



Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: May 5, 2026

Submitted by: Jeannette Ortega

From: City Administrator

Subject:

PUBLIC HEARING REGARDING THE ANNEXATION OF TERRITORY TO EXISTING COMMUNITY FACILITIES DISTRICT NO. 2024-1 (OLD TOWN MAINTENANCE SERVICES) AND AUTHORIZE SPECIAL TAX ANNEXATION NO. 2

Financial Impact:

Annual Revenue: \$3,123.98

Summary:

On March 5, 2024, the City Council adopted Resolution No. R-2024-13 Establishing the City of Placentia Community Facilities District No. 2024-1 (Old Town Maintenance Services) ("District") and Ordinance No. O-2024-03, an Ordinance of the City Council of the City of Placentia, California, Levying Special Taxes within the District to provide a non-General Fund and sustainable funding source to pay for the ongoing maintenance and repairs of the public streetscape improvements as specified in the Streetscape Master Plan for Old Town Placentia. Staff recommends that the City Council annex certain properties to the Community Facilities District No. 2024-1 (Old Town Maintenance Services).

Recommended Action:

It is recommended that the City Council:

1. Open the Public Hearing concerning the annexation of certain properties; and
2. Receive the Staff Report, consider all public testimony, ask questions of Staff; and
3. Conduct election for annexation of certain properties to Community Facilities District No. 2024-1 (Old Town Maintenance Services); and
4. Close the Public Hearing; and
5. Adopt Resolution No. R-2026-24, a Resolution of the City Council of the City of Placentia, California, Ordering the Annexation of Territory to its Community Facilities District No. 2024-01 (Old Town Maintenance Services) and Approving the Amended Map for said District (Annexation No. 2); and
6. Authorize Inclusion of the Annexed Territory for Community Facilities District No. 2024-01 (Old Town Maintenance Services) for Fiscal Year 2026-27 on the Orange County Secured Property Tax Roll.

Strategic Plan Statement:

This item is consistent with the City Council approved Strategic Goal No. 1: Fiscal Sustainability, to ensure long-term financial health by responsibly managing resources,

investing wisely, and maintaining a balanced budget that supports high-quality services for the community. This agenda item will specifically provide an ongoing funding mechanism to preserve and maintain the future reconstruction of the public infrastructure in Old Town Placentia.

Discussion:

On July 11, 2017, the Placentia City Council approved the adoption of the Old Town Revitalization Plan. The Old Town Revitalization Plan includes a comprehensive Streetscape Master Plan. The Streetscape Master Plan dictates the specific amenities for the Old Town area, so that these elements will be consistent throughout and give the area a sense of place and a feeling of cohesiveness. These include widened sidewalks, landscape enhancements, new trees, bike racks, lighting, trash receptacles, bollards and seating.

In 2020, the City, in partnership with the County of Orange, established an Enhanced Infrastructure Financing District (EIFD). The purpose of the EIFD is to create a funding mechanism that can facilitate the construction of the Streetscape Master Plan in Old Town Placentia.

On January 23, 2024, the City Council adopted Resolution of Intention to establish the proposed City of Placentia Community Facilities District No. 2024-01 (Old Town Maintenance Services) ("District") (Resolution No. R-2024-04). The City Council also adopted a Resolution of Intention to allow for Future Annexation of territory to the CFD (Resolution No. R-2024-05). A public hearing was set for March 5, 2024, to discuss the formation of the District and future annexation of territory.

On March 5, 2024, the City Council held a public hearing to discuss the formation of the District and future annexation of territory and ordered a special election. After the Special Tax Election hearing, the City Council adopted Resolution No. R-2024-16 which declared the Results of the Special Election, determined the Validity of Prior Proceedings, and directed the Recording of Notice of Special Tax Lien. The City Council introduced Ordinance No. O-2024-03, levying the Special Taxes within the City of Placentia Community Facilities District No. 2024-01 (Old Town Maintenance Services).

The CFD Report provides a description of the Services to be funded by the District and an estimate of the fair and reasonable cost of the Services and incidental expenses of the District. These services include maintenance of trees and landscape, catch basins, electricity, lighting, irrigation costs, traffic signs, sidewalks, furnishings, tools and supplies, and staff salaries. The CFD Report also shows the boundaries of the proposed District and the affected assessor's parcels. The District boundary map and future annexation area of the District was recorded on February 6, 2024, in the Office of the County Recorder of Orange County, California in Book 109, page 40-41 M/M of Maps of Assessment and Community Facilities Districts (Instrument No. 2024000026763).

The proposed tax to be levied is based upon a Rate and Method of Apportionment analysis. The analysis indicates that the tax rate needed to maintain the Old Town public infrastructure improvements per land area square footage for properties that are undergoing rehabilitation/remodeling per year. Since the area is completely built out and is historic in nature, it is anticipated that most properties in Old Town will be rehabilitated/remodeled vs. new construction/development. The "Rehab/Remodel Property" means all Assessor's Parcels of Existing Building/Structure Property for which a building permit with a construction valuation

greater than \$25,000 as determined by the CFD Administrator.

Annexation Process

Resolution No. R-2024-15 was adopted to allow for future annexation of territory to the District through a streamlined and expedited process. Annexation to the District will only require a petition from the property owners within the area to be annexed and a public hearing to count the votes and annex the properties into the District.

Properties

The following landowners have submitted to the City a petition requesting and approving annexation of their respective parcels (“Annexation Parcels”) to the District (Attachment No. 2):

- 132 W. Santa Fe Avenue, Assessor Parcel Number 339-394-01; and
- 202 W. Santa Fe Avenue, Assessor Parcel Number 339-393-08; and
- 101 W. Santa Fe Avenue, Assessor Parcel Number 339-365-26; and
- 330 W. Santa Fe Avenue, Assessor Parcel Numbers 339-392-07 and 339-392-08

The City’s Planning Division has processed building improvements for the Annexation Parcels under the category Rehab/Remodel Property with a construction valuation exceeding \$25,000. The conditions require annexation into the District as the improvements for each separate Annexation Parcel exceed the \$25,000 construction valuation of the “Rehab/Remodel Property” for the District.

Financial Summary:

The annexation of the properties into the District is projected to generate \$1,583.46 in revenue for Fiscal Year 2026–27. Combined with existing properties in the District, this results in a total annual revenue of approximately \$3,123.98. These recommended actions have no fiscal impact on the General Fund.

Attachments

[Attachment 1 - Property Owners Petitions.pdf](#)

[Attachment 2 - Annexation Resolution No. R-2026-24.docx](#)

[Attachment 3 - Annexation No. 2 Boundary Map.pdf](#)

[PowerPoint - Old Town CFD Annexation No. 2.pptx](#)