

COMMUNITY FACILITIES DISTRICT NO. 2021-01

PARKS MAINTENANCE

ANNUAL
SPECIAL TAX

2022/23

REPORT

REPORT DATE: JUNE 2022

CITY OF MORENO VALLEY
SPECIAL DISTRICTS DIVISION
FINANCIAL & MANAGEMENT SERVICES DEPARTMENT

14177 Frederick St.
PO Box 88005
Moreno Valley, CA 92552
SDAdmin@moval.org
951.413.3470

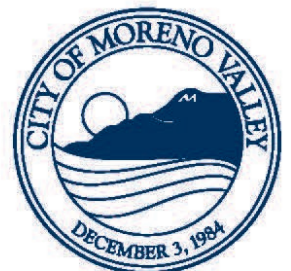


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LIST OF PARTICIPANTS

Community Facilities District No. 2021-01

City Contacts

Jeremy Bubnick
Parks & Community Services Director
14075 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
951.413.3280
jeremyb@moval.org

Kimberly Ganimian
Special Districts Division Manager
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
951.413.3470
kimberlyg@moval.org

Special Tax Consultant

Sara Mares
NBS
32605 Temecula Parkway
Temecula, CA 92592
800.676.7516
smares@nbsgov.com

Special Counsel

Mark E. Mandell, Esq.
Mandell Municipal Counseling
310.274.8921
Mark@MandellMuni.com
Mark E. Mandell, Esq.
Mandell Municipal Counseling

I. INTRODUCTION

A. DESCRIPTION OF PROCEEDINGS

The City Council of the City of Moreno Valley, acting in its capacity as President and Members of the Board of Directors for the Moreno Valley Community Services District (“CSD Board”), formed Community Facilities District No. 2021-01 (“District”) pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982. The City requires property owners of new development projects to mitigate the increased costs on parks located within the District by providing an ongoing funding source for maintenance of certain park facilities. The District was formed on June 1, 2021 to provide the residential and non-residential development community with a tool to provide this ongoing funding. Developers electing to use this tool authorize the City to levy a special tax onto the property tax bill of properties within the development project. A summary of the actions taken in the formation of the District is listed below.

Table 1: Summary of Actions

Document	Number	Date
Resolution of Intention to Establish the District	CSD 2021-10	April 20, 2021
Resolution Adopting a Boundary Map	CSD 2021-10	April 20, 2021
Resolution Establishing the District	CSD 2021-22	June 1, 2021
Resolution Declaring Results of Election	CSD 2021-23	June 1, 2021
Ordinance Authorizing the Levy of a Special Tax	Ordinance No. CSD 55	June 1, 2021
Resolution Authorizing Future Annexation of Territory	CSD 2021-36	October 19, 2021
Resolutions of Intention to Annex Certain Parcels	CSD 2021-30 through 35	October 19, 2021
Resolution of Intention to Designate the Future Annexation Area	CSD 2021-38 through 49	December 7, 2021
Public Hearing to Designate Future Annexation Area	Ordinance No. CSD 56	December 7, 2021

B. THE DISTRICT

The District funds the continued maintenance and/or repair of certain Parks and Park Improvements, as defined in the Resolution of Intent (“ROI”), of those facilities included within the District.

i. BOUNDARIES OF THE DISTRICT

The Boundary Map was recorded on October 27, 2021, as Document Number 2021-0635742, in Book 87 of Maps of Assessment and Community Facilities Districts at Page 81, in the Office of the County Recorder in the County of Riverside.

ii. BOUNDARIES OF THE FUTURE ANNEXATION AREA

The future annexation boundaries include the balance of the area that was included within the City's boundaries, as of the date of the map approval.

iii. FUTURE ANNEXATIONS

As a requirement of development, projects are approved on the condition the property owner provides a funding source to support the operations and ongoing maintenance of the facilities within the District. The qualified elector (i.e. landowner or registered voter, depending on the number of registered voters) can annex into the District and authorize the levy of the annual special tax on the property tax roll of

the property or fund an endowment to cover the ongoing obligation for the project. A list of developments whose parcels annexed into the District is included in Appendix A. To-date, the endowment option has not been selected.

iv. DESCRIPTION OF SERVICES

Revenue received from the special tax can be used to fund the District's park improvements as further described below:

Park Maintenance Services: Maintaining, lighting, and operating parks and park improvements that are owned and operated by the CSD, to the extent such services are in addition to services already provided at the time CFD No. 2021-01 is created and do not supplant existing services.

