



Report to City Council

TO: Mayor and City Council

FROM: Felicia London, Chief Financial Officer/City Treasurer

AGENDA DATE: March 3, 2026

TITLE: ANNEXATION OF CERTAIN PARCELS INTO CFD NO. 2023-01 (PUBLIC SAFETY SERVICES) (REPORT OF: FINANCIAL AND MANAGEMENT SERVICES) (DISTRICTS: 1, 3, 4)

TITLE SUMMARY: Pursuant to Landowner Petitions, Annex Certain Parcels into Community Facilities District No. 2023-01 (Public Safety Services) (Reso No. 2026-____)

DISTRICT: District 1, 3, 4

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. 2026-__, a Resolution of the City of Moreno Valley Community Facilities 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 (Amendments Nos.149-151 and 153).

SUMMARY

Adoption of the resolution (Attachment 1) will order the annexation of a total of 4 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 Council 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 CFDs. (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 Districts and the City Council approves the annexations, the City is authorized to levy special taxes 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 Nos.	Amendment No.	APN	Location
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0194/BFR25-0038/BFR25-0039	149	482-443-027	14227 & 14231 Perham Ct.
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0207/BFR25-0062	150	486-082-039	25144 Fay Ave.
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0198/BFR25-0067	151	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) SCP25-0224/BFR25-0055/BFR25-0061	153	263-180-048	13468 & 13460 Barbara 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 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. Approve and authorize the recommended actions as presented in this staff report. Staff recommend this alternative.
2. Do not approve and authorize the recommended actions as presented in this staff report. Staff does not recommend this alternative.

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 Nos.	Amendment No.	Property Type	FY 2025/26 Maximum Special Tax Rate ¹
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0194/BFR25-0038/BFR25-0039	149	Accessory Dwelling Unit	\$216.30/Unit
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0207/BFR25-0062	150	Accessory Dwelling Unit	\$216.30/Unit

Property Owner(s) Project ACP Record Nos.	Amendment No.	Property Type	FY 2025/26 Maximum Special Tax Rate ¹
CC Rental Prop 2 Accessory Dwelling Units (ADUs) SCP25-0198/BFR25-0067	151	Accessory Dwelling Unit	\$216.30/Unit
DC Rental Prop 3 Accessory Dwelling Units (ADUs) SCP25-0224/BFR25-0055/BFR25-0061	153	Accessory Dwelling Unit	\$216.30/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 February 9, 2026.

PREPARATION OF STAFF REPORT

Prepared by:
Kaitlyn Choma
Management Assistant

Department Head Approval:
Felicia London
Chief Financial Officer/City Treasurer

Concurred by:
Valerie Arenas Rey
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 2.5: Develop partnerships with local businesses and warehouse operators to reduce traffic related issues.

Objective 2.6: Enhance operational excellence and efficiency in delivery of Police services.

Objective 2.7: Fully integrate Fire Prevention activities into the City's Development Services processes to provide swift, seamless service.

Report Approval Details

Document Title:	STAFFREPORT_FMS_SD_ANNEXATIONS INTO CFD 2023-01_03.03.26.docx
Attachments:	- CERTIFICATES OF ELECTION OFFICIAL_CFD 2023-01_03.03.26.docx - RESOLUTION ORDERING ANNEXATIONS_CFD 2023-01_03.03.26.docx
Final Approval Date:	Feb 25, 2026

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

No Signature found

Kaitlyn Choma

No Signature found

Valerie Arenas Rey

No Signature found

Shanna Palau

Natalia Medina

Felicia London, MPA

Launa Jimenez

Brian Mohan

Patty Rodriguez