



Staff Report

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**File #:** 23-0884

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 11/01/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** Finance Department

**SUBJECT:**

RESOLUTION CERTIFYING THE RESULTS OF AN ELECTION AND ADDING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES) OF THE CITY OF CORONA (ANNEXATION NO. 23)

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to consider a property owner request to annex property into the City's Community Facilities District No. 2016-1 (Public Services) to provide police protection services (including but not limited to criminal justice services), fire protection and suppression services, and paramedic services ("Public Services").

**RECOMMENDED ACTION:**

**That the City Council** adopt Resolution No. 2023-106, certifying the results of an election and adding territory to Community Facilities District No. 2016-1 (Public Services) of the City of Corona (Annexation No. 23).

**BACKGROUND & HISTORY:**

Community Facilities District No. 2016-1 (Public Services) ("CFD No. 2016-1" or "District") was formed by the City Council on March 2, 2016, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 ("Act"), for the purpose of providing Public Services within and in the area of the District. As part of the formation process and in accordance with the Act, the City Council also established an area designated as the "Future Annexation Area" for CFD No. 2016-1. Further, authorization was provided for the annexation of parcels within the Future Annexation Area to CFD No. 2016-1. This would be accomplished upon the unanimous approval and election of the owner(s) of any such parcel authorizing the levy of special taxes upon said parcel and the adoption of a resolution by the City Council certifying the results of an election annexing said parcel to CFD No. 2016-1. The annexation of parcels within the Future Annexation Area can be accomplished without any further public hearings or additional proceedings.

**ANALYSIS:**

Arantine Hills Holding LP, LLC, a California limited liability company ("Owner") is the owner of two developed parcels located west of Interstate 15 freeway and south of Cajalco Road in the City of Corona, County of Riverside, State of California ("Property"), comprising approximately 32.280 acres. The Property was incorporated into the Arantine Hills/Bedford development in 2019. The original Arantine Hills/Bedford development was annexed to CFD No. 2016-1 in 2017 as Annexation No. 4. The total number of taxable units within Arantine Hills/Bedford development will remain at 1,621, which were already accounted for with Annexation No. 4.

The Owner has agreed to annex the Property into CFD No. 2016-1 for the purpose of providing Public Services within and in the area of the District, which is necessary to serve the new development within the Property. The Property is within the future annexation area and, thus, can be annexed to CFD No. 2016-1 with the unanimous approval and election of the Owner with tonight's action.

Prior to tonight's City Council meeting, the Owner executed the Consent and Waiver to Shortening of Time for Conducting a Special Election, which is on file in the City Clerk's office, and submitted ballots, which authorize the annexation of the Property to CFD No. 2016-1 and the levy of special taxes on the Property to pay for the Public Services.

The attached resolution will certify the results of the election on the annexation of the Property to CFD No. 2016-1 and annex the Property to CFD No. 2016-1.

**FINANCIAL IMPACT:**

Per the tax rate set by the Rate and Method of Apportionment ("RMA") of CFD No. 2016-1, the maximum special tax rate for CFD No. 2016-1 is \$722.32 per single family and \$501.15 per multi-family residential unit for Fiscal Year 2024. The RMA provides for an annual escalation up to the greater of 4% or the Consumer Price Index (CPI) on July 1 of each year, subject to the approval of the City Manager.

On March 1 of each year, every residential building for which a building permit has been issued will be subject to special taxes in the ensuing fiscal year. Based upon the potential for 168 taxable units to be developed on the Property, approval of the attached resolution is anticipated to result in approximately \$121,350 of additional annual special tax revenue per year when the Property is fully developed as planned.

The total annexation cost is paid by the Owner.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential

for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely declares the City's intent to annex the Subject Parcel to CFD No. 2016-1 in order to provide funding for police protection, fire protection and suppression and paramedic services and there is no possibility that adopting this resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** ERMA MONTANO, SENIOR FINANCIAL ANALYST

**REVIEWED BY:** KIM SITTON, FINANCE DIRECTOR

**Attachments:**

1. Exhibit 1 - CFD No. 2016-1 Annexation Map No. 23
2. Exhibit 2 - Resolution No. 2023-106