



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 15, 2025**

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) 2025/26

ISSUE:

Conduct a Public Hearing for the purpose of receiving comments relative to the FY 2025/26 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 2025/26.

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing for the purpose of receiving comments relative to the FY 2025/26 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 2025/26.

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 share 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 March 4th, 2025, the City Council adopted Resolution No. 24227, 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 2025/26 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 20th, 2025, the City Council adopted Resolution No. 24267 approving the Preliminary Annual Engineer's Report for the Street Lighting Assessment District No. 1 and setting a public hearing for July 15th, 2025, 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 2025/26 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 ⁽³⁾	Total UOBs	Charge per UOB	City-Subsidize Total ⁽³⁾
R Zone 1: Residential (Urban Area)	60,664	61,898	0	61,898	\$31.44	\$0.00
X Zone 2: Residential-Rural (Urban Area)	1,090	1,787	553	2,340	\$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)	1,306	29,941	0	29,941	\$27.60	\$0.00
M Zone 5: Non-Residential (Urban Area)	3,790	8,611	0	8,611	\$67.04	\$0.00
C Zone 6: Rural Area	202	302	122	424	\$2.44	\$297.68
Total	74,431	110,059	675	110,734		\$13,436.96

⁽³⁾ 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 2025/26, this results in a General Fund subsidy of approximately \$13,436.96, as illustrated in the table above. This figure is calculated as follows:

$$\begin{aligned}
 &\text{X Zone 2: } (553 \text{ UOBs}) \times (\$23.76) = \$13,139.28 \\
 &+ \\
 &\text{C Zone 6: } (122 \text{ UOBs}) \times (\$2.44) = \$297.68 \\
 &\text{Total} = \$13,436.96
 \end{aligned}$$

The original assessment did not include CPI adjustments, resulting in current rates covering only approximately 65% of operating costs. The remaining non-rural zone shortfall – approximately \$1,921,984.44 for FY 2025/26 – will be subsidized by the General Fund, for a total Fiscal impact of \$1,935,421.40.

Any increase to account for higher operating and maintenance costs would require majority approval from property owners and renters under Proposition 218.

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 2025/2026 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 2025.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The preparation of an annual engineer's report and levy process complies with the Landscaping and Lighting Act of 1972, under which the Street Lighting Assessment District No. 1 was formed. This process provides transparency for community members upon whom the assessments are levied each year.
2. **Equity** – In order to maintain the improvements within the Street Lighting Assessment District, the annual maintenance cost is funded through an annual levy calculated based on the special benefit shared by each parcel within the district.
3. **Fiscal Responsibility** – Assessments are levied annually to pay the costs associated with maintaining enhanced improvements within the district. This ensures the additional cost of maintaining enhanced landscape improvements is borne primarily by the property owners that benefit from them.
4. **Innovation** – Utilizing Street Lighting Assessment Districts is an innovative way to offset the cost of maintaining certain improvements within a specified area of the City and which benefit a select group of property owners.
5. **Sustainability & Resiliency** – The formation of a Street Lighting Maintenance District provides a transparent and equitable way to fund and report on maintenance improvements

that provide a special benefit to a select group of property owners. The annual engineer's report and levy process helps to ensure transparent reporting to members of the community, and within the district.

FISCAL IMPACT:

The total fiscal impact of this action is \$5,535,896. The FY 2025/26 Street Lighting Maintenance District assessment levy will collect approximately \$3,600,474, which will cover approximately 65% of the estimated streetlight maintenance and operations costs. The General Fund subsidy for FY 2025/26 is estimated to be \$1,935,421.

The FY 2025/26 budget that was adopted in June 2025 was developed concurrently with this process and includes a General Fund subsidy amount of \$1,935,421. Based on prior year estimates versus actuals, this amount is anticipated to be sufficient to cover excess costs; however, staff will monitor actual expenditures throughout the fiscal year and recommend a budget adjustment if necessary.

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Attachments:

1. Resolution
2. Preliminary 2025-2026 Street Light Assessment District No. 1 Engineer's Report
3. Preliminary 2025-2026 Street Light Assessment District No. 1 Assessment Roll
4. Preliminary 2025-2026 Street Light Assessment District No. 1 Engineer's Diagrams
5. Resolution No. 24267 declaring intention to levy and collect assessments for FY 2025/26
6. Presentation