



CITY OF POMONA COUNCIL REPORT

May 18, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Meg McWade, Public Works Director

SUBJECT: APPROVAL OF THE FY 2026-27 ANNUAL ENGINEER OF RECORD REPORT AND A RESOLUTION OF INTENT SETTING JULY 6, 2026, AS THE PUBLIC HEARING DATE REGARDING ANNEXATION OF ADDITIONAL TERRITORY AND THE LEVY OF ANNUAL ASSESSMENTS FOR THE CONSOLIDATED CITYWIDE STREET LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT

RECOMMENDATION:

It is recommended that the City Council:

- 1) Approve the Engineer's Report for the Consolidated Citywide Street Lighting and Landscaping Maintenance District for FY 2026-27, including annexation of 62 additional parcels and the annual levy of assessments; and
- 2) Adopt the following Resolution:

RESOLUTION NO. 2026-50 – A RESOLUTION OF THE CITY COUNCIL OF POMONA, CALIFORNIA, TO ANNEX NEW TERRITORY AND LEVY FISCAL YEAR 2026-27 ASSESSMENTS FOR THE CONSOLIDATED CITYWIDE STREET LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT AND TO SET JULY 6, 2026, AS THE DATE FOR THE PUBLIC HEARING ON THE MATTER

EXECUTIVE SUMMARY:

Approval of the recommended actions will approve the Engineer's Report (Attachment No. 1) and adopt Resolution No. 2026-50 (Attachment No. 2) to annex new territory and levy the FY 2026-27 assessments for the Consolidated Citywide Street Lighting and Landscaping Maintenance District and will set the Public Hearing date for the matter on July 6, 2026. These are the next steps required for the levy of assessments for FY 2026-27 and the annexation of additional territory, as set forth in the Landscaping and Street Light Act of 1972. City Council will be asked to approve the collection of FY 2026-27 assessments at the July 6, 2026, public hearing. Approval will allow

the City of Pomona (City) to comply with the County Assessor’s August 7, 2026, submittal deadline to ensure totals are included on the FY 2026-27 tax bills.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

Revenues:

Funding for the Consolidated Citywide Street Lighting and Landscaping Maintenance District (District) is derived from assessments of properties receiving benefits from the District. In the proposed budget, prepared prior to the draft Engineer’s Report, the City conservatively estimated that the assessments will generate approximately \$1,244,000 for FY 2026-27. The draft Engineer’s Report estimates a total levy of \$1,283,584 from a total of 8,551 parcels levied, including additional annual revenue of \$1,258.00 in Zone C from the 62 parcels being added to the Citywide Lighting Assessment through this process. In addition, through Staff’s review, the City found seven properties that were incorrectly labeled and required a re-classification of land use from non-residential to residential within the assessment report. This update to the correct classification results in an increase of \$412 in total the levy for the Phillips Ranch Assessment District (Zones A & B). Staff will notify the property owners of the correction via letter. Prior to final adoption, the FY 2026-27 Proposed Budget will be updated to reflect actual anticipated revenues based on the Engineer’s Report calculations. The table below summarizes estimated revenues from the assessments, as described in the Engineer’s Report:

Source of Funds	Phillips Ranch Zones A-B	Zones C and I	South Garey Zones D-F	University Corp. Center Zone H	Total
Assessment Revenue	\$952,223	\$156,408	\$112,205	\$62,748	\$1,283,584

Notes:

1. Since FY 1999-00, all parcels formerly in Zone G have now been included in Zone C.
2. Totals may be off slightly due to rounding.

Expenditures:

The table in this section summarizes the estimated expenditures funded by assessment revenues. Staff have closely monitored expenditures to ensure alignment with revenues. Zones C & I, and

South Garey (Zones D – F) are currently operating within the approved budgets and available fund balances, with no service level adjustments anticipated.

In both the Phillips Ranch Assessment District (Zone A & B) and the University Corporate Center (Zone H), fund balances have historically been used to offset revenue shortfalls; however, with these balances nearly depleted, Staff have adjusted expenditures and reduced service levels to remain within revenue estimates. While the table reflects estimated expenditures for FY 2026-27, it does not fully capture the scope of maintenance needs across these Districts. Both the Phillips Ranch and University Corporate Center Zones continue to face significant funding constraints and have significantly reduced service levels for the areas the City needs to maintain. Additionally, updated CalFire designations identifying nearby areas as High and Moderate Fire Hazard Severity Zones may lead to higher future maintenance costs related to fire mitigation.

The Phillips Ranch Assessment District (Zone A & B) is anticipated to require further reductions in service levels to remain within revenue estimates due to projected cost increases from the rebid of tree maintenance services (currently out to bid). There have been shifts in maintenance costs over the years from Phillips Ranch to the General Fund. Notably, in 2009-2010, after a 2008 vote by Phillips Ranch residents and businesses to deny an increase and keep the assessment amount set at the level established in the early 1990’s despite rising costs in the ensuing decades, maintenance responsibilities for Country Crossings Park and Phillips Ranch Park were transitioned from the Assessment District to the City’s General Fund. Additionally in 2023, a third failed vote occurred, causing the assessment amount to remain at the same level set in the early 1990’s for 2026-priced maintenance of vast open spaces and parks in the Phillips Ranch area. Effective July 1, 2025, the City Council opted to absorb maintenance costs for a third Phillips Ranch park, Greenbelt Park. This park was removed from the District budget and is now funded by the City’s General Fund rather than paid for by the Assessment District as was originally anticipated when this style of development was proposed and constructed. The shifting of costs - which were intended to be borne by the residents and businesses who benefit from the enhancements – cannot continue given the City’s other needs and General Fund constraints.

