Agenda Item No: 1.e

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: May 19, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:
RESOLUTION RELATING TO FISCAL YEAR 2026-27 ANNEXATIONS AND LEVY OF ASSESSMENTS TO THE CITY OF PLACENTIA STREET LIGHTING DISTRICT NO. 81-1 AND SETTING A PUBLIC HEARING FOR JUNE 2, 2026 AT 6:00 P.M.

Financial Impact:
None.

Summary:
Each year, the City must conduct a public hearing to provide for the Levy of Assessments for the City of Placentia Street Lighting District ("SLD") No. 81-1 (the "District"), prepare a final Engineer's Report, and provide for any annexations into the District as proposed. This action will adopt resolutions necessary to set forth a public hearing for June 2, 2026, to provide for the Fiscal Year ("FY") 2026-27 Annual Levy of Assessments for SLD No. 81-1 as well as finalize the annual Engineer's Report.

Recommended Action:
It is recommended that the City Council:

1. Adopt Resolution R-2026-25, a Resolution of the City Council of the City of Placentia, California, directing preparation of the Engineer's Report for Fiscal Year 2026-27 for the continuation of the annual assessments for the Street Lighting District No. 81-1; and
2. Adopt Resolution R-2026-26, a Resolution of the City Council of the City of Placentia, California, declaring its intention to provide for the annexation and annual levy and collection of assessments for certain maintenance within the existing Street Lighting District No. 81-1, pursuant to the provisions of Division 15, Part 2, of the California Streets and Highways Code and setting the time and place for a public hearing thereon.

Strategic Plan Statement:
There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:
The City Council adopted Resolution No. 81-R-133 on June 2, 1981, establishing SLD No. 81-1 pursuant to provisions of the Landscaping and Lighting Act of 1972, Division 15 of the Streets and Highway Code. SLD 81-1 was created to generate revenue to pay for the electric utility costs for 814 streetlights located along arterial streets throughout the City. SLD No. 81-1 is divided into five (5) assessment zones. Zone A is made up of residential parcels. Zone B

consists of commercial and industrial parcels. Zone C, which includes parcels from the former Santa Fe Lighting District No. 1, no longer exists and has been folded into Zone B. Zone D includes parcels with a recorded tentative or final map that are not yet developed or multifamily parcels. Lastly, Zone E includes open space, streets, or landscaped parcels and is exempt from the assessment. The assessment rate charged varies by zone. Zone A properties pay $27.38 per parcel per year. Zone B pays $164.28 per acre, and Zone C properties pay a rate of $8.21 per unit.

The legal authority for setting the assessments in SLD No. 81-1 is set forth in the Landscape and Lighting Act of 1972 found in Streets and Highways Code Section 22500, et seq., and pertinent provisions of the California Government Code. The annual levy is for providing street lighting and means of assessment for maintenance in those existing and newly developing properties designated on the Boundary Map of the District, which is on file in the offices of the City Engineer and City Clerk. The FY 2025-26 Engineer's Report is included as a reference (Attachment 3). A final annual Engineer’s Report will be prepared and presented to the City Council for its consideration.

SLD No. 81-1 is exempt from, and not subject to, the procedures and approval processes set forth in Article XIII D, Section 4 of the California Constitution enacted by Proposition 218 on November 5, 1996. The reason SLD No. 81-1 is not subject to Proposition 218 can be attributed to the fact that Proposition 218 also enacted Article XIII D, Sections 5 and 5(b) which exempted assessment districts formed prior to November 6, 1996, and which were formed pursuant to a petition signed by those owning all the parcels subject to the assessment at the time the assessment was initially imposed. This exemption is contingent on there being no increase in the amount assessed on a property owner in a category from the prior year. Since SLD No. 81-1 was formed prior to November 6, 1996, pursuant to a petition signed by those owning all the parcels subject to the assessment at the time the assessment was initially imposed, the District is exempt from the procedures and approval process set forth by Proposition 218.

Two (2) resolutions have been prepared for City Council consideration. The first resolution (Attachment 1) orders the preparation of an Engineer's Report to include the plans, specifications, cost estimate, and diagram of the landscape improvements. The second resolution (Attachment 2) declares the Council's intention to provide for the annual levy and collection of assessments, as well as establishing June 2, 2026, as the public hearing date.

Financial Summary:
For FY 2026-27, LMD No. 92-1 will have an estimated $197,245 in expenditures and a projected assessment revenue of $142,469. This negative balance of $54,776 is backfilled by the General Fund. SLD 81-1 has operated at a deficit for numerous years because of the limited ability to increase assessment rates to relieve the annual General Fund Contribution to the District.

Attachments
Attachment 1 - Resolution No. R-2026-25
Attachment 2 - Resolution No. R-2026-26
Attachment 3 - SLD 81-1 Engineers Report - FY 2025-26