



Report to City Council

TO: 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: Felicia London, Chief Financial Officer/ City Treasurer

AGENDA DATE: March 3, 2026

TITLE: ANNEXATION OF CERTAIN PARCELS INTO CFD NO. 2021-01 (PARKS MAINTENANCE) (REPORT OF: FINANCIAL AND MANAGEMENT SERVICES) (DISTRICTS: 1, 3, 4)

TITLE SUMMARY: Pursuant to Landowner Petitions, Annex Certain Parcels into Community Facilities District No. 2021-01 (Parks Maintenance) (Reso No. CSD 2026-___)

DISTRICT: District 1, 3, 4

Recommendation(s)

That the CSD:

1. Adopt Resolution No. CSD 2026-___, a Resolution of Board of Directors of the Moreno Valley Community Services District, ordering the annexation of territory to Moreno Valley Community Services District Community Facilities 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. 326-328 and 330).

SUMMARY

Adoption of this resolution (Attachment 1) will certify the annexation of 4 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 development projects, the property owners are required to provide an ongoing funding source for maintenance of certain public facilities (e.g., parks). The funding mitigates the cost of the impacts created by the proposed development.

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.

Property Owner(s) Project ACP Record Nos.	Amendment No.	APN	Location
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0193/BFR25-0038/BFR25-0039	326	482-443-027	14227 & 14231 Perham Ct.
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0206/BFR25-0062	327	486-082-039	25144 Fay Ave.
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0197/BFR25-0067	328	486-083-003	25099 Fay Ave.

Property Owner(s) Project ACP Record Nos.	Amendment No.	APN	Location
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0223/BFR25-0055/BFR25-0061	330	263-180-048	13468 & 13460 Barbara St.

The Property Owners listed above elected to annex their property into CFD No. 2021-01 and have the special tax applied to their 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 within the 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 resolution. *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 resolution. *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 resolution 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(s) Project ACP Record Nos.	Amendment No.	Property Type	FY 2025/26 Maximum Special Tax Rate ¹
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0193/BFR25-0038/BFR25-0039	326	Single-Family	\$369.57/Unit
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0206/BFR25-0062	327	Single-Family	\$369.57/Unit
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0197/BFR25-0067	328	Single-Family	\$369.57/Unit
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0223/BFR25-0055/BFR25-0061	330	Single-Family	\$369.57/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 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

The Landowner Petitions were provided to the Property Owners on February 9, 2026.

PREPARATION OF STAFF REPORT

Prepared By:
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Department Head Approval:
Felicia London
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Concurred By:
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Concurred By:
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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 2021-01_03.03.26.docx
Attachments:	- RESOLUTION ORDERING ANNEXATIONS_CFD 2021-01_03.03.26.docx - CERTIFICATES OF ELECTION OFFICIAL_CFD 2021-01_03.03.26.docx
Final Approval Date:	Feb 25, 2026

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

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