

# CITY OF MORENO VALLEY

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*Report for:*

**Community Facilities District No. 2023-01  
(Public Safety Services)**

**Special Tax Report**

**November 2023**

**Prepared by NBS for and on behalf of the City of Moreno Valley**

Prepared by:



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# INTRODUCTION

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The City Council (the “City Council”) of the City of Moreno Valley (the “City”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), on October 17, 2023, adopted Resolution No. 2023-68, entitled “A Resolution of the City Council of the City of Moreno Valley, California, Declaring Its Intention to Establish its Community Facilities District No. 2023-01 (Public Safety Services) and to Authorize the Levy of a Special Tax Therein” (the “Resolution of Intention”). In the Resolution of Intention, the City Council directed the study and filing of a public hearing report (the “Report”) required by Section 53321.5 of the Act for the proposed City of Moreno Valley Community Facilities District No. 2023-01 (Public Safety Services) (the “District”).

Section 53321.5 of the Act provides that the Report contain the following:

1. A brief description of the public facilities or services to be provided by the District; and
2. An estimate of the fair and reasonable cost of providing the public facilities or services, including the incidental expenses in connection therewith, any City administration costs, and all other related costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted on October 17, 2023, by the City Council.

NOW, THEREFORE, the Special Districts Administrator of the City, the appointed responsible officer directed to prepare the Report or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report containing the following information:

- **DISTRICT INFORMATION.** Information related to the District, including background information, land use plans, and the proposed boundaries that include those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the facilities or services.
- **DESCRIPTION OF FACILITIES OR SERVICES.** A description of the facilities or services that the City Council has determined to be eligible to be funded by the District.
- **COST ESTIMATE.** The initial maximum cost estimate for the District facilities or services and the anticipated initial maximum special tax revenue.
- **RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of Special Tax which was included in the Resolution of Intention and approved by this City Council on October 17, 2023.

# DISTRICT INFORMATION

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## Background

The District is generally located northeast corner of Brodiaea Avenue and Oliver Street. The District includes one property covering approximately 8.77 acres.

## Proposed Land Use

At build out, there is anticipated to be 67 single family residential units within the District.

## District Description

The proposed boundaries of the District are those parcels in which special taxes may be levied and collected to pay for the costs and expenses of the District services. The proposed boundaries of the District are identified on the map of the District recorded on October 25, 2023, in Book 92 at Page 18 of Maps of Assessment and Community Facilities Districts as Document No. 2023-0315681 in the office of the County Recorder for the County of Riverside. The District map is on file with the City Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this Report.

## DESCRIPTION OF SERVICES

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The following is a general description of the services (the “Services”) to be provided:

Police protection services; fire protection and suppression services; and paramedic services, to the extent such services are in addition to services already provided at the time the District is created and do not supplant existing services.

Fundable costs include, but are not limited to: (i) direct costs for such services, (ii) salaries and benefits of staff providing such services, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) administrative and overhead costs, including staff time, associated with providing such services, and (v) lifecycle costs associated with the repair and replacement of facilities and improvements used to provide such services. Fundable costs also include the incidental expenses of the administration of the District.

# COST ESTIMATE

## Initial Maximum Amount Proposed to be Expended

The annual budget presented below represents the initial maximum costs for providing the District services for Fiscal Year 2023/24.

District Costs	2023/24 Maximum Budget Amount	2023/24 Estimated Budget Amount
District Public Safety Costs	\$16,214.00	\$16,214.00
<b>Total:</b>	<b>\$16,214.00</b>	<b>\$16,214.00</b>

## Anticipated Fiscal Year 2023/24 Maximum Special Tax Revenue

The initial maximum annual special tax rates are set forth in the Rate and Method of Apportionment for the District. Based upon expected development, the initial maximum annual special tax revenue is as follows:

### MAXIMUM SPECIAL TAX RATES TAX ZONE NO. 1 - FISCAL YEAR 2023/24\*

Land Use Category	Maximum Annual Special Tax Rate	Per	Special Tax Revenue
Single Family Residential Property	\$242.00	Unit	\$16,214.00
Multi-Family Residential Property	206.00	Unit	0.00
Accessory Dwelling Unit	206.00	Unit	0.00
Non-Residential Property	56.00	Unit	0.00

## Annual Maximum Special Tax Escalation

On July 1 of each Fiscal Year, commencing on July 1, 2023, the Maximum Special Tax rates for Tax Zone No. 1 shall be increased by the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers for the Riverside-San Bernardino-Ontario County Region as published by the Department of Labor’s Bureau of Labor Statistics or five percent (5%). If the CPI for the Riverside-San Bernardino-Ontario County area is discontinued, the CFD administrator may replace it with a similar index for the purposes of calculating the Annual Escalation Factor.

