



STAFF REPORT

DATE: MAY 12, 2026

TO: MAYOR AND CITY COUNCIL

FROM: JEANNIE NAUGHTON, DIRECTOR OF COMMUNITY DEVELOPMENT AND PUBLIC WORKS

SUBJECT: RESOLUTION NO. 2622 – AUTHORIZING RECEIPT OF PROPOSITION C LOCAL RETURN FUNDS FROM THE CITY OF ROLLING HILLS FOR TRANSPORTATION PROJECTS

OVERVIEW

For City Council consideration and approval is a resolution authorizing receipt of Proposition C Local Return Funds in the amount of \$110,879, from the City of Rolling Hills, and authorizing the City Manager to execute the Proposition C Funds Assignment Agreement with the City of Rolling Hills.

BACKGROUND AND ANALYSIS

Cities in Los Angeles County receive countywide tax disbursements from Proposition (Prop) A, Prop C, Measure R, and Measure M funds, to be used for transportation and transit-related purposes. Because Prop A and Prop C funds are dedicated to transit and major arterial improvements, the City of Rolling Hills typically does not have eligible projects that may utilize these restricted funds, given that all roads within its jurisdictional boundaries are private. These restricted funds have a five-year spend-down period, after which the expiring amount can lapse; in this case, the City of Rolling Hills has accumulated approximately \$110,879 in Prop C funds since 2024, that have not otherwise been committed elsewhere, and has approved the assignment of those funds to the City of Rolling Hills Estates, to be used toward the Intersection Capacity Improvements at Palos Verdes Drive North and Dapplegray School Entrance Project (Project).

The Project is intended to reduce congestion during peak school and commuter hours while maintaining safe access for vehicles, pedestrians, bicyclists, and school-related traffic. Improvements include roadway widening, pavement rehabilitation, new and modified curb and gutter, retaining walls, drainage features, ADA-compliant pedestrian facilities, traffic signal modifications, signing and striping, and associated utility adjustments.

Historically, the City of Rolling Hills has solicited interest from other public agencies regarding the use of local return funds toward transit/transportation-related purposes.

Given the proximity of the improvements near the Portuguese Bend entrance serving the residents of the City of Rolling Hills, the City Council of the City of Rolling Hills is scheduled to approve the assignment of the City's uncommitted Prop C Local Return funds in the amount of \$110,879 to the City of Rolling Hills Estates, to be used toward the Project, at its meeting of May 11, 2026.

FISCAL IMPACT

Once approved, the gifted Prop C funds in the amount of \$110,879 from the City of Rolling Hills will be allocated toward the Project.

PUBLIC OUTREACH

The agenda and staff report for this item were posted and noticed as required; no further outreach was conducted.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2622, authorizing receipt of Proposition C Local Return funds from the City of Rolling Hills for Transportation Projects and authorizing the City Manager to execute the Proposition C Funds Assignment Agreement with the City of Rolling Hills.

Attachments:

A. Resolution No. 2622

B. City of Rolling Hills City Council Agenda Item 8.F., May 11, 2026

ATTACHMENT A

CITY OF ROLLING HILLS ESTATES
LOS ANGELES COUNTY, CALIFORNIA
RESOLUTION NO. 2622

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTATES AUTHORIZING RECEIPT OF PROPOSITION C LOCAL RETURN FUNDS FROM THE CITY OF ROLLING HILLS FOR TRANSPORTATION PROJECTS AND AUTHORIZING EXECUTION OF A PROPOSITION C FUNDS ASSIGNMENT AGREEMENT WITH THE CITY OF ROLLING HILLS

The City Council of the City of Rolling Hills Estates resolves as follows:

SECTION 1. General Findings. The City Council finds as follows:

A. The City of Rolling Hills Estates has a specific project, focused on improving the Palos Verdes Drive North and Dapplegray School Intersection including traffic signal and lighting upgrades, ADA improvements, additional through lanes to improve traffic operations and safety, median and landscaping modifications, and enhancements to pedestrian, equestrian, and transit facilities located near the Portuguese Bend entrance serving the residents of the City of Rolling Hills ("Project").