While the Proposition 218 process for the University Corporate Center (Zone H) is still under consideration, based on initial discussion with the major property owners an increase may not be favorable. Staff will continue to carefully track expenditures to ensure they remain within available resources, and may make significant service changes to enable fund sustainability.

The review and reduction in services will continue during FY 2026-27 for both Phillips Ranch and University Corp Center.

Use of Funds	Phillips Ranch Zones A-B	Zones C and I	South Garey Zones D-F	University Corp. Center Zone H	Total
Personnel Costs	\$194,069	\$70,345	\$30,426	\$0	\$294,840
Contractual Services	\$563,003	\$6,500	\$29,707	\$39,990	\$639,200
Utilities	\$143,000	\$80,000	\$29,000	\$14,200	\$266,200

Internal Services	\$33,076	\$11,623	\$10,619	\$2,472	\$57,790
Other Operating Costs	\$9,755	\$15,450	\$480	\$0	\$25,685
Total	\$942,903	\$183,918	\$100,232	\$56,662	\$1,283,715

PUBLIC NOTICING REQUIREMENTS:

In accordance with Sections 22552 and 22553 of the California Streets and Highways Code and California Government Code Section 6601, the City is required to post the Resolution of Intent on an official bulletin board known for posting notices and publish the Resolution of Intent in the newspaper at least ten (10) days prior to the date of a scheduled Public Hearing, currently set for July 6, 2026, at 7:00 p.m. The Preliminary Engineer’s Report will be on file for public review in the Office of the City Clerk. There is no public notice requirement for the present action.

PREVIOUS RELATED ACTION:

On July 21, 2025, the City Council held a public hearing regarding the levy of the Fiscal Year 2025-26 Assessments for the District and authorized David Taussig and Associates (dba DTA Public Finance) to annex additional parcels into the District and approved the filing of the Fiscal Year 2025–26 annual assessment with the County.

On April 20, 2026, the City Council adopted Resolution No. 2026-39 authorizing DTA Public Finance, Inc. as the Engineer of Record for Fiscal Year 2026-27, and authorizing preparation of the Engineer’s Report pursuant to the Provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, for the Annual Assessment Levy for the District for FY 2026-27.

DISCUSSION:

The City’s first Street Lighting and Landscape Assessment District was established over 35 years ago. In July 1990, the City established a Consolidated Citywide District with six benefit/improvement zones (Zones A through F). This was to enable a new type of more open space development with the homeowners and businesses in the area paying for the increased level of service which their properties benefited from. In subsequent years, as new developments occurred, additional Districts were formed, resulting in nine benefit/improvement zones (A through I). In 2000, the assessments collected from properties in Zone G paid off the outstanding obligations for streetlight improvements, and Zone G was combined into Zone C, reducing the number of zones to eight. The City’s current “Consolidated Citywide District” includes eight established zones:

- Landscaping Only – Zone A (Phillips Ranch); and
- Lighting and Landscaping – Zone B (Phillips Ranch), Zone D (Garey Avenue – State Route 71/Lexington), Zone E (Garey Avenue – Auto Center), Zone F (Garey Avenue – Lexington to Ninth), and Zone H (University Corporate Center)
- Street Light Maintenance – Zone C (Citywide) and Zone I (Emerald Court)

With establishment of the Consolidated Citywide District, all new site developments are required to consent to inclusion in the Assessment District for lighting and/or landscaping. As a result of this requirement, 62 parcels are being added to Zone C Citywide lighting. The new parcels are listed in the Engineer’s Report, Appendix B. The revenue from the additional properties is included in the Fiscal Impact section of this report. Pursuant to the Landscaping and Street Lighting Act of 1972, the levy of the annual assessments of an established Assessment District requires the following actions to be taken prior to the Assessment Roll submission to the Los Angeles County Auditor by August 10, 2026:

CONSOLIDATED DISTRICT RENEWAL PROCEEDINGS	DATE
City Council – Adopt Resolution Ordering Engineer’s Report	April 20, 2026 (Completed)
City Council – 1) Approve Preliminary Engineer’s Report, and 2) Adopt Resolution of Intent Setting the date of Public Hearing	May 18, 2026 (Current)
City Council – 1) Conduct Public Hearing to receive public comment and testimony regarding the annual assessments, and 2). Adopt a Resolution approving the Assessment Diagram and the Levy of Assessments for FY 2026-27	July 6, 2026
File a certified copy of the diagram and assessments with the County Auditor	August 10, 2026

In 2020, a parcel lot line adjustment altered the boundaries of the Phillips Ranch Assessment District to include the Westmont Hills area. This action will need to be corrected by future a Council action.

It is also important to note that the General Fund, which has historically supplemented the Phillips Ranch Assessment District operation to sustain core maintenance activities, is under increasing fiscal pressure. Rising costs and the passage of Measure Y on November 5, 2024, have reduced availability of discretionary funding. The outcome of Measure Z, a funding initiative for Measure Y to be decided at the June 2, 2026, primary election, is unknown at this time. As a result, continued reliance on General Fund subsidies for Assessment District park and other maintenance operations is not recommended over the long term.

Approval of the Engineer’s Report and adoption of Resolution No. 2026-50 is the next step to proceed with the FY 2026-27 levy, annex new parcels, and ensure compliance with state deadlines.

Prepared by:

Lindsay A. McElwain, Senior Management Analyst

ATTACHMENT:

Attachment No. 1 – City of Pomona Engineer’s Report Fiscal Year 2026-27

Attachment No. 2 – Resolution No. 2026-50