



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: MAY 19, 2026**  
**FROM: FINANCE DEPARTMENT**                                      **WARDS: 7**

**SUBJECT: RESOLUTION DECLARING INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/27 WITHIN RIVERWALK LANDSCAPE MAINTENANCE DISTRICT; APPROVING PRELIMINARY ENGINEER'S REPORT; AND SETTING A PUBLIC HEARING ON PROPOSED ASSESSMENT FOR JULY 14, 2026, AT 3:00 P.M.**

**ISSUE:**

Adopt a resolution declaring the City's intention to levy and collect assessments for Fiscal Year (FY) 2026/27 within Riverwalk Landscape Maintenance District, approving the Preliminary Engineer's Report, and setting a Public Hearing for final approval of the levy of special assessments within the District for July 14, 2026, at 3:00 p.m.

**RECOMMENDATIONS:**

That the City Council:

1. Adopt a resolution declaring the City's intention to levy and collect assessments for FY 2026/27 within Riverwalk Landscape Maintenance District, approving the Preliminary Engineer's Report; and
2. Set a Public Hearing for final approval of the levy of special assessments within Riverwalk Landscape Maintenance District for July 14, 2026, at 3:00 p.m.

**BACKGROUND:**

In August 2002, the Riverwalk Landscape Maintenance Assessment District was formed under the provisions of the Landscaping and Lighting Act of 1972 and confirmed by a property owner ballot pursuant to the requirements established by Proposition 218. The developer of the Riverwalk neighborhood financed the construction of the improvements within the District. The City subsequently formed the Riverwalk Landscape Maintenance District to recover the cost of maintaining certain improvements from the property owners who receive the specific benefit of those improvements, as explained in the City Council staff report dated June 11, 2002.

On February 24<sup>th</sup>, 2026, the City Council adopted Resolution No. 24354, ordering the preparation of the attached Preliminary Annual Engineer's Report for Riverwalk Landscape Maintenance

District (District). The attached report outlines the proposed cost of maintaining the landscaping and administration of the District for FY 2026/27 as well as the method of apportioning those costs to the property owners within the District. The City assesses all parcels within the District annually, regardless of development status.

**DISCUSSION:**

The procedures of the Street Lighting and Landscaping Act of 1972 require the adoption of a Resolution giving approval of the Preliminary Engineer’s Report and the setting of a required Public Hearing. The attached Resolution sets the public hearing for 3:00 p.m. on July 14, 2026.

The District formation process set an annual assessment increase by the change in the Consumer Price Index (CPI) as measured each July 1. Prior to FY 2018/19, the annual escalation was determined by multiplying the prior year rates, both Minimum and Maximum, by the percentage increase, if any, in the CPI for Los Angeles-Riverside-Orange County. In December 2017, the Bureau discontinued the original index and replaced it with two new indexes (Riverside-San Bernardino-Ontario and Los Angeles-Long Beach-Anaheim).

Starting in FY 2019/20, the City began using the Riverside-San Bernardino-Ontario Index, as it most closely mirrors local assessed valuation changes. Thus, the annual escalation will be determined by the percentage increase, if any, in the Riverside-San Bernardino-Ontario Index (December 2017=100) from the preceding year.

Based on the CPI increase of 3.0891% as detailed in the Preliminary Engineer’s Report (Attachment 2), the maximum allowed assessment range in FY 2026/27 per equivalent dwelling unit (EDU) is \$297.88 – 456.71 for Zone A (residential) and \$1,489.30 - \$1,985.71 per acre for Zone B (business park). In prior years, the City levied less than the maximum allowable amount and used surplus district funds to help offset annual expenses. However, in recent years, the district has depleted most of its surplus funds through repairs, rehabilitations, and one-time equipment costs.

To avoid a sharp increase in property tax assessments, the City is gradually increasing the levy amount to the maximum level needed to fully offset maintenance costs. Staff recommend that in FY 2026/27, the City increase the levy amount by 5.0% to support a gradual year over year increase toward full cost recovery.

Total Expenses and Levy for the District are as follows:

<b>Category</b>	<b>Zone A</b>	<b>Zone B</b>
Proposed Expenses <sup>1</sup>	(\$382,234.00)	(\$163,608.00)
Proposed Capital Replacement Expense	(\$50,000.00)	(\$20,000.00)
<b>Subtotal Expenses</b>	<b>(\$432,234.00)</b>	<b>(\$183,608.00)</b>
Proposed GF Subsidy	\$39,994.49	\$14,832.05
<b>Subtotal Proposed Levy by Zone</b>	<b>\$392,239.51</b>	<b>\$168,775.95</b>
<b>Total Levy for District</b>		<b>\$561,015.46</b>

<sup>1</sup> Expenses exclude Capital Replacement set aside

**FISCAL IMPACT:**

The estimated FY 2026/27 fiscal impact of the Riverwalk Landscape Maintenance District expenses and capital replacement collection is as follows:

<b>Category</b>	<b>Zone A</b>	<b>Zone B</b>
Proposed Expenses <sup>2</sup>	(\$382,234.00)	(\$163,608.00)
Proposed Capital Replacement Expense	(\$50,000.00)	(\$20,000.00)
<b>Subtotal Expenses</b>	<b>(\$432,234.00)</b>	<b>(\$183,608.00)</b>
Proposed GF Subsidy	\$39,994.49	\$14,832.05
<b>Subtotal Proposed Levy by Zone</b>	<b>\$392,239.51</b>	<b>\$168,775.95</b>
<b>Total Levy for District</b>		<b>\$561,015.46</b>

It is anticipated that the General Fund subsidy will contribute \$54,826.54 (total of Zones A and B listed above), representing a 34% decrease in estimated General Fund support compared to the prior year.

These amounts are incorporated into the proposed FY 2026/27 budget for Council adoption in June 2026. Following Council approval and adoption of the resolution, the annual assessment for FY 2026/27 will be added to the Tax Assessment Roll.

Prepared by: Meline Carranza, Debt and Treasury Manager  
 Approved by: Sergio Aguilar, Deputy Finance Director  
 Certified as to availability of funds: Julie Nemes, Interim Finance Director  
 Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer  
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

- Attachments:
1. Resolution
  2. Preliminary 2026-2027 Riverwalk Landscape Maintenance District Engineer’s Report

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<sup>2</sup> Expenses exclude Capital Replacement set aside