B. The City of Rolling Hills has a fund balance of approximately \$110,879 in uncommitted Proposition C Local Return funds for transportation projects but does not have projects that are eligible for use with these funds.

C. The City of Rolling Hills Estates has a general interest in supporting eligible projects for transportation, to maintain traffic flow and to improve bicycle and pedestrian facilities on the Palos Verdes Peninsula and the City of Rolling Hills desired to allocate its uncommitted Proposition C Local Return funds to another public agency to be utilized for an eligible use.

D. The City Council of the City of Rolling Hills approved the assignment of \$110,879 in its uncommitted Proposition C Local Return funds to the City of Rolling Hills Estates, for the Project, and approved an Agreement of said funds, at its regularly scheduled meeting of May 11, 2026.

E. The City Council of the City of Rolling Hills Estates held a duly noticed public meeting on May 12, 2026 and considered all written and oral reports of staff and public testimony on the matter, and such other matters as are reflected in the record.

SECTION 2. Approval of the City's receipt of \$110,879 in Proposition C Local Return Funds from the City of Rolling Hills for transportation projects and authorizing the City Manager to execute the Proposition C Funds Assignment Agreement, Exhibit A to Resolution No. 1410 of the City Council of the City of Rolling Hills.

A. The City Council authorizes the City's receipt of \$110,879 in Proposition C Local Return funds from the City of Rolling Hills and authorizes the City Manager or his designee, to execute the Proposition C Funds Assignment Agreement with the City of Rolling Hills for funding of the Project.

B. The City Manager is authorized to execute all necessary contract documents and authorizes the Director of Community Development and Public Works, to take all appropriate actions to comply with all aspects of contract and administration compliance.

SECTION 3. Certification and Record of Proceedings. The City Clerk is directed to certify the adoption of this Resolution and to keep a copy of same along with such other documents and records of proceedings as may be designated by the City Manager.

ADOPTED this 12th day of May 2026.

FRANK V. ZERUNYAN, Mayor

ATTEST:

LAUREN PETTIT, CITY CLERK

I HEREBY CERTIFY that the foregoing Resolution No. 2622 was duly adopted by the City Council of the City of Rolling Hills Estates at a regular meeting held on May 12, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

LAUREN PETTIT, CITY CLERK



City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD, ROLLING HILLS, CA 90274 | (310) 377-1521

Item: 8.F.
Meeting Date: 5/11/2026

To: City Council
From: Christian Horvath, Assistant to the City Manager / City Clerk
Thru: Karina Bañales, City Manager
Subject: Adopt Resolution 1410, a Resolution of the City Council of the City of Rolling Hills, California, assigning its available Proposition C Transportation Funds to the City of Rolling Hills Estates in support of the Palos Verdes Drive North and Dapplegray School Intersection Improvement Project

Background:

The City annually receives countywide tax disbursements from Proposition A, Proposition C, Measure R, and Measure M funds to be used for transportation and transit-related purposes. Proposition A and C funds are dedicated to transit and major arterial improvements; they are not eligible for use in Rolling Hills due to the roads within the City being privately owned and maintained. Measure R and Measure M funds are eligible for transportation improvement projects on public properties. Historically, the City has solicited interest from other public agencies regarding the exchange of accumulated local return funds for General Fund monies (Proposition A) or donating local return funds towards transit/transportation-related purposes (Proposition C).

These funds have a five-year spend-down period, after which the expiring amount can lapse. Since 2024, the City has accumulated approximately \$110,879 in Proposition C Funds.

Discussion:

The City of Rolling Hills Estates (RHE) is interested in using donated Proposition C funds to help to support their Palos Verdes Drive North and Dapplegray School Intersection Improvement Project. This includes traffic signal and lighting upgrades, ADA improvements, additional through lanes to improve traffic operations and safety, median and landscaping modifications, and enhancements to pedestrian, equestrian, and transit facilities.

