



Administrative Report

H.10., File # 26-0396

Meeting Date: 5/5/2026

To: MAYOR AND CITY COUNCIL
From: ANDREW WINJE, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE CITY ENGINEER'S REPORT FOR THE FISCAL YEAR 2026-2027 STREET LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2605-024, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DECLARING ITS INTENTION TO ORDER THE MAINTENANCE AND IMPROVEMENTS OF CERTAIN STREET LIGHTING FIXTURES, APPURTENANCES, AND LANDSCAPED AREAS FOR THE FISCAL YEAR COMMENCING JULY 1, 2026 AND ENDING JUNE 30, 2027, AND SETTING A TIME AND PLACE FOR THE PUBLIC PROTEST HEARING

SET JUNE 2, 2026, AS THE DATE TO CONDUCT A PUBLIC HEARING TO CONSIDER THE PROPOSED FISCAL YEAR 2026-2027 STREET LANDSCAPING AND LIGHTING DISTRICT ASSESSMENT

EXECUTIVE SUMMARY

The 1972 Landscaping and Lighting Act requires cities to prepare an engineer's report and conduct a public hearing before levying annual landscaping and lighting district assessment fees. On April 1, 2025 the City Council directed the City Engineer to prepare the report of the anticipated expenses and assessment proposal for the City's Street Landscaping and Lighting Assessment District (District) for FY 2026-27. The Engineer's Report (see attached) includes a summary of the District's boundaries, its proposed revenues and expenditures, and the services funded by the assessment. As was done last year, this year's Engineer's Report was created with the assistance of the City's consultant, Francisco and Associates, and includes comprehensive language that explains the City's assessment methodology and collection. According to the report, a General Fund subsidy of \$1,161,394 will be required in the FY 2026-27 to cover all District costs. This is about 5% lower than the expected General Fund subsidy for FY 2025-26, due to personnel savings and the way vacancies are budgeted.

BACKGROUND

On April 14, 2026, the City Council adopted Resolution No. CC-2604-018 and ordered the Engineer's Report from the City Engineer for the FY 2026-27 activities of the Street Landscaping and Lighting Assessment District. The Report includes an assessment diagram, system plans and specifications, and cost estimates for furnishing electrical energy, maintenance, and improvements for all public lighting facilities and landscaped public areas included in the District. The Report is attached and a

copy of the District map is available for review at the Engineering Services counter at City Hall and on the City's website at:

https://www.redondo.org/departments/public_works/engineering_services/gis_maps_locator.php

The District was formed in 1983 under the requirements of the 1972 Landscaping and Lighting Act. The District operates and maintains the following public improvements: 4,856 Street Lights (3,395 of which are owned and operated by Southern California Edison and 1,461 of which are owned and operated by the City); 106 Signals (65 Traffic, 20 Flashing Yellow Beacon and 21 Flashing Red Beacon); and 21.85 Acres of Landscaping. Whether or not there is a proposed change to the annual fee, the Act requires that a public hearing be held before implementing each year's District assessment. Staff recommends that the City Council approve the Engineer's Report, adopt the attached Resolution declaring the intention to order the FY 2026-27 assessment and set the public hearing for June 2, 2026 for consideration of final approval.

A typical home in Redondo Beach with a frontage of 40 feet pays approximately \$59.20 a year for street landscaping and lighting under the District's assessment methodology. This has not changed since 1991 and has led to a regular requirement to fund the District from the City's General Fund. In the FY 2026-27, the District is projected to run a \$1,161,394 deficit that must be offset in order to provide routine and expected maintenance. Estimated costs for FY 2026-27 are based on projected expenses for FY 2026-27. For comparison, the District's expenses in FY 2025-26 are estimated to end with a \$1,226,345 deficit that is offset by the General Fund.

To address the deficit in out years, the City Council may consider initiating the process to increase or supplement the assessment. In 2006, the City sought voter approval under Proposition 218 to adjust the assessment to pay for all District related costs but was unsuccessful. During the FY 2017-18 budget adoption discussions, the City Council deliberated on this approach again, but ultimately decided to leave the assessment unchanged.

If the City Council would like to proceed with a supplemental assessment, the following steps are anticipated. After solicitation, a professional services contract would be awarded by the City Council to an engineering consultant to prepare a detailed engineering report that outlines the total cost of the needed improvements and services, the list of parcels to be assessed, the proportionate special benefits to each parcel and the amount of the assessment for each parcel. The City Council would be presented with that report and choose if and when to set a public hearing date to levy the assessment. Notice of the public hearing and ballots would then be mailed, no less than 45 days prior to the public hearing, to the property owners recorded for each parcel to be assessed. Ballots must be returned prior to the close of the public hearing and would be tabulated only after the public hearing is closed.

If the yes votes weighted by the assessment amount are greater than the no votes received (similarly weighted), the City Council would have the ability to levy the assessment as outlined in the engineer's report for the following fiscal year. The general time frame for this process would be to award the consultant contract in the Summer, complete preparation and presentation of the engineer's report in the Fall, mail ballots in the Winter, and conduct the public hearing and determination of the vote in the Spring, in time to implement the assessment for the following fiscal year.

At this time, staff recommendations that the City Council approve the City Engineer's Report and proposed Resolution, as well as set June 2, 2026 as the date to conduct a public hearing to consider the proposed FY 2026-2027 Street Landscaping and Lighting District Assessment.

COORDINATION

The proposed Resolution has been reviewed and approved as to form by the City Attorney's Office. Revenue and expense figures for the Engineer's Report have been prepared by Public Works staff and verified by the Financial Services Department.

FISCAL IMPACT

Expected funding and expenditures for the FY 2026-27 are as follows:

<u>FY 2026-27 Funding</u>		<u>FY 2026-27 Expenditures</u>	
Assessment Fee	1,513,000	Personnel	1,098,870
Public Services Lighting Fee	600	M & O	1,400,946
Other Revenues	17,000		
General Fund Subsidy	<u>1,161,394</u>	Overhead/Internal Svc Chg	<u>192,178</u>
Total Funding	2,691,994	Total Expenditures	2,691,994

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- City Engineer's Report for the FY 2026-27 Street Landscaping And Lighting Assessment District
- Reso - No. 2605-024 Declaring Intent to Levy the FY 2026-27 Street Landscape & Lighting Assessment District