



Report to City Council

TO: Mayor and City Council

FROM: Dena Heald, Chief Financial Officer/City Treasurer

AGENDA DATE: May 6, 2025

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

TITLE SUMMARY: Pursuant to Landowner Petitions, Annex Certain Parcels into Community Facilities District No. 2023-01 (Public Safety Services)(Reso No. 2025-____) (All Districts)

DISTRICT: All Districts

Recommendation(s)

That the City Council:

1. 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 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 report and as previously approved by the Landowner and certified by the City's Election Official (Amendment Nos. 49, 58, 59, 61, 62, 63, and 65).

SUMMARY

Adoption of the resolution (Attachment 1) will order the annexation of a total of 9 parcels into Community Facilities District (CFD) No. 2023-01 (Public Safety Services) (the "District"). 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 safety services). The funding mitigates the costs of impacts created by the proposed development.

On November 21, 2023 the City 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 District provides property owners a mechanism to fund public safety services, through an annual special tax.

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.

If a landowner elects to annex their property into the District(s) and the City Council approves the annexations, 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 to satisfy their condition(s) of approval:

Property Owner(s) Project ACP Record No(s).	District	Amendment No(s).	APN(s)	Location
Daoud Waled and Hanaa Living Trust Dated 9/03/2023 Daoud Waled, and Daoud Hanaa Accessory Dwelling Unit (ADU) SCP24-0148/BFR24-0137	CFD 2023-01	49	478-342-016	13805 Roderick Dr.
Benjamin and Rosa E. Mariscal Accessory Dwelling Unit (ADU) SCP25-0010/BFR24-0151	CFD 2023-01	58	479-663-023	25251 Turquoise Ln.
Shanaya Frederick Accessory Dwelling Unit (ADU) SCP25-0020/BFR25-0005	CFD 2023-01	59	482-682-025	14925 Spinnaker Ln.

Moss San Bernardino Prop Moss Toyota Expansion SCP25-0023/PEN23-0067/BFC24-0134	CFD 2023-01	61	488-390-013 488-390-014	Southeast Corner of Eucalyptus Ave. and Auto Mall Dr.
MV Holding, LLC Car Pros KIA Expansion SCP25-0026/PEN24-0094/BFC24-0148	CFD 2023-01	62	488-390-015 488-390-016	Southeast Corner of Auto Mall Dr. and Pettit St.
CC Group III Accessory Dwelling Unit (ADU) SCP24-0152/BFR24-0184	CFD 2023-01	63	486-093-015	25198 Gentian Ave.
Jose Mangandid and Llolanda DeLeon Accessory Dwelling Unit (ADU) SCP25-0012/BFR24-0142	CFD 2023-01	65	486-111-005	25337 Yolanda 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 resolution (Attachment 1) amends the 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 2).

Successful completion of the annexation process satisfies the project's conditions of approval requirements to provide a funding source for public safety services.

ALTERNATIVES

1. Adopt the resolution. *Staff recommends this alternative as it will annex the property/properties into 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 resolution. *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 resolution 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 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. 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	
Daoud Waled & Hanaa Living Trust Dated 9/03/2023 Daoud Waled, and Daoud Hanaa Accessory Dwelling Unit (ADU) SCP24-0148/BFR24-0137	CFD 2023-01	49	Accessory Dwelling Unit	\$206.00/Unit
Benjamin and Rosa E. Mariscal Accessory Dwelling Unit (ADU) SCP25-0010/BFR24-0151	CFD 2023-01	58	Accessory Dwelling Unit	\$206.00/Unit
Shanaya Frederick Accessory Dwelling Unit (ADU) SCP25-0020/BFR25-0005	CFD 2023-01	59	Accessory Dwelling Unit	\$206.00/Unit
Moss San Bernardino Prop Moss Toyota Expansion SCP25-0023/PEN23-0067/BFC24-0134	CFD 2023-01	61	Non- Residential	\$56.00/1,000 Feet of Building Square Footage
MV Holding, LLC Car Pros KIA Expansion SCP25-0026/PEN24-0094/BFC24-0148	CFD 2023-01	62	Non- Residential	\$56.00/1,000 Feet of Building Square Footage
CC Group III Accessory Dwelling Unit (ADU) SCP24-0152/BFR24-0184	CFD 2023-01	63	Accessory Dwelling Unit	\$206.00/Unit
Jose Mangandid and Llolanda DeLeon Accessory Dwelling Unit (ADU) SCP25-0012/BFR24-0142	CFD 2023-01	65	Accessory Dwelling Unit	\$206.00/Unit
¹ 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 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 4/10/2025.

PREPARATION OF STAFF REPORT

Prepared by:
Felicia London
Deputy Finance Director

Concurred by:
Kimberly Ganimian
Special Districts Division Manager

Department Head Approval:
Dena Heald
Chief Financial Officer/Treasurer

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 2023-01_05.06.25.docx
Attachments:	- RESOLUTION ORDERING ANNEXATION_CFD 2023-01.docx - CERTIFICATES OF ELECTION OFFICIAL_CFD 2023-01.docx
Final Approval Date:	Apr 29, 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