RHE's Total Project Cost (includes PS&E, Bid & Construction Management and Contingency): \$7,240,835.

The project is funded through a \$4,480,252 sub-regional Measure M grant; \$712,579 in Traffic Mitigation Fees; and a combination of Prop C, Measure M and R, Highway Users Tax Account and SB 1 Road Maintenance and Rehabilitation Account funds. Construction will be carried out in phases to reduce traffic disruptions during the school year, with most roadway work anticipated in Summer

2026 and Summer 2027.

RHE's bid results and a recommendation for award will be presented at their May 12, 2026 City Council meeting.

Fiscal Impact:

The following summarizes the disposition of Proposition C funds over the past 24 years:

Fiscal Year (FY)	Amount	Benefiting Agency	Exchange Rate	General Fund Revenue
2002/2003	\$ 46,146.50	RH Estates	N/A	N/A
2002/2003	\$ 46,146.50	Rancho PV	N/A	N/A
2005/2006	\$ 83,000.00	RH Estates	N/A	N/A
2008/2009	\$ 38,174.00	RH Estates	N/A	N/A
2008/2009	\$ 38,174.00	Rancho PV	N/A	N/A
2010/2011	\$ 9,000.00	RH Estates	N/A	N/A
2010/2011	\$ 3,000.00	PVP Transit	N/A	N/A
2010/2011	\$ 18,000.00	Rancho PV	N/A	N/A
2012/2013	\$ 40,000.00	RH Estates	N/A	N/A
2014/2015	\$ 70,000.00	RH Estates	N/A	N/A
2016/2017	\$ 65,000.00	RH Estates	N/A	N/A
2018/2019	\$ 65,000.00	RH Estates	N/A	N/A
2020/2021	\$ 39,000.00	RH Estates	N/A	N/A
2020/2021	\$ 26,000.00	Rancho PV	N/A	N/A
2023/2024	\$ 89,000.00	RH Estates	N/A	N/A
2025/2026	\$110,879.00	RH Estates	N/A	N/A

Recommendation:

Approve as presented.

Attachments:

1. ResolutionNo1410_PropC_Funds_RHE_F

RESOLUTION NO. 1410

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, CALIFORNIA ASSIGNING TO THE CITY OF ROLLING HILLS ESTATES ITS AVAILABLE PROPOSITION C TRANSPORTATION FUNDS

WHEREAS, the City of Rolling Hills has a fund balance of approximately \$110,879 in Proposition C Local Return Funds for transportation projects; and

WHEREAS, the City of Rolling Hills does not have projects that are eligible for funding with Proposition C Local Return Funds; and

WHEREAS, the City of Rolling Hills Estates has identified projects that qualify for funding with Proposition C Local Return Funds; and

WHEREAS, the City of Rolling Hills has a general interest in supporting eligible projects for transportation, to maintain traffic flow and to improve bicycle and pedestrian facilities on the Palos Verdes Peninsula; and

WHEREAS, the City of Rolling Hills Estates has a specific project focused on improving the Palos Verdes Drive North and Dapplegray School Intersection including traffic signal and lighting upgrades, ADA improvements, additional through lanes to improve traffic operations and safety, median and landscaping modifications, and enhancements to pedestrian, equestrian, and transit facilities located near the Portuguese Bend entrance serving the residents of the City of Rolling Hills (“Palos Verdes Drive North and Dapplegray School Intersection Improvement Project”); and

WHEREAS, at this time the City wishes to the allocate Proposition C Local Return Funds to another public agency to be utilized for an eligible use.

NOW, THEREFORE, the City Council of the City of Rolling Hills, California, does hereby resolve as follows:

Section 1. The City of Rolling Hills hereby assigns to the City of Rolling Hills Estates \$110,879 in Proposition C Local Return Funds for the Palos Verdes Drive North and Dapplegray School Intersection Improvement Project.

