative, regulatory, and ballot measure goals.

**2025 Primary/Alternate Representatives: Lee/Ochoa**

**Mojave Desert Air Quality Management District (MDAQMD)** (*Monthly, 4<sup>th</sup> Monday, 10 a.m., \$100/meeting compensation, requires Form 700 filing*)

MDAQMD is a public agency that provides citizens with important information regarding the Mojave Desert's past and current quality of air. Their mission is to enforce the Clean Air Act and attain and maintain a healthful environment while supporting strong and sustainable economic growth.

**2025 Primary/Alternate Representatives: Bennington/Gregg**

**San Bernardino County Transportation Authority (SBCTA)** (*Monthly, 1<sup>st</sup> Wednesday, 10:00 a.m., \$200/meeting compensation, requires Form 700 filing*)

SBCTA is the council of governments and transportation planning agency for San Bernardino County responsible for cooperative regional planning and furthering an efficient multi-modal transportation system countywide.

As the County Transportation Commission, SBCTA supports freeway construction projects, regional and local road improvements, train and bus transportation, railroad crossings, call boxes, ridesharing, congestion management efforts and long-term planning studies. SBCTA administers Measure I, the half-cent transportation sales tax approved by county voters in 1989 and reauthorized in 2007.

**2025 Primary/Alternate Representatives: Pullen/Bennington**

**San Bernardino County Transportation Authority (SBCTA) Mountain Desert Measure I Committee** *(Monthly, 3<sup>rd</sup> Friday, 9:30 a.m., \$100/meeting compensation, requires Form 700 filing)*  
The Committee reviews the Measure I Mountain / Desert Region Expenditure Plan and makes policy recommendations to the SBCTA Board.

**2025 Primary/Alternate Representatives: Pullen/Bennington**

**San Bernardino County Solid Waste Task Force** *(Semi-Annual April & October, no compensation)*  
The Task Force carries out responsibilities mandated by the California Integrated Waste Management Act (1989) and makes recommendations to the County on other solid waste related matters. For the last year, the City Manager has designated the alternate representative as a City staff member.

**2025 Primary/Alternate Representatives: Staff Appointee/Gregg**

**Victor Valley Economic Development Authority (VVEDA)** *(Special Meetings as needed, \$50/meeting compensation by request, requires Form 700 filing)*  
VVEDA is a joint powers authority, and was established for the purpose of providing economic development in and around the former George Air Force Base. Five jurisdictions oversee the economic development of the area, which include: the cities of Victorville, Hesperia and Adelanto, the Town of Apple Valley and the County of San Bernardino. VVEDA totals approximately 60,000 acres and is administered by the City of Victorville. The unincorporated portion of VVEDA is approximately 16,000 acres. VVEDA is currently in its eighth amendment, in which approximately 30,236 acres are being added.

**2025 Primary/Alternate Representatives: Ochoa/Lee**

**Victor Valley Transit Authority (VVTA)** *(Monthly, 3<sup>rd</sup> Monday, 9:30 a.m., \$125/meeting compensation, requires Form 700 filing)*  
VVTA operates local fixed-route, county commuter, and ADA complementary paratransit bus services in the Victor Valley area. It has a maintenance facility located in Hesperia. VVTA was established through a Joint Powers Authority in 1991. The JPA includes the five cities of Adelanto, Apple Valley, Barstow, Hesperia and Victorville and the certain unincorporated portions of the County of San Bernardino.

**2025 Primary/Alternate Representatives: Lee/Ochoa**

**Victor Valley Wastewater Reclamation Authority (VWVRA)** *(Monthly, 3<sup>rd</sup> Thursday, 8:30 a.m., \$100/meeting compensation, requires Form 700 filing)*

VWVRA was originally formed by the Mojave Water Agency to help meet the requirements of the federal Clean Water Act and provide wastewater treatment for the growing area. The original treatment plant, with supporting pipelines and infrastructure, began operating in 1981, providing tertiary level treatment for up to 4.5 million gallons per day (MGD). The VWVRA is now a joint powers authority and public agency of the state of California and now treats approximately 14 MGD of wastewater.

**2025 Primary/Alternate Representatives: Gregg/Bennington**

**Greater High Desert Chamber of Commerce** *(Weekly Coffee, Fridays, 7:00 a.m.; Monthly, Luncheon, 3<sup>rd</sup> Monday, noon, no compensation)*

The Chamber is an independent organization that represents the interests of business to legislators, provides a variety of services to businesses, and promotes positive community development. The objective is to promote the common economic interest of the businesses serving the Hesperia Community.

**2025 Primary/Alternate non-voting liaison: Lee/Gregg**

**Tri-Agency Committee** *(Bi-monthly, 1<sup>st</sup> Wednesday, 3:30 p.m., no compensation)*

The Tri-Agency Committee is comprised of representatives from the City of Hesperia, Hesperia Recreation and Park District and the Hesperia Unified School District and has been meeting since 1995 to discuss issues relating to the three agencies and the community. No primary or alternate roles.

**2025 Co-Representatives: Primary: Gregg/Bennington, Alternate: Ochoa**

**City Council Advisory Committee** *(Quarterly, 1<sup>st</sup> Thursday, 6:00 p.m., March, June, Sept., Dec., no compensation)*

The City Council Advisory Committee is an advisory resource and as directed by the City Council and may review the Capital Improvement Project Plan (CIP) and provides recommendations to the Council regarding the use of Community Development Block Grant (CDBG) funds and other applicable financing programs. No alternate role.

**2025 Liaison (Primary/Alternate): Ochoa/Lee**

**Southern California Association of Governments (SCAG)** *(Annual Regional Conference and General Assembly May 7-8, 2026 in Palm Desert, CA)*

SCAG is a Joint Powers Authority and was established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. The region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) and 191 cities in an area covering more than 38,000 square miles. SCAG develops long range regional transportation plans, including a sustainable communities strategy, regional transportation improvement programs, regional housing needs allocations and a portion of the South Coast Air Quality Management Plan.

**2025 Liaison (Primary): Ochoa**

## **ISSUES/ANALYSIS**

Individual City Council appointments are designed to help facilitate a better flow of information between the City Council, various outside agencies and staff. The recommended action follows past practice and allows an opportunity for reassignments as needed.

## **CITY GOAL SUPPORTED BY THIS ITEM**

**Organizational Health** - Foster a high performing organization that provides opportunities for professional growth.

## **FISCAL IMPACT**

There is no fiscal impact associated with this item.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