Fundable services include (i) planting, replanting, mowing, trimming, irrigation and fertilization of grass, trees, shrubs, and other plants and vegetation, (ii) the operation, maintenance, repair, and replacement of irrigation systems and lighting systems, (iii) the operation maintenance, repair and replacement of any real property or improvements with a useful life of more than five years.

Fundable costs include, but are not limited to: (i) contracted costs for such services, (ii) salaries and benefits of staff, including park rangers, devoted to 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.

II. DISTRICT FUNDED PARK IMPROVEMENTS

The park facilities included in the District that can be maintained in whole or in part through revenue collected from the levy of special taxes are listed below.

Table 2: Park Improvements

PARKS¹		
Project Name	Location	Opening Date
TeenSPOT	14075 Frederick Street	June 9, 2021
Civic Center Amphitheater	14075 Frederick Street	June 24, 2021
Community Demonstration Garden	14075 Frederick Street	February 23, 2022
Santiago Park	NEC Indian St. and Santiago Ave.	March 1, 2022
OPEN SPACE/FUTURE SITES		
Project Name	Location	Opening Date
TBD	SWC of Brodiaea Ave. and Redlands Blvd.	TBD
Rancho Verde Park	East side of Lasselle St.	TBD
EQUESTRIAN FACILITIES		
AQUEDUCT BIKEWAY		
Project Name	Location	Opening Date
Bikeway/ Juan Bautista Trail	South of Dracaea Ave. east of Elsworth St. to Pan Am Blvd.	TBD
Bikeway/ Juan Bautista Trail	South of Iris Ave. to Red Maple Ln.	TBD
MULTI-USE TRAILS		
Project Name	Trail Head to End of Trail Development	Opening Date
Eucalyptus Ave. Trails East	Eucalyptus Ave from Redlands to Theodore	TBD
Covey Ranch	East Perris Blvd. at Covey Rd.	TBD
Alessandro Trail	Alessandro Blvd. to Brodiaea Ave.	TBD
Sketchers Trail	Redlands Blvd. east to Theodore St.	TBD

¹ Additional Park Facilities may be listed in the Parks, Recreation and Open Space Comprehensive Master Plan.

Table 3: Park Amenities

Moreno Valley Parks Amenities																			
Name - Address	Banquet Facility	Barbecue	Baseball/Softball Field	Basketball Court	Dog Park	Fitness Equipment	Football Field	Multi-use Athletic Field	Off-street Parking	Picnic Tables	Picnic Shelter	Playground	Restroom	Security Lighting	Snack Bar	Trailhead	Trail	Walking Path	Water Feature
Rancho Verde Park - Lasselle & Cremello Way	FUTURE SITE																		
Santiago Park - Indian Street and Santiago Avenue		●		●		●				●	●	●	●	●				●	

III. COMPUTATION OF THE SPECIAL TAX REQUIREMENT

The City is authorized to levy the special tax consistent with the RMA, which was approved by the legislative body and the qualified electors of the District. The special tax requirement includes the costs for maintenance and operation services of District facilities, administrative expenses, and replenishment of the contingency reserve fund for each year. Other available revenues are considered when calculating the special tax and may be used to offset the annual special tax requirement.

A. ANNUAL ESCALATION FACTOR

On each July 1 following the year the tax rate areas were established (“Base Year”), the maximum special tax rates shall be increased by the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) or five percent (5%). The CPI is based on the Department of Labor, Bureau of Labor Statistics, Regional Consumer Price Index for All Urban Consumers for Riverside-San Bernardino-Ontario County.

Table 4: Annual Escalation

Fiscal Year	% Change in CPI	% Used to Increase Maximum Rates
2022/23	5.76%	5.76%

B. ANNUAL SERVICES COSTS

The District will provide, to the extent funds are available, the ongoing maintenance of park improvements and all efforts by the staff associated with facilities identified in Section II. Services are defined in Section I.B.iv.

C. ADMINISTRATIVE EXPENSES

Administrative expenses are those directly related to the administration of the District. They include, but are not limited to, costs related to the City’s general administrative services, overhead for personnel support, building and maintenance, insurance, CSD Board support, City Manager support, purchasing, and communications.