Section 2. The City Council approves an Agreement for the assignment of said funds. Said Agreement is hereto attached as Exhibit “A” and is made a part hereof by reference.

Section 3. The City of Rolling Hills will submit its documentation for the Los Angeles Metropolitan Transportation Authority to allocate these funds to the City of Rolling Hills Estates for the appropriate eligible programs in the City.

Section 4. The City Clerk shall certify to the adoption of this Resolution and shall forward certified copies to the Los Angeles County Metropolitan Transportation Authority and the City of Rolling Hills Estates.

Section 5. The City Manager is hereby directed and authorized to execute any necessary documents, including, but not limited to agreements, amendments, forms, and applications to follow through with this transfer of funds.

Section 6. The City Clerk, or duly appointed deputy, is directed to attest thereto.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ON THIS 11th DAY OF MAY 2026.

BEA DIERINGER
MAYOR

ATTEST:

CHRISTIAN HORVATH
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS) §§
ANGELES
CITY OF ROLLING HILLS)

The foregoing Resolution No. 1410 entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ROLLING HILLS, CALIFORNIA ASSIGNING TO THE CITY
OF ROLLING HILLS ESTATES ITS AVAILABLE
PROPOSITION C TRANSPORTATION FUNDS**

was approved and adopted at a regular meeting of the City Council on May 11, 2026 by
the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CHRISTIAN HORVATH
CITY CLERK

EXHIBIT A

PROPOSITION C FUNDS ASSIGNMENT AGREEMENT

This Assignment Agreement is made and entered into this 11th day of May, 2026 by and between the City of Rolling Hills and the City of Rolling Hills Estates, with respect to the following facts:

A. The Palos Verdes Drive North and Dapplegray School Intersection Improvement Project includes traffic signal and lighting upgrades, ADA improvements, additional through lanes to improve traffic operations and safety, median and landscaping modifications, and enhancements to pedestrian, equestrian, and transit facilities.

B. The City of Rolling Hills has an accumulation of uncommitted Proposition C Local Return funds which could be made available to the City of Rolling Hills Estates to assist in providing the services described in Paragraph A of this Agreement. The City of Rolling Hills is willing to assign uncommitted Proposition C Local Return funds to the City of Rolling Hills Estates for the purpose identified in Paragraph A.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Gifting.

The City of Rolling Hills agrees to assign \$110,879 of its uncommitted Proposition C Local Return funds to the City of Rolling Hills Estates in Fiscal Year 2025/2026.

2. Consideration.

The City of Rolling Hills shall assign the agreed upon Proposition C Local Return funds to the City of Rolling Hills Estates in one payment no later than June 30, 2026.

3. Term.

This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.

4. Termination.

Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the Metropolitan Transportation Authority, so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.

5. Notices.

Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

EXHIBIT A

- a. Karina Bañales, City Manager
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, California 90274
- b. Greg Grammer, City Manager
City of Rolling Hills Estates
4045 Palos Verdes Drive North
Rolling Hills, California 90274

6. Assurances.

- a. The City of Rolling Hills Estates shall use the assigned Proposition C Local Return funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits specified in Metropolitan Transportation Authority's Proposition C Local Return Guidelines.
- b. Concurrently with the Execution of this Agreement, the City of Rolling Hills Estates shall provide the Metropolitan Transportation Authority with the Standard Assurances and Understandings Regarding Receipt of Use of Proposition C Funds specified in the Guidelines regarding the use of the assigned Proposition C Local Return Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

EXHIBIT A

CITY OF ROLLING HILLS ESTATES

CITY OF ROLLING HILLS

By: _____
Greg Grammer
City Manager

By: _____
Karina Bañales
City Manager

ATTEST

ATTEST:

By: _____
Lauren Pettit
City Clerk

By: _____
Christian Horvath
City Clerk

APPROVED AS TO FORM:

By: _____
Donald M. Davis
City Attorney

By: _____
Nicolas Papajohn,
City Attorney