



Report to City Council

TO: Mayor and City Council

FROM: Dena Heald, Chief Financial Officer/City Treasurer

AGENDA DATE: June 3, 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 Applicable)

DISTRICT: All Districts

Recommendation(s)

That the City Council:

1. Acting in 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 the City of Moreno Valley Community Facilities 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 (Amendments Nos. 66-72 and 76).

SUMMARY

Adoption of the resolution (Attachment 1) will order the annexation of a total of 8 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. (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 and the City Council approves the annexations, the City is authorized to levy a special tax 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 conditions of approval:

Property Owner(s) Project ACP Record No(s).	District	Amendment No(s).	APN(s)	Location
11887 Villa Hermosa Land Trust and Glecry Kristine T Lua Accessory Dwelling Unit (ADU) and Jr. ADU SCP25-0035/BFR24-0186/BFR24-0209	CFD 2023-01	66	474-644-015	11885 & 11887 Villa Hermosa
Webb Street Development LLC Custom Home #1 SCP25-0049/PEN24-0097	CFD 2023-01	67	292-191-021	South of Ironwood Ave., along Webb St.
Webb Home LLC Custom Home #2 SCP25-0051/PEN24-0098	CFD 2023-01	68	292-191-022	South of Ironwood Ave., along Webb St.

Marcos E. and Maria E. Zazueta Jr. Accessory Dwelling Unit (ADU) SCP25-0061/BFR24-0245	CFD 2023-01	69	481-291-005	12051 Harclare Dr.
Christina M. Alvizo, Enrique Alvizo, and Enrique & Christina M. Alvizo DTD 3/30/21 Accessory Dwelling Unit (ADU) SCP24-0174/BFR24-0043	CFD 2023-01	70	473-220-061	29122 Carillo Ct.
Javier Vera Accessory Dwelling Unit (ADU) SCP25-0057/BFR22-0301	CFD 2023-01	71	292-170-023	23849 Hemlock Ave.
Lopez Living Trust Dated 11/30/2022 and Joaquin M. Lopez Jr. Accessory Dwelling Unit (ADU) SCP25-0063/BFR24-0203	CFD 2023-01	72	475-264-009	11861 Lancewood Dr.
Carlos Chavez, Maria Navarrete Accessory Dwelling Unit (ADU) SCP25-0037/BFR24-0068	CFD 2023-01	76	292-121-001	12877 Gorham St.

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 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 Rate¹	
11887 Villa Hermosa Land Trust and Glecry Kristine T Lua Accessory Dwelling Unit (ADU) and Jr. ADU SCP25-0035/BFR24-0186/BFR24-0209	CFD 2023-01	66	Accessory Dwelling Unit	\$206.00/Unit
Webb Street Development LLC Custom Home #1 SCP25-0049/PEN24-0097	CFD 2023-01	67	Single Family Residential Property	\$242.00/Unit
Webb Home LLC Custom Home #2 SCP25-0051/PEN24-0098	CFD 2023-01	68	Single Family Residential Property	\$242.00/Unit
Marcos E. and Maria E. Zazueta Jr. Accessory Dwelling Unit (ADU) SCP25-0061/BFR24-0245	CFD 2023-01	69	Accessory Dwelling Unit	\$206.00/Unit
Christina M. Alvizo, Enrique Alvizo, and Enrique & Christina M. Alvizo DTD 3/30/21 Accessory Dwelling Unit (ADU) SCP24-0174/BFR24-0043	CFD 2023-01	70	Accessory Dwelling Unit	\$206.00/Unit
Javier Vera Accessory Dwelling Unit (ADU) SCP25-0057/BFR22-0301	CFD 2023-01	71	Accessory Dwelling Unit	\$206.00/Unit
Lopez Living Trust Dated 11/30/2022 and Joaquin M. Lopez Jr. Accessory Dwelling Unit (ADU) SCP25-0063/BFR24-0203	CFD 2023-01	72	Accessory Dwelling Unit	\$206.00/Unit
Carlos Chavez, Maria Navarrete Accessory Dwelling Unit (ADU) SCP25-0037/BFR24-0068	CFD 2023-01	76	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 April 24, April 29, and May 14, 2025.

PREPARATION OF STAFF REPORT

Prepared 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_06.03.25.docx
Attachments:	- RESOLUTION ORDERING ANNEXATION_CFD 2023-01.docx - CERTIFICATES OF ELECTION OFFICIAL_CFD 2023-01.docx
Final Approval Date:	May 28, 2025

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

No Signature found

Kimberly Ganimian

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Shanna Palau

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