Agenda Item No: 2.B

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 21, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:
PUBLIC HEARING FOR THE ANNEXATION OF PROPERTIES INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)

Financial Impact:
Fiscal Impact:
None.

Summary:
On February 18, 2014, the City Council adopted Resolution No. R-2014-10, establishing Community Facilities District No. ("CFD") 2014-01 ("Public Services CFD") to provide an ongoing sustainable funding source paid for by new developments to help fund the cost of public safety services. On March 4, 2014, the City Council adopted Ordinance No. 2014-03, authorizing the City Council to determine, by resolution, on or before August 1 of each year, the specific special tax to be levied on each parcel of land within the CFD. At that time, the City Council also, in the adoption of the territory map, approved the area designated as future annexation to the CFD. Staff recommends that the City Council adopt a resolution for the approval of 229 new annexations into the CFD.

Recommendation:
Recommended Action: It is recommended that the City Council:

1. Open the Public Hearing concerning Resolution No. R-2026-19; and
2. Receive the Staff report and consider all public testimony; and
3. Close the Public Hearing; and
4. Adopt Resolution No. R-2026-19, A Resolution of the City Council of the City of Placentia, California, ordering the annexation of territory to its Community Facilities District No. 2014-01 (Public Services) (Annexation 2026-01) and approving the amended map for said District.

Strategic Plan Statement:
There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:
In 1978, California voters enacted Proposition 13, which limited the ability of local public agencies to increase property taxes based on a property's assessed value. In 1982, the Mello-Roos Community Facilities Act of 1982 ("Act") was created to provide an alternate method of

financing public infrastructure and services. Under the Act, a Community Facilities District ("CFD") may fund public improvements with a useful life of five (5) years or more, such as park and recreational facilities, streets, sewer systems, schools, libraries, childcare facilities, and other public infrastructure. CFDs may also fund the maintenance and servicing of public landscape areas, parks, streetlights, storm drain systems, and public safety services.

In 2014, the City Council created CFD 2014-01, to provide a new revenue stream paid for by new residential developments to be used to help fund the cost of public safety services. All new residential development projects are required to annex their properties into the Public Services CFD as a condition of approval for receiving their entitlements. The special tax that is currently being assessed on properties within the CFD is based upon a Fiscal Impact Analysis ("FIA") that was prepared for the initial formation of the CFD in 2014. Based on the FIA, the tax rate needed to support public safety services for new residential developments was established at $225.00 for each single-family residential unit per year. Therefore, the special tax rates for 2014-15 were $225.00 per residential unit for single-family residential property and $170.00 per residential unit for multi-family residential property. For the tax to be applied to a parcel, either construction must be completed or a building permit for the home needs to be issued by the City by June 1 of the preceding fiscal year.

FY 2025-26 Annexations

City Council Resolution No. R-2014-04, designated the entire territory of the City as future annexation area for the District. This resolution also allows for voluntary annexation into the District. The proposed annexation parcels are a combination of landowners who have requested annexation in the current fiscal year, and landowners who have requested for annexation in previous years. This annexation will allow the CFD to be up to date with all parcel annexation petitions. In total, there are 229 annexation petitions that were a result of new development in the District boundary. Staff is recommending adoption of Resolution No. R-2026-19 (Attachment 1) to approve the annexation of the following parcels into the CFD, listed in Exhibit B of R-2026-19. These new annexations will bring the total properties annexed in the CFD to 463.

Attachments

Attachment 1 - Resolution No. R-2026-19
Attachment 1 - Exhibit B
Attachment 1 - Exhibit C