



Agenda Item No: 1.h

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 16, 2026

Submitted by: Jeannette Ortega

From: City Administrator

Subject:

SETTING OF THE ANNUAL SPECIAL TAX RATE FOR FISCAL YEAR 2026-27 FOR COMMUNITY FACILITIES DISTRICT NO. 2024-01 (OLD TOWN MAINTENANCE SERVICES)

Financial Impact:

Revenue: \$2,879 Recouped through special taxes

Summary:

On March 5, 2024, the City Council adopted Ordinance No. O-2024-03, an Ordinance of the City Council of the City of Placentia, California, Levying Special Taxes within the City of Placentia Community Facilities District No. 2024-01 ("Old Town Maintenance Services") 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 adopt a resolution to levy a special tax to pay for maintenance services in Old Town Placentia for Fiscal Year ("FY") 2026-27 (Attachment 1).

Recommended Action:

It is recommended that the City Council:

1. Adopt Resolution No. R-2026-48, a Resolution of the City Council of the City of Placentia, California, setting the levy of an annual special tax for Community Facilities District No. 2024-01 (Old Town Maintenance Services); and
2. Authorize inclusion of the Annual Special Tax 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 Goals by ensuring 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 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”) (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 CFD and future annexation of territory.

On March 5, 2024, the City Council held a public hearing to discuss the formation of the CFD and future annexation of territory. 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 CFD and an estimate of the fair and reasonable cost of the Services and incidental expenses of the CFD. The CFD Report also shows the boundaries of the proposed CFD and the affected assessor’s parcels. The CFD boundary map and future annexation area of CFD No. 2024-01 were 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).

Annual Special Tax Rate

Each fiscal year, the City determines the special tax requirement and annual special tax rates for the CFD based upon maintenance and servicing costs within the Project. The special tax is levied and collected in perpetuity, unless and until such time the City determines that the revenue is no longer needed.

The special taxes within the CFD will be levied according to formulas and provisions of the Rate and Method of Apportionment of Special Tax (the “RMA”) contained within the Fiscal Year 2026-2027 Administration Report (“Report”) prepared for the formation of the CFD (Attachment 2). The Report describes the services to be funded by the CFD; and provides an estimate of the fair and reasonable cost of the Services and incidental expenses for the CFD.

Annual Escalation Factor

The CFD is subject to an Annual Escalation Factor beginning on July 1, which shall be a maximum of six percent (6%) and a minimum annual increase of two percent (2%) per Fiscal Year, of the CPI for the twelve (12) months ending the preceding December 31. The index identified in the RMA was the All-Urban Consumers Price Index (“CPI-U”) for the Los Angeles-Long Beach-Anaheim area. The CPI for the 12 months ending the preceding December 31, 2025, was 3.010%. Therefore, the special tax rates are being increased by 3.010% as allowed and summarized in the table below:

Land Use Class	Description	Assigned Special Tax	Assigned Special Tax
		FY 2025-26 Tax Rate	FY 2026-27 Tax Rate
1	Single Family Residential Property	\$340.31 per dwelling unit	\$350.55 per dwelling unit

2	Multi-Family Residential Property	\$313.55 per dwelling unit	\$322.99 per dwelling unit
3	Non-Retail Commercial Property	\$0.3206 per square foot of Non-Residential Floor Area	\$0.3303 per square foot of Non-Residential Floor Area
4	Retail Commercial Property	\$0.2219 per square foot of Non-Residential Floor Area	\$0.2286 per square foot of Non-Residential Floor Area
5	Office Property	\$0.3206 per square foot of Non-Residential Floor Area	\$0.3303 per square foot of Non-Residential Floor Area
6	Industrial Property	\$0.3206 per square foot of Non-Residential Floor Area	\$0.3303 per square foot of Non-Residential Floor Area
7	Hotel/Motel Property	\$246.14 per Hotel/Motel Room	\$253.55 per Hotel/Motel Room
8	Rehab/Remodel Property	\$0.0819 per Parcel Square Foot	\$0.0844 per Parcel Square Foot
9	Parking Lot Property	\$0.0712 per Parcel Square Foot	\$0.0733 per Parcel Square Foot

Financial Summary:

The recommended levy for the Old Town CFD will generate \$2,879 in revenue for FY 2026-27. There is no fiscal impact to the General Fund with these recommended actions.

Attachments

[Attachment 1 - Resolution No. R-2026-48 - FY 26-27 Levy Assessment for CFD.docx](#)

[Attachment 2 - Placentia CFD 2024_1ADM 26-27 02.pdf](#)