Different Maximum Special Tax rates and tax escalation factors may be identified in Tax Zones added to the District as a result of future annexations.

# RATE AND METHOD OF APPORTIONMENT

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All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendix B, the Rate and Method of Apportionment provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

## **Term of Special Tax**

A Special Tax shall be levied commencing in Fiscal Year 2023/24 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement, but for not longer than 500 years.

## **Manner of Collection**

The annual special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District, may directly bill the special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations.

## APPENDIX A: BOUNDARY MAP

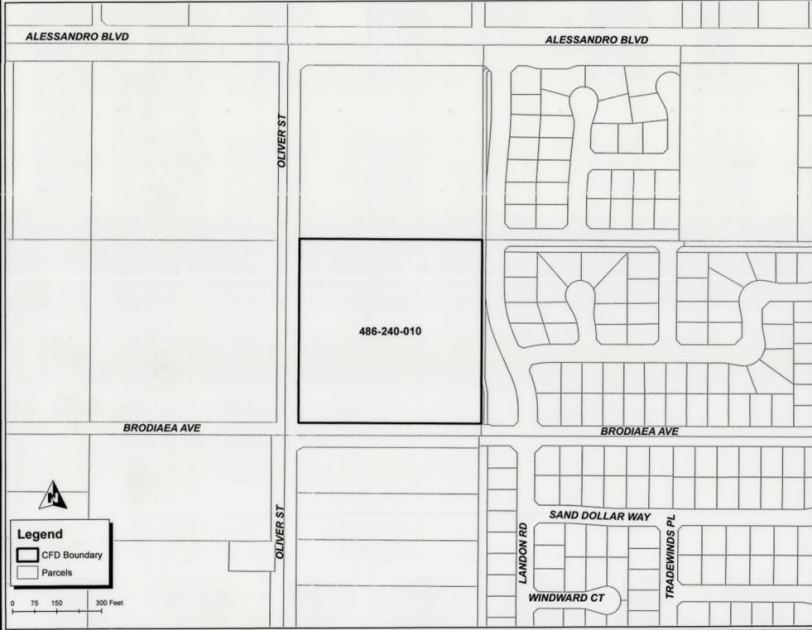
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The boundary map for the District is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this Report was prepared, and are incorporated by reference herein and made part of this Report.

**PROPOSED BOUNDARIES OF  
CITY OF MORENO VALLEY  
COMMUNITY FACILITIES DISTRICT NO. 2023-01  
(PUBLIC SAFETY SERVICES)**

Sheet 1 of 1

CITY OF MORENO VALLEY  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS 13<sup>th</sup> DAY OF October 2023

*Debra H. Heston*  
CITY CLERK  
CITY OF MORENO VALLEY  
RIVERSIDE COUNTY, CALIFORNIA

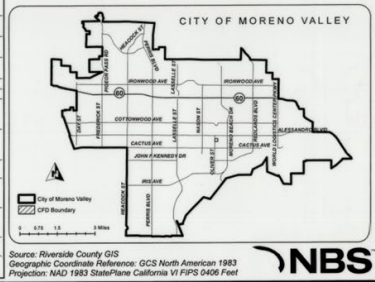
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2023-01 (PUBLIC SAFETY SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, AT A MEETING THEREOF, HELD ON THE 13<sup>th</sup> DAY OF October 2023 BY ITS RESOLUTION NO. 2023-68

*Debra H. Heston*  
CITY CLERK  
CITY OF MORENO VALLEY  
RIVERSIDE COUNTY, CALIFORNIA

FILED THIS 25 DAY OF October 2023 AT THE HOUR OF 10:26 O'CLOCK A.M. IN BOOK 92 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 78 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. Fee \$100

*Robert Vidana*  
COUNTY RECORDER, CLERK, ASSessor  
COUNTY OF RIVERSIDE, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



## **APPENDIX B: RATE AND METHOD OF APPORTIONMENT**

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The following pages provide a copy of the District's Rate and Method of Apportionment approved by the City Council on October 17, 2023, via Resolution No. 2023-68.

