



Report to City Council

TO: Mayor and City Council

FROM: Dena Heald, Chief Financial Officer/City Treasurer

AGENDA DATE: April 1, 2025

TITLE: ANNEXATION OF CERTAIN PARCELS INTO CFD NO. 2014-01 (MAINTENANCE SERVICES) AND CFD NO. 2023-01 (PUBLIC SAFETY SERVICES) (REPORT OF: FINANCIAL AND MANAGEMENT SERVICES)

TITLE SUMMARY: Pursuant to Landowner Petitions, Annex Certain Parcels into Community Facilities District No. 2014-01 (Maintenance Services) and Community Facilities District No. 2023-01 (Public Safety Services) (Reso No. 2025-___ and Reso No. 2025-___)

Recommendation(s)

That the City Council:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2025-___, 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. 90).
2. Acting as the legislative body of Community Facilities District No. 2023-01 (Public Safety Services), adopt Resolution No. 2025-___, 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. 37, 48, 50-52, 54-57, and 60).

SUMMARY

Adoption of the resolutions (Attachments 1 and 2) will order the annexation of a total of 11 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, public landscape maintenance, streets and drainage maintenance services as well as 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:

Property Owner(s) Project ACP Record No(s).	District	Amendment No(s).	APN(s)	Location
NWB Moreno Valley WCSS Moreno Valley Storage SCP24-0179/PEN23-0103	CFD 2014-01	90	486-240-008 486-240-018	Southwest Corner of Alessandro Blvd. and Moreno Beach Dr.
Salvador Ruiz, Samantha Nikole Ruiz, and Marie Sickles Accessory Dwelling Unit (ADU) SCP24-0141/BFR24-0097	CFD 2023-01	37	474-170-001	11514 Kitching St
NWB Moreno Valley WCSS Moreno Valley Storage SCP24-0178/PEN23-0103	CFD 2023-01	48	486-240-008 486-240-018	Southwest Corner of Alessandro Blvd. and Moreno Beach Dr.
Z Elite Inc. Custom Home SCP24-0147/PEN21-0298	CFD 2023-01	50	478-165-022	28907 Kimberly Ave.
Gary M. Forman, Kanchana Phanna Accessory Dwelling Unit (ADU) SCP24-0158/BFR24-0094	CFD 2023-01	51	292-272-009	12035 Racket Ct.
Hightech Development, LLC Hotel - Tru by Hilton SCP24-0163/PEN23-0018	CFD 2023-01	52	292-241-003	23278 Olivewood Plaza Dr.
Albert A. and Isabel M. Archibeque Accessory Dwelling Unit (ADU) SCP25-0004/BFR24-0206	CFD 2023-01	54	487-111-026	26371 Helene Dr.
Spring City Holdings Accessory Dwelling Unit (ADU) SCP24-0134/BFR24-0022	CFD 2023-01	55	482-020-004	24236 Atwood Ave.
Moreno Beach Station Express Car Wash SCP25-0008/PEN22-0261	CFD 2023-01	56	486-240-017	Southwest Corner of Alessandro Blvd. and Moreno Beach Dr.
Jose de la Luz Gonzalez Accessory Dwelling Unit (ADU) SCP24-0129/BFR24-0078	CFD 2023-01	57	479-282-003	25161 Silver Arrow Dr.
Rosaura de Rojas Accessory Dwelling Unit (ADU) SCP25-0006/BFR24-0199	CFD 2023-01	60	482-060-006	24819 Atwood Ave.

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 services including street lighting, landscaping, streets and drainage 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 ¹	
NWB Moreno Valley WCSS Moreno Valley Storage SCP24-0179/PEN23-0103	CFD 2014-01	90	SL-02	\$3.25/front linear foot
Salvador Ruiz, Samantha Nikole Ruiz, and Marie Sickles Accessory Dwelling Unit (ADU)	CFD 2023-01	37	Accessory Dwelling Unit	\$206.00/Unit

Property Owner(s) Project ACP Record No(s).	District	Amendment No(s).	FY 2024/25 Maximum Special Tax Rate ¹	
SCP24-0141/BFR24-0097				
NWB Moreno Valley WCSS Moreno Valley Storage SCP24-0178/PEN23-0103	CFD 2023-01	48	Non-Residential	\$56.00/1,000 Feet of Building Square Footage
Z Elite Inc. Custom Home SCP24-0147/PEN21-0298	CFD 2023-01	50	Single Family Residential	\$242.00/Unit
Gary M. Forman, Kanchana Phanna Accessory Dwelling Unit (ADU) SCP24-0158/BFR24-0094	CFD 2023-01	51	Accessory Dwelling Unit	\$206.00/Unit
Hightech Development, LLC Hotel - Tru by Hilton SCP24-0163/PEN23-0018	CFD 2023-01	52	Non-Residential	\$56.00/1,000 Feet of Building Square Footage
Albert A. and Isabel M. Archibeque Accessory Dwelling Unit (ADU) SCP25-0004/BFR24-0206	CFD 2023-01	54	Accessory Dwelling Unit	\$206.00/Unit
Spring City Holdings Accessory Dwelling Unit (ADU) SCP24-0134/BFR24-0022	CFD 2023-01	55	Accessory Dwelling Unit	\$206.00/Unit
Moreno Beach Station Express Car Wash SCP25-0008/PEN22-0261	CFD 2023-01	56	Non-Residential	\$56.00/1,000 Feet of Building Square Footage
Jose de la Luz Gonzalez Accessory Dwelling Unit (ADU) SCP24-0129/BFR24-0078	CFD 2023-01	57	Accessory Dwelling Unit	\$206.00/Unit
Rosaura de Rojas Accessory Dwelling Unit (ADU) SCP25-0006/BFR24-0199	CFD 2023-01	60	Accessory Dwelling Unit	\$206.00/Unit

¹The 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 for Property Other than Single Family Residential (SL-02) is \$1.00/front linear foot.

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 on 2/14, 2/19, and 3/4.

PREPARATION OF STAFF REPORT

Prepared by:
Isa Rojas
Management Analyst

Department Head Approval:
Dena Heald
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_04.01.25.docx
Attachments:	- RESOLUTION ORDERING ANNEXATION_CFD 2014-01.docx - RESOLUTION ORDERING ANNEXATION_CFD 2023-01.docx - CERTIFICATES OF ELECTION OFFICIAL_CFD 2023-01 and CFD 2014-01.docx
Final Approval Date:	Mar 25, 2025

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

No Signature found

Felicia London, MPA

No Signature found

Shanna Palau

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez