



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Launa Jimenez, Chief Financial Officer/Treasurer

**AGENDA DATE:** October 1, 2024

**TITLE:** ANNEXATION OF CERTAIN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND COMMUNITY FACILITIES DISTRICT NO. 2023-01 (PUBLIC SAFETY SERVICES) (REPORT OF: FINANCIAL & MANAGEMENT SERVICES)

**TITLE SUMMARY:** Pursuant to Landowner Petitions, Annex Certain Parcels into CFD No. 2014-01 (Maintenance Services) and CFD No. 2023-01 (Public Safety Services) (Reso No. 2024-\_\_ and Reso No. 2024-\_\_)

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### Recommendation(s)

That the City Council:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2024-\_\_, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District, for the specific property 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 No. 87).
2. Acting as the legislative body of Community Facilities District No. 2023-01 (Public Safety Services), adopt Resolution No. 2024-\_\_, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2023-01 (Public Safety

Services) 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. 11-13, 15-19, and 21).

## **SUMMARY**

Adoption of the resolutions (Attachments 1 and 2) will order the annexation of a total of 10 parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) and Community Facilities District (CFD) No. 2023-01 (Public Safety Services) (the "Districts"). This action impacts only the property owners identified below, not the general citizens or taxpayers of the City.

## **DISCUSSION**

As conditions of approval for the development projects, Property Owners are required to provide an ongoing funding source for certain public services (i.e., public street lighting, landscape, and public safety services). The funding mitigates the costs of impacts created by the proposed development.

On March 25, 2014, pursuant to the Mello-Roos Community Facilities Act of 1982, the City Council formed CFD No. 2014-01 (Maintenance Services) and on November 21, 2023 formed CFD No. 2023-01 (Public Safety Services) to provide alternative funding tools for the development community to mitigate the impact of their proposed development. Annexation into the Districts provides property owners a mechanism to fund public street lighting, landscape, and streets & drainage services and public safety services, through an annual special tax.

On April 20, 2021, the City Council adopted Ordinance No. 980, which designated the entire territory of the City as a future annexation area for CFD 2014-01 and on March 5, 2024, the City Council adopted Ordinance No. 1007, which designated the entire territory of the City as a future annexation area for CFD 2023-01. With the future annexation areas designated, annexations can occur without an additional public hearing as long as the annexing landowners provide unanimous consent.

A property owner has the following options to satisfy the development conditions requiring a funding source for certain public services:

1. Annex the territory into the applicable CFD(s). (This option is generally only available if there are fewer than 12 registered voters living within the proposed annexation area); or
2. Create a permanent, prefunded, and irrevocable endowment that will yield an annual revenue stream to meet the annual obligation and provide for the ongoing operational services.

CFD 2014-01 also offers the option of establishing a homeowner or property owner association to provide the ongoing operation and maintenance of the improvements.

If a landowner elects to annex their property into the District(s) and the City Council approves the annexation(s), the City is authorized to levy special tax(es) onto the annual property tax bill to fund the services related to or impacted by their development.

The following property owners have elected to annex into the District(s) to satisfy their condition(s) of approval:

<b>Property Owner(s) Project ACP Record No(s).</b>	<b>District</b>	<b>Amendment No(s).</b>	<b>APN(s)</b>	<b>Location</b>
Highpointe MV LLC 108 Single Family Homes SCP24-0069/PEN22-0131	CFD 2014-01	87	488-210-006 488-210-020	Near Northeast corner of Nason St. and Alessandro Blvd.
Maria Garcia Revocable Trust Dated 11/18/20 Accessory Dwelling Unit (ADU) SCP24-0078/BFR24-0057, -0105	CFD 2023-01	11	264-440-015	11604 Blue Jay Ct.
Silvano Rodriguez and Silvia Marquez Garcia Jr. Accessory Dwelling Unit (ADU) SCP24-0059/BFR23-0265	CFD 2023-01	12	484-121-040	25154 Joshua Ave.
Ora Iloulian Accessory Dwelling Unit (ADU) SCP24-0085/BFR23-0243	CFD 2023-01	13	308-620-013	15944 Sulphur Springs Rd.
16211 Starview Land Trust & Tam Benson Accessory Dwelling Unit (ADU) and Jr. ADU SCP24-0066/BFR24-0008, -0037	CFD 2023-01	15	316-061-002	16211 & 16213 Starview St.
Highpointe MV LLC 108 Single Family Homes SCP24-0068/PEN22-0131	CFD 2023-01	16	488-210-006 488-210-020	Near Northeast corner of Nason St. and Alessandro Blvd.
28491 Citadel Street Land Trust and Clifton B Holdings LLC Accessory Dwelling Unit (ADU) SCP24-0077/BFR23-0271	CFD 2023-01	17	316-092-012	24899 Citadel St.
Evans Lieselotte Family Trust Dated 3/24/2014 and Lieselotte Evans Accessory Dwelling Unit (ADU) and Jr. ADU SCP24-0081/BFR24-0029	CFD 2023-01	18	296-223-029	23279 and 23281 Gerbera St.
Natasha Melendez Accessory Dwelling Unit (ADU) And Jr. ADU SCP24-0091/BFR24-0076, -0085	CFD 2023-01	19	475-221-010	24785 and 24787 Valecrest Dr.
Estate of Nancy D. Howey Accessory Dwelling Unit (ADU) SCP24-0080/BFR24-0056	CFD 2023-01	21	479-281-009	25143 Silent Creek Rd.

