



CITY OF MENIFEE

SUBJECT: First Reading and Ordinance Introduction for Annexation No. 26, Menifee Vista, into Community Facilities District 2017-1, Maintenance Services

MEETING DATE: June 4, 2025

TO: Mayor and City Council

PREPARED BY: Kristen Jensen, Financial Analyst

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt a resolution calling an election to annex territory, including Assessor's Parcel No. 330-230-023, associated with Tentative Tract Map 38128, Menifee Vista, located north of Rouse Road between Valley Boulevard and Byers Road, into City of Menifee Community Facilities District (CFD) No. 2017-1 (Maintenance Services) and to levy a special tax on that land; and
2. Hold a special landowner election and canvass the election; and
3. Adopt a resolution declaring results of special landowner election; and
4. Introduce an ordinance, amending the Ordinance No. 2017-231 and levying and apportioning the special tax in CFD 2017-1.

DISCUSSION

On February 19, 2025, the City Council adopted Resolution No. 25-1541, declaring its intent to annex territory to CFD No. 2017-1 and commence the annexation proceedings for the territory to be annexed, also known as Annexation No. 26. A public hearing date was initially set for April 2, 2025, to conduct an election for the landowners and to declare the results of that election. Due to an expected change in ownership of the property in the CFD, the public hearing was ultimately continued to the June 4, 2025, City Council meeting. The property in the CFD has now been transferred to Richmond American Homes of Maryland, Inc., a Maryland corporation ("Owner"). Notice of the public hearing was published in the Press Enterprise and mailed to the property owner in accordance with the Mello-Roos Act.

The area within Annexation No. 26 is included in Tentative Tract Map 38128 (TTM 38128) and is approximately 28 gross acres of a vacant lot within the City. The property is located north of Rouse Road between Valley Boulevard and Byers Road, as shown in the attached Project Location Map. The proposed maintenance services would include items such as landscaping, lighting, streets, drainage, parks, and graffiti abatement.

Per the request of the Owner, the City would establish a rate and method of apportionment and authorize the levy of special taxes on the taxable property within Annexation No. 26 to pay for those services.

Annexation No. 26 would have a maximum annual tax of \$1,239 per unit and would be included in CFD No. 2017-1 as "Tax Zone 26." The maximum annual tax rate would escalate each year at the greater of the Consumer Price Index (CPI) or 2%. The attached CFD Maintenance Site Plan Exhibit illustrates which services would be maintained through the CFD.

The Owner submitted Consent and Waiver forms on file in the City Clerk's Office to:

- hold the election and declare election results; and
- consent to the shortening of election time requirements; and
- waive analysis and arguments; and
- waive all notice requirements relating to the conduct of the election immediately following the public hearing.

A copy of the boundary map entitled "Annexation Map No. 26, Community Facilities District No. 2017-1 (Maintenance Services)" was recorded on February 26, 2025, in Book 95 of Maps of Assessment and Community Facilities Districts at Page 50, in the office of the Riverside County Recorder. Annexing the parcel into CFD No. 2017-1 would cover the costs of maintenance of certain public improvements associated with the development.

STRATEGIC PLAN OBJECTIVE

Thriving Economy

FISCAL IMPACT

The individual property owners in the CFD would be responsible for annual payments of special taxes. Upon full completion of the tract development, there would be an annual collection of Special Tax revenues of approximately \$118,901, to be used to pay for maintenance costs.

On June 1 of each year, every taxable unit for which a building permit has been issued within the boundaries of the CFD, would be subject to the special tax for the ensuing Fiscal Year. If the anticipated costs of maintaining the facilities in any given Fiscal Year, prior to buildout of the project, exceeds the special tax revenues available from parcels for which building permits have been issued, then the special tax may also be applied to property within recorded final subdivision maps, as well as other undeveloped property within the boundaries of the CFD.

All costs associated with annexation into the CFD have been borne by the Owner. By annexing into the CFD, the costs of maintaining improvements located within the development would be

financed through special taxes levied on the parcels within CFD No. 2017-1 and not through the City's General Fund.

ATTACHMENTS

1. Project Location Map
2. Resolution Calling the Election
3. Resolution Declaring Election Results
4. Certificate of Registered Voters
5. Ordinance
6. Signed Petition, Waiver and Consent for Annexation
7. Maintenance Site Plan Exhibit