



City Council Memorandum

City of Arts & Innovation

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

FROM: FINANCE DEPARTMENT **WARDS: 7**

SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING DIAGRAM AND ASSESSMENT FOR RIVERWALK LANDSCAPE MAINTENANCE DISTRICT DIAGRAM AND LEVYING ASSESSMENTS FOR FISCAL YEAR (FY) 2026/27

ISSUE:

Conduct a Public Hearing for the purpose of receiving comments relative to the FY 2026/27 Riverwalk Landscape Maintenance District assessments and adopt a resolution authorizing the City of Riverside to confirm the diagram and assessment for the Riverwalk Landscape Maintenance District 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 Riverwalk Landscape Maintenance District assessments; and
2. Adopt a resolution authorizing the City of Riverside to confirm the diagram and assessments for the Riverwalk Landscape Maintenance District and levy assessments on all assessable lots and parcels of land therein for the FY 2026/27.

BACKGROUND:

In August 2002, the Riverwalk Landscape Maintenance District was formed under the provisions of the Landscaping and Lighting Act of 1972 and confirmed by 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 then formed the Riverwalk Landscape Maintenance District to recover the cost for the City to maintain certain improvements from the property owners that receive the specific benefit of the improvements, as explained in the June 11, 2002, City Council staff report.

On February 24, 2026, the City Council adopted Resolution No. 24354, ordering the preparation of the 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.

On May 19, 2026, the City Council adopted Resolution No. 24374 approving the Preliminary Annual Engineer's Report for the Riverwalk Landscape Maintenance District and setting a public hearing for July 14, 2026, to approve the Final Annual Engineer's Report for the Riverwalk Landscape Maintenance District and authorize the levy of special assessments within the District.

DISCUSSION:

The procedures of the Street Lighting and Landscaping Act of 1972 require the City Council to hold a Public Hearing prior to the adoption of a resolution confirming the Annual Engineer's Report and establishing the FY 2026/27 annual assessments for the Riverwalk Landscape Maintenance District.

The District formation process sets an annual assessment increase based on 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 Engineer's Report, 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.

A full itemized breakdown of the levy and categories of the levy can be found in the Fiscal Impact section of this report.

With the proposed increase, the current year assessment will remain well within the maximum allowable assessment range. Based on projected net expenses, the annual assessment for FY 2026/27 will be \$383.78 per residential parcel and \$1,933.06 per acre within the business park, resulting in a total assessment levy of \$561,015.

Finance staff has continued to work with the Parks and Recreation and Public Works Departments to review the possibility of increasing the levy amount in future years to have the District meet the full cost recovery and reduce the General Fund subsidy. Year over Year, the subsidy has decreased approximately 34%. Any findings and recommendations regarding a larger increase to

the levy, up to and including the maximum amount allowed, will be brought to the City Council for consideration prior to implementation.

FISCAL IMPACT:

The estimated FY 2026/27 fiscal impact of the Riverwalk Landscape Maintenance District expenses, capital replacement collections and Levy for the District by Zone are illustrated on the table below:

| Category | Zone A | Zone B | Total |
|--------------------------------------|---------------------|---------------------|---------------------|
| Proposed Expenses ¹ | \$382,234.00 | \$163,608.00 | \$545,842.00 |
| Proposed Capital Replacement Expense | \$50,000.00 | \$20,000.00 | \$70,000.00 |
| Subtotal Expenses | \$432,234.00 | \$183,608.00 | \$615,842.00 |
| Proposed Levy by Zone | \$392,239.51 | \$168,775.95 | \$561,015.46 |
| Proposed General Fund Subsidy | \$39,994.49 | \$14,832.05 | \$54,826.54 |

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. 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, Acting 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
 3. Resolution No. 24374 declaring intention to levy and collect assessments for FY 2026-27
 4. Presentation

¹ Expenses exclude Capital Replacement set aside