**RATE AND METHOD OF APPORTIONMENT  
FOR CITY OF MORENO VALLEY  
COMMUNITY FACILITIES DISTRICT NO. 2023-01  
(PUBLIC SAFETY SERVICES)**

A Special Tax shall be levied and collected in City of Moreno Valley Community Facilities District No. 2023-01 (Public Safety Services) (“CFD No. 2023-01”) each Fiscal Year, in an amount determined by the application of the procedures below. All of the Taxable Property (as defined below) in CFD No. 2023-01, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**“Accessory Dwelling Unit” or “ADU”** means a secondary residential unit of limited size, as defined in California Government Code Section 65852.2, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor’s Parcel as the single-unit dwelling or on a separate Assessor’s Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor’s Parcel, the ADU located on such Assessor’s Parcel is considered a separate Unit from the primary Unit on such Assessor’s Parcel for purposes of the Special Tax. Should an Assessor’s Parcel contain only an ADU, such Assessor’s Parcel will be taxed as an ADU only.

**“Acre or Acreage”** means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or in the Assessor’s Data for each Assessor’s Parcel. In the event the Assessor’s Parcel Map or Assessor’s Data shows no Acreage, the Acreage for any Assessor’s Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor’s Parcel may be determined utilizing GIS.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended (California Government Code Sec. 53311 *et seq.*).

**“Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of CFD No. 2023-01 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor’s Office, Tax Collector’s Office or Treasurer’s Office; the costs of the City or designee in complying with the disclosure requirements under California law (including the Act), including public inquiries regarding the Special Tax; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 2023-01.

**“Annual Services Costs”** means the amounts required to pay for the services authorized to be funded by CFD No. 2023-01.

**“Annual Special Tax Requirement”** means that amount with respect to CFD No. 2023-01 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD No. 2023-01, and (4) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

**“Assessor’s Data”** means Units, Building Square Footage, Acreage, or other information contained in the records of the County Assessor for each Assessor’s Parcel.

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number”** means, with respect to an Assessor’s Parcel, that number assigned to such Assessment’s Parcel by the County Assessor for purposes of identification.

**“Building Square Foot(age)”** means the structure square footage as shown on the building permit issued or as contained in the Assessor’s Data.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 2023-01”** means the City of Moreno Valley Community Facilities District No. 2023-01 (Public Safety Services).

**“City”** means the City of Moreno Valley.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 2023-01.

**“County”** means the County of Riverside.

**“County Assessor”** means the County Assessor of the County.

**“Developed Property”** means, in any Fiscal Year, all Taxable Property in CFD 2023-01 that is (i) improved with one or more structures that were in place on March 1 of the preceding Fiscal Year and were built subsequent to the inclusion of the territory of the Taxable Property in CFD No. 2023-01, and/or (ii) property for which a building permit for new construction was issued by the applicable land use authority prior to March 1 of the preceding Fiscal Year.

**“Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which building permits may be issued without further subdivision of such property.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“GIS”** means a geographic information system.

**“Maximum Annual Special Tax”** means the maximum Special Tax authorized to fund the Annual Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C.

**“Mixed-Use Property”** means all Assessor’s Parcels of Developed Property that is improved with (or has issued building permits for or has a combination of improvements and building permits for) more than one Property Type (whether in a single building or separate buildings). For an Assessor’s Parcel of Mixed-Use Property, each Property Type is subject to taxation pursuant to section C below.

**“Multi-Family Residential Property”** means all Assessor’s Parcels of Developed Property that either (i) include two or more Units (aside from ADUs, if any) or (ii) include only a single Unit of a larger structure that is part of condominium project as that term is defined in Civil Code Section 4125.

**“Non-Residential Property”** means all Assessor’s Parcel of Developed Property with commercial, industrial, institutional, office, hotel or other structures aside from Units (and aside from appurtenances to Units such as residential hallways, laundry rooms, mailrooms, residential lobbies, and the like).

**“Property Owner’s Association”** means any property owner’s association. As used in this definition, a Property Owner’s Association includes any home-owner’s association, condominium owner’s association, master or sub-association or non-residential owner’s association.

**“Property Owner’s Association Property”** means any property within the boundaries of CFD No. 2023-01 which is (a) owned by a Property Owner’s Association or (b) designated with specific boundaries and Acreage on a Final Subdivision Map as property owner association property.