D. RESERVE FUND

Operating reserves (cash flow to fund services until the first installment of the property tax levy is received) and Repair and Replacement reserves (to cover repair or replacement needs), if applicable, will be maintained for the District.

E. SPECIAL TAX REQUIREMENT

The Special Tax Requirement calculation is provided in the following table.

Table 5: Proposed Special Tax Requirement

SPECIAL TAX REQUIREMENT	
Personnel Services	\$ 20,000.00
Operations and Maintenance	57,150.00
Material & Supplies	-
Fixed Charges (Overhead, Administration, & Replacement)	1,000.00
Capital Improvement Projects and Fixed Assets	-
Gross Special Tax Requirement ¹	\$ 78,150.00
 CREDITS: CONTRIBUTIONS & TRANSFERS	
Fund Balance Contribution/(Draw) ²	(41,771.18)
Total Contributions/Transfers	\$ (41,771.18)
TOTAL NET SPECIAL TAX REQUIREMENT	\$ 36,378.82
¹ Based on the CSD Board Proposed Budget.	
² Short term loan to cover shortfall. To be paid back as soon as possible in future years.	

IV. SPECIAL TAX CALCULATION

A levy of special tax shall be collected annually at the same time and in the same manner as the ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as applicable for ad valorem taxes; however, the CSD Board may use a direct billing procedure for any special taxes that cannot be collected on the Riverside County property tax bill or if necessary, may by resolution, elect to collect the special taxes at a different time or in a different manner to meet its financial obligations.

A. SPECIAL TAX RATE

The special tax rate that can be levied by the CSD Board in any fiscal year is calculated using the Land Use Categories listed in Table 5.

Table 6: Land Use Categories

Property Type	Per
Single Family Property	Unit ¹
Multi-Family Property	Unit ¹
Mobile Home Property	Unit ¹
Commercial Property	1,000 Feet of Building Square Footage
Office Property	1,000 Feet of Building Square Footage
Industrial Property	1,000 Feet of Building Square Footage
Undeveloped Property	Parcel
¹ Unit as defined in the RMA.	

In accordance with the RMA, no Special Tax shall be levied on Agricultural Property, Property Owner Association Property, Welfare Exempt Property or Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

Table 7: Special Tax Rate

Property Type	Unit of Calculation	Maximum	Applied
Residential Property			
Single Family	Unit	\$ 308.39	\$ 308.38
Multi-Family	Unit	308.39	308.38
Mobile Home	Unit	308.39	308.38
Non Residential Property			
Commercial	1,000 Feet of Building Square Footage	\$ 19.77	\$ 19.77
Office	1,000 Feet of Building Square Footage	32.91	32.91
Industrial	1,000 Feet of Building Square Footage	9.59	9.59
Undeveloped Property			
All	Parcel	\$ -	\$ -

B. METHOD OF APPORTIONMENT

For each fiscal year, the CSD Board will determine the amount of the special tax to be levied to pay for (a) the Administrative Expenses, (b) the Annual Services Costs, (c) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD 2021-01, and (d) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year (collectively defined as the “Special Tax Requirement”). The special tax can be levied on all non-exempt parcels in the District, in an amount per DU, based on the Land Use Categories, up to the Special Tax Requirement. The amount of special tax to be levied on any parcel cannot exceed the amount calculated by multiplying the DUs for the parcel by the maximum special tax rate for the fiscal year.

C. CURRENT DELINQUENCIES

There currently are no special tax delinquencies.

Table 8: Current Delinquencies

FY	Amount Levied	Amount Delinquent	Number of Delinquent Parcels	Percent Delinquent
2021/22	-	-	0	\$0.00

