



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: JULY 14, 2026**

**FROM: FINANCE DEPARTMENT    WARDS: ALL**

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING DIAGRAM AND ASSESSMENT FOR STREET LIGHTING ASSESSMENT DISTRICT NO. 1 DIAGRAM AND LEVYING ASSESSMENTS FOR FISCAL YEAR (FY) 2026/27**

**ISSUE:**

Conduct a Public Hearing for the purpose of receiving comments related to the FY 2026/27 Street Lighting Assessment District No. 1 Assessments and adopt a resolution authorizing the City of Riverside to confirm the diagram and assessment for the Street Lighting Assessment District No. 1 and levying assessments on all assessable lots and parcels of land therein for the FY 2026/27.

**RECOMMENDATIONS:**

That the City Council:

1. Conduct a Public Hearing for the purpose of receiving comments related to the FY 2026/27 Street Lighting Assessment District No. 1 assessments; and
2. Adopt a resolution authorizing the City of Riverside to confirm the diagram and assessment for the Street Lighting Assessment District No. 1 and levy assessments on all assessable lots and parcels of land therein for the FY 2026/27.

**BACKGROUND:**

The Street Lighting Assessment District No. 1 was formed in July 1988 under the provisions of the Landscaping and Lighting Act of 1972. Passed by the voters in June 1997, Measure EE approved the continuation of the assessments at the same rates as originally established. The Engineer’s Report apportions a portion of the annual cost of maintaining and operating City Street Lights to the parcels within the various lighting zones (including residential, rural, and nonresidential zones) through annual assessments.

The Street Lighting Assessment District uses a unit of benefit (UOB) formula to determine streetlight assessments for individual properties. The first UOB is the first 199 feet of street frontage. An additional UOB is added for each additional 100 feet of street frontage. Residential properties on corner parcels are assessed based on street frontage along one side. Nonresidential properties on corner parcels are assessed based on all street frontages.

On February 24, 2026, the City Council adopted Resolution No. 24355, ordering the preparation of the Preliminary Annual Engineer’s Report for the City of Riverside Street Lighting District No. 1 (District). The attached report outlines the estimated 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.

On May 19, 2026, the City Council adopted Resolution No. 24376 approving the Preliminary Annual Engineer’s Report for the Street Lighting Assessment District No. 1 and setting a public hearing for July 14, 2026, to approve the Final Annual Engineer’s Report for the Street Lighting Assessment District No. 1 and authorizing the levy of special assessments within the District.

**DISCUSSION:**

The following table outlines the proposed FY 2026/27 Street Lighting Assessment District No. 1 assessments per UOB.

**Table 12-1  
Parcels, Lots, and Units of Benefit**

Zone	Parcels	Levied UOBs	City-Subsidized UOBs <sup>(3)</sup>	Total UOBs	Charge per UOB	City-Subsidize Total <sup>(3)</sup>
R Zone 1: Residential (Urban Area)	60,840	62,066	0	62,066	\$31.44	\$0.00
X Zone 2: Residential-Rural (Urban Area)	1,091	1,788	553	2,341	\$23.76	\$13,139.28
L Zone 3: Condominium (Urban Area)	7,379	7,520	0	7,520	\$27.60	\$0.00
A Zone 4: Apartment and Mobile Home Park (Urban Area)	1,314	30,105	0	30,105	\$27.60	\$0.00
M Zone 5: Non-Residential (Urban Area)	3,792	8,656	0	8,656	\$67.04	\$0.00
C Zone 6: Rural Area	199	296	113	409	\$2.44	\$275.72
<b>Total</b>	<b>74,431</b>	<b>110,431</b>	<b>666</b>	<b>111,097</b>		<b>\$13,415.00</b>

<sup>(3)</sup> In Rural areas, the District has set a cap of 3 UOBs per parcel. The City has historically subsidized the remainder.

Source: Attachment 2 (SLAD Preliminary Engineer’s Report)

In Rural zones, the District caps each parcel at 3 UOBs. For FY 2026/27, this results in a General Fund subsidy of approximately \$13,415, as illustrated in the table above. This figure is calculated as follows:

$$\begin{aligned}
 &X \text{ Zone 2: } (553 \text{ UOBs}) \times (\$23.76) = \$13,139.28 \\
 &+ \\
 &C \text{ Zone 6: } (113 \text{ UOBs}) \times (\$2.44) = \$275.72 \\
 &\text{Total} = \$13,415
 \end{aligned}$$

The original assessment did not include CPI adjustments, resulting in current rates covering only approximately 63% of operating costs. The remaining non-rural zone shortfall – approximately \$2,072,175.76 for FY 2026/27 – will be subsidized by the General Fund, for a total General Fund impact of \$2,085,590.76. Any increase to account for higher operating and maintenance costs would require majority approval from property owners and renters under Proposition 218.

The following table outlines the Engineer’s FY 2026/27 Street Lighting Assessment District No. 1 cost estimate and projected assessment.

**Section 13. – Cost Estimate**

**Table 13-1**

**Fiscal Year 2026-27 Cost Estimate and Projected Assessment**

This table uses the Fiscal Year 2025-26 Unit of Benefit counts to project the expected costs and the revenue by Assessment Zone for the Lighting District per the assessments authorized by the approved ordinance.

<b>Lighting Costs <sup>(4)</sup></b>	
Major Streets	\$1,499,702.34
Wide Collector Streets	\$126,289.38
Skinny Collector Streets	\$303,213.72
Local Streets	\$3,222,238.14
Residential Streets	\$616.02
Commercial Streets	\$1,528.20
Various	\$12,481.86
<b>Total Lighting Costs</b>	<b>\$5,166,069.66</b>

<b>Incidental Expenses</b>	
Intersection Safety Lighting	\$319,429.50
Professional Services	\$13,000.00
State Energy Tax	\$3,500.00
Public Benefits Charge	\$144,100.00
Southern California Edison	\$52,800.00
<b>Total Incidental Expenses</b>	<b>\$532,829.50</b>

<b>Total Costs</b>	<b>\$5,698,899.16</b>
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<b>Assessment by Zone</b>	<b>Levied UOBs</b>	<b>Charge per UOB</b>	<b>Assessment</b>
1 Residential within Urban Area (R)	62,066	\$31.44	\$1,951,355.04
2 Residential-Rural within Urban Area (X)	1,788	\$23.76	\$42,482.88
3 Condominium within Urban Area (L)	7,520	\$27.60	\$207,552.00
4 Apartment and Mobile Home Park within Urban Area (A)	30,105	\$27.60	\$830,898.00
5 Non-Residential within Urban Area (M)	8,656	\$67.04	\$580,298.24
6 Rural Area (C)	296	\$2.44	\$722.24
<b>Proposed Assessment</b>			<b>\$3,613,308.40</b>

<b>City Contribution</b>	
Under Recovery/General Fund Subsidy	\$2,072,175.76
City Rural Subsidy	\$13,415.00
<b>Total City Contribution</b>	<b>\$2,085,590.76</b>

<sup>(4)</sup> Lighting Costs as provided by the City of Riverside Public Utilities Streetlight Department and the LS-1 Electric Rate Schedule, effective January 1, 2024.

To pay for costs associated with providing services in newly developed areas of the City, including increased street lighting, the City Council approved a services component with the formation of two new Community Facilities Districts (CFD). City Staff will continue to recommend the inclusion of services components in future new developments to ensure full cost recovery related to new development costs. The streetlights maintained within such a CFD will be excluded from Street Lighting District No. 1, and property owners will pay the cost of their street light maintenance through a Special Tax, which is not capped at the same rate as originally established in the district. The first such CFD formed with a streetlight maintenance component is Community Facilities District No. 2021-3 (Bridle Ridge).

Street Lighting Assessment District No. 1 procedures require the adoption of a Resolution approving the 2026/27 Preliminary Engineer's Report and the proposed assessments. Due to the size of the proposed assessment roll referred to in the Engineer's Report, it is listed under a separate cover and is on file with the City Clerk.

Amounts and parcels listed in the Final Assessment Roll referred to in the Final Assessment Engineer's Report are based on current data available. The rates will not change, but the overall revenue collected is subject to slight modification when the County of Riverside releases its final accepted parcel configuration data at the end of June 2026.

**FISCAL IMPACT:**

The total fiscal impact of this action is approximately \$5,698,899. The FY 2026/27 Street Lighting Maintenance District assessment levy will collect approximately \$3,613,308, which will cover approximately 63% of the estimated streetlight maintenance and operations costs. The General Fund subsidy for FY 2026/27 is estimated to be \$2,085,591.

The FY 2026/27 proposed budget was developed prior to the receipt of the Engineer's Report and concurrently includes a General Fund subsidy of \$1,670,040, leaving a potential remaining gap of \$415,551. Staff will monitor actual expenditures throughout the fiscal year and bring forward a recommended budget adjustment to City Council at a later date, if necessary, to cover the shortfall.

Prepared by: Meline Carranza, Debt and Treasury Manager  
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**Attachments:**

1. Resolution confirming the diagram and levying the assessments for FY 2026/27
2. Preliminary 2026-2027 Street Light Assessment District No. 1 Engineer's Report
3. Preliminary 2026-2027 Street Light Assessment District No. 1 Assessment Roll
4. Preliminary 2026-2027 Street Light Assessment District No. 1 Engineer's Diagrams
5. Resolution No. 24376 declaring intention to levy and collect assessments for FY 2026/27
6. Presentation