



Report to City Council

TO: Mayor and City Council
Mayor and City Council Acting in its Capacity as
President and Members of the Board of Directors of
the Moreno Valley Community Services District (CSD)

FROM: Launa Jimenez, Chief Financial Officer

AGENDA DATE: June 18, 2024

TITLE: ANNEXATION OF CERTAIN PARCELS INTO CFD NO.
2021-01 (PARKS MAINTENANCE). (REPORT OF:
FINANCIAL AND MANAGEMENT SERVICES)

TITLE SUMMARY: Pursuant to Landowner Petitions, Annex Certain Parcels Into
Community Facilities District No. 2021-01 (Parks
Maintenance) (Reso No. CSD 2024-_)

Recommendation(s)

That the City Council and CSD:

1. Adopt Resolution No. CSD 2024-_, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2021-01 (Parks Maintenance) and approving the amended maps for said District, for the specific properties as listed in the Discussion section of this staff report and as previously approved by the Landowner and certified by the City's Election Official (Amendment Nos. 167, 170-189)

SUMMARY

Adoption of this resolution (Attachment 1) will certify the annexation of 21 parcels into Community Facilities District (CFD) No. 2021-01 (Parks Maintenance) ("District"). This action impacts only the property owners identified below, not the general citizens or taxpayers of the City.

DISCUSSION

As a condition of approval for the development projects identified below, the applicants are required to provide an ongoing funding source for maintenance of certain public facilities (e.g., parks). The funding is used to mitigate the cost of the impacts created by the proposed development.

Property Owner Project ACP Record #s	Amendment No.	APN(s)	Location
Nathan & Dianna Estrada Accessory Dwelling Unit (ADU) and Jr. Accessory Dwelling Unit (Jr. ADU) BFR23-0228, -0249/SCP24-0040	167	292-032-022	23119 and 23123 Donahue Ct.
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0171/ SCP24-0023	170	482-152-054	24928 Cottonwood Ave.
SPSSM INV Accessory Dwelling Unit (ADU) BFR23-0176/SCP24-0015	171	482-143-002	13281 Moreno Wy.
Starlite Mgmt II Accessory Dwelling Unit (ADU) BFR23-0170/SCP24-0010	172	479-132-003	13346 Birchwood Dr.
Starlite Mgmt II Accessory Dwelling Unit (ADU) BFR23-0169/SCP24-0024	173	479-132-009	13280 Birchwood Dr.
SPSSM INV VIII Accessory Dwelling Unit (ADU) BFR23-0178/SCP24-0017	174	296-293-008	13802 Rockcrest Dr.
Starlite Mgmt III Accessory Dwelling Unit (ADU) BFR22-0243/ SCP24-0012	175	484-262-008	14865 Rembrandt Dr.
Cobra 28 No. 3 Accessory Dwelling Unit (ADU) BFR23-0177/ SCP24-0016	176	482-121-003	24484 Marilyn St.
Group IV Pomona Prop LTD Accessory Dwelling Unit (ADU) BFR23-0179/ SCP24-0018	177	482-203-021	24776 Alessandro Blvd.
SPSSM Investments III Accessory Dwelling Unit (ADU) BFR23-0180/ SCP24-0032	178	482-582-005	24828 Chippendale St.
Golden Opportunity Investments Accessory Dwelling Unit (ADU) BFR23-0159/ SCP24-0021	179	481-200-007	24843 Fir Ave.
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0175/ SCP24-0027	180	482-152-050	24866 Cottonwood Ave.
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0173/ SCP24-0014	181	482-152-052	24908 Cottonwood Ave.
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0174/ SCP24-0026	182	482-152-051	24898 Cottonwood Ave.
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0172/ SCP24-0025	183	482-152-053	24918 Cottonwood Ave.
Cobra 28 No. 4 Accessory Dwelling Unit (ADU) BFR22-0254/ SCP24-0007	184	486-093-026	25074 Gentian Ave.

Cobra 28 No. 8 Accessory Dwelling Unit (ADU) BFR22-0226/ SCP24-0013	185	479-321-007	13669 Stockbrook Rd.
Shenn and Ashleigh Sellers Accessory Dwelling Unit (ADU) BFR23-0064/ SCP24-0046	186	291-613-009	13244 Empress St.
Veronica Negrete Accessory Dwelling Unit (ADU) BFR22-0266/ SCP24-0043	187	482-293-003	24274 Tierra de Oro
Ramiro Gallardo Grande & Gloria Espinoza Corral Accessory Dwelling Unit (ADU) BFR23-0212/ SCP24-0047	188	484-152-009	14375 Chantry Dr.
Alfredo Lopez and Claudia Cardenas Jr. Accessory Dwelling Unit (Jr. ADU) BFR23-0164/ SCP24-0044	189	479-476-010	13741 Red Mahogany Dr.

On June 1, 2021, the CSD Board formed CFD No. 2021-01, pursuant to the Mello-Roos Community Facilities Act of 1982. The District was created to provide the development community with an alternative funding tool to mitigate the impacts of their proposed development. If a property owner elects to annex the parcels of their development into the District, they also authorize the CSD annually levy a special tax, collected on the annual property tax bill, against property in the development project. Thus, satisfying the condition of approval.

On December 21, 2021, the CSD Board adopted Ordinance No. 56, which designated the entire territory of the City as a future annexation area for the District. With the future annexation area designated, annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service they are receiving.

An applicant has two options to satisfy the condition(s) of approval:

1. The property owner submits a Landowner Petition unanimously approving annexation of the property into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bill of the property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area; or
2. The applicant funds an endowment in an amount sufficient to yield an annual revenue stream that meets the annual obligation and provides for the ongoing operation and maintenance of parks facilities.