The Office of the Riverside County Registrar of Voters confirmed there were less than 12 registered voters residing at each property, allowing a special election of the landowner.

Adoption of the attached resolutions (Attachments 1 and 2) amend each District and adds the property/properties, with a special tax rate based on property type, in the Fiscal Impact section of this report and directs the recordation of the boundary maps and amended notices of special tax lien for the amendments. The City Clerk received and reviewed the Landowner Petitions and confirmed the Property Owners unanimously approved the annexations of their property into the Districts (Attachment 3).

Successful completion of the annexation process satisfies the project's conditions of approval requirements to provide a funding source for the operation and maintenance of public street lighting, public landscaping, and public safety services.

## **ALTERNATIVES**

1. Adopt the resolutions. *Staff recommends this alternative as it will annex the property/properties into CFD No. 2014-01 and CFD 2023-01 at the request of the Property Owners and satisfy the conditions of approval for the proposed developments.*
2. Do not adopt the resolutions. *Staff does not recommend this alternative as it is contrary to the request of the Property Owners, will not satisfy the conditions of approval and may delay development of the projects.*
3. Do not adopt the resolutions but rather continue the item to a future regularly 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 taxes are restricted and can only be used to fund services within each 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. The maximum special tax rate is detailed below. If the projected revenue from the maximum special tax exceeds what is necessary to fund the services, a lower amount will be applied to the property tax bill.

Property Owner(s) Project ACP Record No(s).	District	Amendment No(s).	FY 2024/25 Maximum Special Tax Rate <sup>1</sup>	
Highpointe MV LLC 108 Single Family Homes SCP24-0069/PEN22-0131	CFD 2014-01	87	SL-01A LM02-A SD-01	\$326.24/parcel \$18.00/proportional front foot \$1,057.40/parcel \$2.90/curb foot
Maria Garcia Revocable Trust Dated 11/18/20 Accessory Dwelling Unit (ADU) SCP24-0078/BFR24-0057, -0105	CFD 2023-01	11	Accessory Dwelling Unit	\$206.00/Unit
Silvano Rodriguez and Silvia Marquez Garcia Jr. Accessory Dwelling Unit (ADU) SCP24-0059/BFR23-0265	CFD 2023-01	12	Accessory Dwelling Unit	\$206.00/Unit
Ora Iloulian Accessory Dwelling Unit (ADU) SCP24-0085/BFR23-0243	CFD 2023-01	13	Accessory Dwelling Unit	\$206.00/Unit
16211 Starview Land Trust & Tam Benson Accessory Dwelling Unit (ADU) and Jr. ADU SCP24-0066/BFR24-0037	CFD 2023-01	15	Accessory Dwelling Unit	\$206.00/Unit
Highpointe MV LLC 108 Single Family Homes SCP24-0068/PEN22-0131	CFD 2023-01	16	Single Family Residential	\$242.00/Unit
28491 Citadel Street Land Trust and Clifton B Holdings LLC Accessory Dwelling Unit (ADU) SCP24-0077/BFR23-0271	CFD 2023-01	17	Accessory Dwelling Unit	\$206.00/Unit
Evans Lieselotte Family Trust Dated 3/24/2014 and Lieselotte Evans Accessory Dwelling Unit (ADU) and Jr. ADU SCP24-0081/BFR24-0029	CFD 2023-01	18	Accessory Dwelling Unit	\$206.00/Unit
Natasha Melendez Accessory Dwelling Unit (ADU) And Jr. ADU SCP24-0091/BFR24-0076, -0085	CFD 2023-01	19	Accessory Dwelling Unit	\$206.00/Unit
Estate of Nancy D. Howey Accessory Dwelling Unit (ADU) SCP24-0080/BFR24-0056	CFD 2023-01	21	Accessory Dwelling Unit	\$206.00/Unit
<sup>1</sup> The special tax applied to the property tax bill will be based on the needs of the District. The applied special tax rate cannot exceed the maximum special tax rate. The applied Special Tax Rate for Street Lighting Other than Single Family Residential (SL-01A) is \$31.50/parcel. The applied Special Tax Rate for Median(s) (other than Median(s)-Shared) (LM02A) is \$9.26.				

The maximum special tax rates are 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 City Council annually authorizes such adjustment. The increase to the maximum special tax rates cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors.

## **NOTIFICATION**

The Landowner Petitions were provided to the Property Owners the week of August 12, 2024, on August 22, 2024, and on September 5, 2024.

## **PREPARATION OF STAFF REPORT**

Prepared by:  
Isa Rojas  
Management Analyst

Department Head Approval:  
Launa Jimenez  
Chief Financial Officer/Treasurer

Concurred by:  
Felicia London  
Special Districts Division Manager

Concurred by:  
Shanna Palau  
Public Safety Contracts Administrator

## **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_ANNEXATIONS INTO CFD 2014-01 AND CFD 2023-01_10.01.24.docx
Attachments:	- RESOLUTION ORDERING ANNEXATION - CFD 2014-01.docx - RESOLUTION ORDERING ANNEXATION - CFD 2023-01.docx - Certificates of Election Official.docx
Final Approval Date:	Sep 23, 2024

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

**No Signature found**

Felicia London, MPA

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Shanna Palau

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