V. SPECIAL TAX ALLOCATION (TAX ROLL)

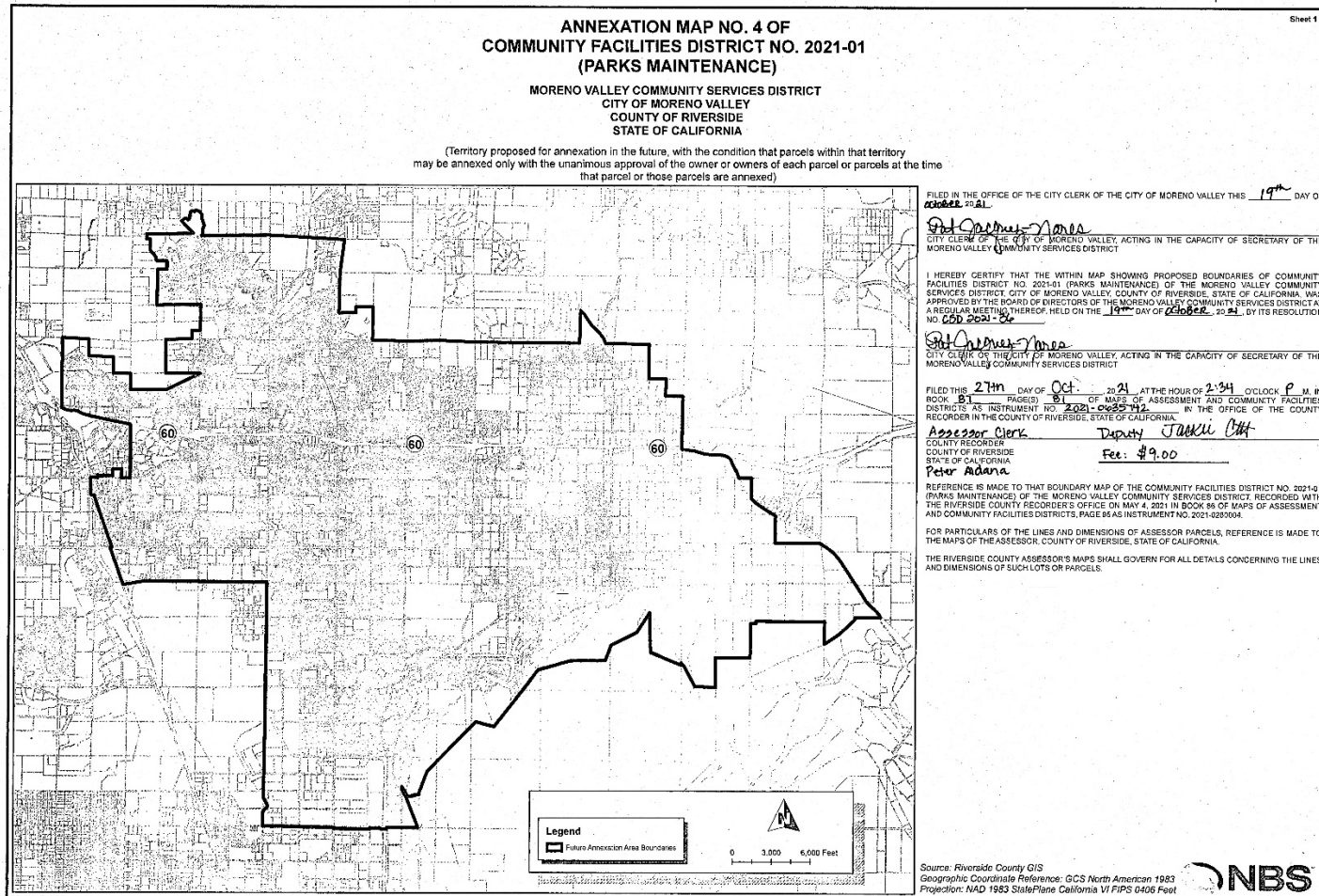
The special tax shall be levied on all taxable property annexed into the District. Appendix C includes a list of each assessor's parcel number and the applicable maximum and applied special taxes for all tax rate areas applicable to the parcel.