1. 2025 Appointment Summary





# City of Hesperia

## 2025 City Council Outside Agency & Committee Appointments

Agency/Committee Name	Representatives	Regular Meeting Schedule	Location/ Contact
Cal Cities (League of California Cities) Inland Empire & Desert Mountain Division	Primary – Lee Alternate – Ochoa	Every other Month (Date and Location TBD) *Invitations sent out 4-6 weeks prior.	League of California Cities, 1400 K Street, Suite 400, Sacramento 95814, (916)658-8200 / (916)658-8240 (fax) Laura Varela – (909)275-4110; <a href="mailto:lvarela@calcities.org">lvarela@calcities.org</a> Staff Appt - TBD
Mojave Desert Air Quality Management District (MDAQMD)	Primary – Bennington Alternate – Gregg	Monthly, 4 <sup>th</sup> Monday, 10:00 a.m.	14306 Park Ave., Victorville Robyn Simpson, Clerk of the Board- (760)245-1661 x1857; <a href="mailto:rsimpson@mdaqmd.ca.gov">rsimpson@mdaqmd.ca.gov</a>
San Bernardino County Transportation Authority (SBCTA)	Primary – Pullen Alternate – Bennington	Monthly, 1 <sup>st</sup> Wednesday, 10:00 a.m.	1170 W Third St, 1 <sup>st</sup> Floor Lobby Board Room San Bernardino 92410 Marleana Roman, Clerk of the Board; <a href="mailto:mroman@gosbcta.com">mroman@gosbcta.com</a> (909)884-8276, Asley Izard, Deputy Clerk Board; <a href="mailto:aizard@gosbcta.com">aizard@gosbcta.com</a>
Metro Committee		Monthly, 2 <sup>nd</sup> Thursday, 9:30 – 10 a.m.	See above Mayra Alfaro; <a href="mailto:malfaro@gosbcta.com">malfaro@gosbcta.com</a>
Mountain/Desert Policy Committee		Monthly, 3 <sup>rd</sup> Friday, 9:30 a.m.	Mojave Desert Air Quality Management District 14306 Park Avenue, Victorville, 92392 Daishanae Lee, Clerk; <a href="mailto:dlee@gosbcta.com">dlee@gosbcta.com</a>
San Bernardino County Solid Waste Task Force	Primary – Gregg Alternate - Staff *Rachel will designate	April & October	Highland Sam J. Racadio Library and Environmental Learning Center 7863 Central Ave. Highland CA 92346 Adriana Ramirez; <a href="mailto:adriana.ramirez@dpw.sbcounty.gov">adriana.ramirez@dpw.sbcounty.gov</a>
Victor Valley Economic Development Authority (VVEDA)	Primary – Ochoa Alternate – Lee	Special Meetings As needed	Location: SCLA Theatre, 18374 Phantom Victorville, 92394 Mail to: 14343 Civic Dr., Victorville CA 92392 Jennifer Thompson, Secretary to the Board (760)995-5026 <a href="mailto:JThompson@victorvilleca.gov">JThompson@victorvilleca.gov</a>
Victor Valley Transit Authority (VVTA)	Primary – Lee Alternate – Ochoa	Monthly, 3 <sup>rd</sup> Monday, 9:30 a.m.	17150 Smoke Tree St., Hesperia CA 92345 (Every 3 <sup>rd</sup> meeting in Barstow City Council Chambers at 220 East Mountain View Street, Barstow). Debi Albin, Clerk, (760)948-1021 x102; <a href="mailto:dalbin@vvta.org">dalbin@vvta.org</a>
Victor Valley Wastewater Reclamation Authority (VWVRA)	Primary – Gregg Alternate – Bennington	Monthly, 3 <sup>rd</sup> Thursday, 8:30 a.m. *8:00 if closed session*	20111 Shay Rd., Victorville CA 92394 Kristi Casteel, (760)246-2896 x112 <a href="mailto:kcasteel@vwwra.com">kcasteel@vwwra.com</a>
Greater High Desert Chamber of Commerce Liaison	Primary – Lee Alternate – Gregg	Weekly Coffee, Friday 7:00 a.m.	Choice Medical Group, 19111 Town Center Dr., Apple Valley, CA 92394 Mark Creffield, (760)245-6506 <a href="mailto:mark@ghdcc.com">mark@ghdcc.com</a>
Southern California Association of Governments (SCAG)	Primary – Ochoa No alternate	Regional Council Monthly, 1 <sup>st</sup> Thursday, 11:45 a.m. Annual Conference, Palm Desert, May 7-8, 2026	SCAG Main Office 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017; Zoom Availability Ivette Macias, (213)630-1499; <a href="mailto:macias@scag.ca.gov">macias@scag.ca.gov</a>
Tri Agency Committee	Primary – Gregg/Bennington Alternate – Ochoa	Every other Month, 1 <sup>st</sup> Wednesday, 3:30 p.m.	Hesperia Unified School District 15576 Main St, Hesperia, CA 92345
<b>Council Liaison to Advisory &amp; Internal Committees</b>			
City Council Advisory Committee	Primary – Ochoa Alternate – Lee	Quarterly - 1 <sup>st</sup> Thursday March, June, Sept. & Dec.	City Council Chambers – Yvonne Kliewer