**“Property Type”** means any of the land use categories listed in Table 1.

**“Proportionately”** means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors’ Parcels of Taxable Property levied within each Property Type within CFD No. 2023-01.

**“Public Property”** means any property within the boundaries of CFD No. 2023-01 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a Final Subdivision Map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

**“Single Family Residential Property”** means, in any Fiscal Year, all Assessor’s Parcels of Developed Property that (i) contains only one dwelling unit, aside from ADUs, if any, and (ii) is not classified as Multi-Family Residential Property.

**“Special Tax”** means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

**“State”** means the State of California.

**“Tax Escalation Factor”** means the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers for the Riverside-San Bernardino-Ontario

County Region as published by the Department of Labor’s Bureau of Labor Statistics or five percent (5%). If the CPI for the Riverside-San Bernardino-Ontario County area is discontinued, the CFD administrator may replace it with a similar index for the purposes of calculating the Annual Escalation Factor.

**“Tax Zone”** means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All the Taxable Property within CFD No. 2023-01 at the time of its formation is within Tax Zone No. 1.*** Additional Tax Zones may be created when property is annexed to CFD No. 2023-01, and a separate Maximum Annual Special Tax shall be identified for property within each new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to CFD No. 2023-01 shall be identified by Assessor’s Parcel number in the annexation documents at the time of annexation.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2023-01 that are not exempt from the Special Tax pursuant to law or Section E below.

**“Undeveloped Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2023-01 that are not Developed Property.

**“Unit”** means any individual, townhome, condominium, apartment, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Dwelling Unit on a Parcel of Single Family Residential Property shall be considered a separate Unit for purposes of calculating the Special Tax.

**“Welfare Exempt Property”** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2023-01 that have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code.

**B. DETERMINATION OF TAXABLE PARCELS**

On, or about, July 1 of each Fiscal Year, the CFD Administrator shall determine the Annual Special Tax Requirement for that Fiscal Year and shall identify each parcel of Taxable Property within CFD 2023-01. The property type, APN and characteristics of each such parcel should be updated based on the most current information reasonably available to the CFD Administrator, and a tax amount determined for each parcel as set forth in Section C, below.

**C. MAXIMUM ANNUAL SPECIAL TAX RATES**

The Maximum Annual Special Tax for each Assessor’s Parcel of Developed Property within Tax Zone No. 1 shall be assigned according to Table 1 below:

**TABLE 1**  
**MAXIMUM ANNUAL SPECIAL TAX RATES**  
**TAX ZONE NO. 1 - FISCAL YEAR 2023/24\***

Land Use Category	Maximum Annual Special Tax Rate	Per
Single Family Residential Property	\$242.00	Unit
Multi-Family Residential Property	206.00	Unit
Accessory Dwelling Unit	206.00	Unit
Non-Residential Property	56.00	1,000 Feet of Building Square Footage

*\*On each July 1, commencing on July 1, 2024, the Maximum Annual Special Tax Rate shall be increased by the Tax Escalation Factor.*

Different Maximum Annual Special Tax rates and tax escalation factors may be identified in Tax Zones added to CFD No. 2023-01 as a result of future annexations.

**Mixed-Use Property**

In some instances, an Assessor’s Parcel of Developed Property may contain more than one Property Type. The Maximum Annual Special Tax assigned to an Assessor’s Parcel of Mixed-Use Property shall be the sum of the Maximum Annual Special Tax for each Property Types located on that Assessor’s Parcel.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES**

All Taxable Property shall be subject to the Special Tax. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-01 by the method shown below.

First: Determine the Annual Special Tax Requirement.

Second: Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Special Tax.

Under no circumstances will the Special Taxes on any Assessor’s Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor’s Parcel within CFD No. 2023-01.

No tax shall be levied on Undeveloped Property.

**E. EXEMPTIONS**

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Property Owner’s Association Property, Assessor’s Parcels with public or utility easements making impractical their utilization for any use other than the purposes set

forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

Welfare Exempt Property shall be exempt from the Special Tax in each Fiscal Year the property qualifies as Welfare Exempt Property.

**F. APPEAL OF SPECIAL TAX LEVY**

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

**H. MANNER AND DURATION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2023-01, and may collect delinquent Special Taxes through available methods.

A Special Tax shall be levied commencing in Fiscal Year 2024/25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement, but for not longer than 500 years.

**I. PREPAYMENT OF SPECIAL TAX**

The Special Tax may not be prepaid.