Appendix A: Annexations

Annexation Number	Tract No./Development	Number of Parcels ¹	Resolution No.	Date of Annexation	Tax Rate Areas & Maintenance Categories
5	The District Retail & Grocery (Sprouts)	3	CSD 2021-30	December 7, 2021	Commercial
6	Custom Home, 11950 Mathews Rd.	1	CSD 2021-31	December 7, 2021	Single Family
7	PM 37429	1	CSD 2021-32	December 7, 2021	Single Family
8	Resource Corporate Center	3	CSD 2021-33	December 7, 2021	Industrial
10	PAMA Business Park/Alessandro Industrial Center	1	CSD 2021-34	December 7, 2021	Industrial
11	Woodspring Suites at Moreno Valley Festival	1	CSD 2021-35	December 7, 2021	Commercial
Amendment Number	Tract No./Development	Number of Parcels ¹	Resolution No.	Date of Annexation	Tax Rate Areas & Maintenance Categories
1	ADU, 15510 Arobles	1	CSD 2022-04	March 1, 2022	Single Family
2	ADU, 23574 Lake Valley Dr.	1	CSD 2022-05	March 1, 2022	Single Family
3	Winchell's Donut Shop	2	CSD 2022-06	March 1, 2022	Commercial
4	ADU, 13625 Sylmar Dr.	1	CSD 2022-07	March 1, 2022	Single Family
5	Jr. ADU, 14780 Alba Way	1	CSD 2022-08	March 1, 2022	Single Family
6	ADU, 23610 David Ln.	1	CSD 2022-09	March 1, 2022	Single Family
7	Popeye's at Stoneridge	1	CSD 2022-10	March 1, 2022	Commercial
8	ADU, 24668 Goya Ave.	1	CSD 2022-11	March 1, 2022	Single Family
9	ADU, 14432 Chantry Dr.	1	CSD 2022-18	April 5, 2022	Single Family
10	Texas Roadhouse Restaurant	1	CSD 2022-19	April 5, 2022	Commercial
11	ADU, 24363 Comfort Ct.	1	CSD 2022-20	April 5, 2022	Single Family
13	Custom Home, Kalmia	1	CSD 2022-21	April 5, 2022	Single Family
12	ADU, 27861 Spring Grove St.	1	CSD 2022-22	May 3, 2022	Single Family
14	Skechers Bldg. 2 West Pavillion	1	CSD 2022-23	May 3, 2022	Industrial
15	Jr. ADU, 13331 Harewood Dr.	1	PENDING	6/21/2022 ²	Single Family
16	ADU, 16504 Dartmoor Cir.	1	PENDING	6/21/2022 ²	Single Family
17	ADU, 21898 Winding Rd.	1	PENDING	6/21/2022 ²	Single Family
18	ADU, 23769 Hemlock Ave.	1	PENDING	6/21/2022 ²	Single Family
19	ADU, 24947 Branch St.	1	PENDING	6/21/2022 ²	Single Family
20	ADU, 13738 Regis Dr.	1	PENDING	6/21/2022 ²	Single Family
21	ADU, 25681 Palmwood Dr.	1	PENDING	6/21/2022 ²	Single Family
22	Jr. ADU, 24955 Econdido Ct.	1	PENDING	6/21/2022 ²	Single Family
23	TR 37909, Beazer Homes, Iris Park Community	1	PENDING	6/21/2022 ²	Single Family
26	ADU, 24908 Alessandro	1	PENDING	6/21/2022 ²	Single Family
27	ADU, 13318 Sunfield	1	PENDING	6/21/2022 ²	Single Family
Total Annexed Parcels		36			
Original District		31590			Single Family
Total Parcels		132			
¹ Parcel counts may be updated from time to time due to the recordation of parcel or tract maps. ² Subject to landowner approval, scheduled for June 21, 2022.					

Appendix B: District Map

Future Annexation Area



Appendix C: Special Tax Allocation (Tax Roll)

APN	FY 2022/23 Applied Rate	APN	FY 2022/23 Applied Rate	APN	FY 2022/23 Applied Rate	APN	FY 2022/23 Applied Rate	APN	FY 2022/23 Applied Rate
256243011	0.00	296233019	308.38	316052024	308.38	481090033	235.26	484273035	308.38
260161021	308.38	297170083	2,692.86	316110021	0.00	481090037	0.00	486240002	0.00
263230012	0.00	297220006	0.00	474161035	616.76	482201021	0.00	486240011	29,296.10
263230013	0.00	297220007	0.00	474590037	308.38	482362017	0.00	486435009	0.00
291570035	0.00	297220008	0.00	475300046	0.00	482382019	308.38	487492001	0.00
292221009	308.38	304510023	308.38	479603018	0.00	482600030	0.00	488350060	0.00
292222033	0.00	308390024	0.00	481090009	0.00	484153004	308.38	488400008	70.48
296112006	0.00	312020030	0.00	481090032	691.94				
Subtotal 1	\$616.76	Subtotal 2	\$3,309.62	Subtotal 3	\$1,925.46	Subtotal 4	\$852.02	Subtotal 5	\$29,674.96

Special Tax Levy	
Subtotal 1	\$616.76
Subtotal 2	\$3,309.62
Subtotal 3	\$1,925.46
Subtotal 4	\$852.02
Subtotal 5	\$29,674.96
Total Tax Roll:	\$36,378.82