The Property Owners listed above elected to annex their property into CFD No. 2021-01 and have the special tax applied to the annual property tax bill. The office of the Riverside County Registrar of Voters confirmed the number of registered voters residing at each property, allowing a special election of the landowner. Adoption of the resolution (Attachment 1) amends the District and adds the property to the tax rate area identified in the Fiscal Impact section of this report. The resolution also directs the recordation of the boundary maps (included in resolution) and amended notice of special tax liens for

the amendments. The Election Official confirmed the Property Owners unanimously approved the annexation of their property into the District (Attachment 2).

ALTERNATIVES

1. Adopt the resolutions. *Staff recommends this alternative since it will annex the properties into CFD No. 2021-01 at the request of the Property Owners and satisfy the condition of approval for the proposed developments.*
2. Do not adopt the resolutions. *Staff does not recommend this alternative because it is contrary to the request of the Property Owners, will not satisfy the condition of approval, and may delay development of the projects.*
3. Do not adopt the resolutions but rather continue the item to a future regular scheduled City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owners from satisfying the condition of approval and may delay development of the projects.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services for each tax rate area within the District. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. If the projected revenue from the maximum special tax exceeds what is necessary to fund the services within the tax rate area, a lower amount will be applied to the property tax bill for all of the properties within the affected tax rate area. The maximum special tax rates are detailed below.

Property Owner Project ACP Record #s	Amendment No.	Property Type	FY 2023/24 Maximum Special Tax Rate
Nathan & Dianna Estrada Accessory Dwelling Unit (ADU) and Jr. Accessory Dwelling Unit (Jr. ADU) BFR23-0228, -0249/SCP24-0040	167	Single Family	\$335.22/unit
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0171/ SCP24-0023	170	Single Family	\$335.22/unit
SPSSM INV Accessory Dwelling Unit (ADU) BFR23-0176/SCP24-0015	171	Single Family	\$335.22/unit
Starlite Mgmt II Accessory Dwelling Unit (ADU) BFR23-0170/SCP24-0010	172	Single Family	\$335.22/unit
Starlite Mgmt II Accessory Dwelling Unit (ADU) BFR23-0169/SCP24-0024	173	Single Family	\$335.22/unit
SPSSM INV VIII Accessory Dwelling Unit (ADU) BFR23-0178/SCP24-0017	174	Single Family	\$335.22/unit
Starlite Mgmt III Accessory Dwelling Unit (ADU)	175	Single Family	\$335.22/unit

BFR22-0243/ SCP24-0012			
Cobra 28 No. 3 Accessory Dwelling Unit (ADU) BFR23-0177/ SCP24-0016	176	Single Family	\$335.22/unit
Group IV Pomona Prop LTD Accessory Dwelling Unit (ADU) BFR23-0179/ SCP24-0018	177	Single Family	\$335.22/unit
SPSSM Investments III Accessory Dwelling Unit (ADU) BFR23-0180/ SCP24-0032	178	Single Family	\$335.22/unit
Golden Opportunity Investments Accessory Dwelling Unit (ADU) BFR23-0159/ SCP24-0021	179	Single Family	\$335.22/unit
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0175/ SCP24-0027	180	Single Family	\$335.22/unit
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0173/ SCP24-0014	181	Single Family	\$335.22/unit
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0174/ SCP24-0026	182	Single Family	\$335.22/unit
Group I El Monte Prop, LTD Accessory Dwelling Unit (ADU) BFR23-0172/ SCP24-0025	183	Single Family	\$335.22/unit
Cobra 28 No. 4 Accessory Dwelling Unit (ADU) BFR22-0254/ SCP24-0007	184	Single Family	\$335.22/unit
Cobra 28 No. 8 Accessory Dwelling Unit (ADU) BFR22-0226/ SCP24-0013	185	Single Family	\$335.22/unit
Shenn and Ashleigh Sellers Accessory Dwelling Unit (ADU) BFR23-0064/ SCP24-0046	186	Single Family	\$335.22/unit
Veronica Negrete Accessory Dwelling Unit (ADU) BFR22-0266/ SCP24-0043	187	Single Family	\$335.22/unit
Ramiro Gallardo Grande & Gloria Espinoza Corral Accessory Dwelling Unit (ADU) BFR23-0212/ SCP24-0047	188	Single Family	\$335.22/unit
Alfredo Lopez and Claudia Cardenas Jr. Accessory Dwelling Unit (Jr. ADU) BFR23-0164/ SCP24-0044	189	Single Family	\$335.22/unit

The maximum special tax rate is subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. However, the annual adjustment cannot be applied unless the CSD Board annually authorizes such adjustment. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors within the affected tax rate area.

NOTIFICATION

Subject Landowner Petitions were emailed to Property Owners on 5/14/24, 5/17/24 and 5/20/24.

PREPARATION OF STAFF REPORT

Prepared By:
Angelina Astorga
Management Assistant

Concurred By:
Felicia London
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Department Head Approval:
Launa Jimenez
Chief Financial Officer/Treasurer

Concurred By:
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Parks & Community Services Director

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness: Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

Report Approval Details

Document Title:	STAFFREPORT_FMS_SD_ANNEXATION_INTO_CFD_2021-01.docx
Attachments:	- Resolution Ordering Annexations - 6.18.24.docx - Certificate of Election Official - All Amendments.pdf
Final Approval Date:	Jun 12, 2024

This report and all of its attachments were approved and signed as outlined below:

Natalia Lopez

No Signature - Task assigned to Launa Jimenez was completed by workflow administrator Patty Rodriguez

Launa Jimenez

No Signature - Task assigned to Brian Mohan was completed by workflow administrator Patty Rodriguez

Brian Mohan

Mike Lee

Jane Halstead