



Agenda Item No: 1.g

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 16, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:

SETTING OF THE ANNUAL SPECIAL TAX RATE FOR FISCAL YEAR 2026-27 FOR COMMUNITY FACILITIES DISTRICT NO. 2018-01 (TOD MAINTENANCE SERVICES)

Financial Impact:

Annual Revenue: \$102,039 (223-90000-4208)

Summary:

On April 20, 2018, the City Council adopted Resolution No. R-2018-08, establishing Community Facilities District ("CFD") 2018-01 within the City's Transit Oriented District ("TOD") to provide a non-General Fund and sustainable funding source to pay for the ongoing maintenance and repairs of the public streetscape improvements constructed within the TOD. Staff recommends that the City Council adopt Resolution No. R-2026-32 to levy a special tax to pay for maintenance services in the TOD for Fiscal Year ("FY") 2026-27 (Attachment 1).

Recommended Action:

It is recommended that the City Council:

1. Adopt Resolution No. R-2026-32, 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. 2018-01 (TOD Maintenance Services) for Fiscal Year 2026-27; and
2. Authorize inclusion of the Annual Special Tax for Community Facilities District No. 2018-01 (TOD Maintenance Services) for Fiscal Year 2026-27 on the Orange County Secured Property Tax Roll.

Strategic Plan Statement:

This item is consistent with Strategic Goal No. 1 Fiscal Sustainability. This action will generate revenue to cover maintenance expenses in the TOD. Having assessments from TOD properties helps provide dedicated revenues to pay for maintenance services in the TOD without impacting the General Fund.

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 2018, the City Council created a new CFD to assist in the financing of maintenance and repairs of the new public amenities constructed within the TOD, which includes street and pedestrian lighting, landscaping, stormwater basins, and pedestrian amenities. All TOD developers are required to annex their properties into the District as a condition of approval for receiving their entitlements. 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 TOD. 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 Special Tax Report (“Report”) prepared for the formation of the TOD CFD. 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. In addition, the Report specified the tax rate needed to support services in the TOD by land use classification. The RMA Report for CFD 2018-01 only allows for taxing developed property, and developed property is defined as property that has received a Certificate of Occupancy issued prior to May 1 of the preceding fiscal year. The tax rate needed to support maintenance services within the TOD was established at the base rates summarized in the table below:

Table 1: Base Tax Rate for CFD 2018-01

Land Use Classification	Base Year Maximum Rate
Developed Single Family Detached Property	\$138 per residential unit
Developed Single Family Attached Property	\$112 per residential unit
Developed Multi Family Property	\$127 per residential unit
Developed Retail/Other Property	\$0.09 per square foot of building area
Developed Office Property	\$0.13 per square foot of building area
Developed Industrial Property	\$0.06 per square foot of building area
Undeveloped Property	\$0.00
Tax-Exempt Property	\$0.00

The CFD is subject to an Annual Escalation Factor beginning on July 1, 2019, which shall be the greater of three percent (3%) or the annual percentage increase, if any, of the CPI for the 12 months ending the preceding December 31. The index identified in the RMA was the All-Urban Consumers (“CPI-U”) for the Los Angeles-Long Beach-Anaheim area. The CPI for the 12 months ending the preceding December 31, 2025, was 3.0%. Therefore, the special tax rates are being increased by 3.0% as allowed and summarized in the table below:

Table 2: FY 26-27 Tax Rate for CFD 2018-01

Land Use Classification	Current Rates (FY 2025-26 Assessment Tax Rate)	FY 2026-27 Proposed Assessment Tax Rate
Developed Single Family Detached Property	\$170.09 per residential unit	\$175.20 per residential unit
Developed Single Family Attached Property	\$138.06 per residential unit	\$142.20 per residential unit
Developed Multi Family Property	\$156.54 per residential unit	\$161.23 per residential unit
Developed Retail/Other Property	\$0.11 per square foot of building area	\$0.12 per square foot of building area
Developed Office Property	\$0.16 per square foot of building area	\$0.16 per square foot of building area
Developed Industrial Property	\$0.07 per square foot of building area	\$0.07 per square foot of building area
Undeveloped Property	\$0.00	\$0.00
Tax-Exempt Property	\$0.00	\$0.00

Currently, the CFD has two annexations to date. In 2017, the City Council approved the land entitlements for the Integral/Lyon Living Project, also known as “The Herald,” at 150 E. Crowther Ave., along with a Development Agreement. The Agreement required Integral/Lyon Living to be the first project to create and annex itself into the new District. The second property was the JPI Luxury Apartments development at 505 W. Crowther Avenue, also known as “The Cenza”. There are no new annexations for this fiscal year.

This item recommends the approval of Resolution No. R-2026-32 for the increase of CFD 2018-01 assessment rates by 3.0% and to place the properties in the CFD on the 2026-27 Orange County Property Tax Roll.

Financial Summary:

The recommended levy assessments for the CFD 2018-01 will generate \$102,038.59 in revenue for FY 2026-27 and will be deposited in the TOD District CFD 2018-01 Fund (223-90000-4208). There is no fiscal impact to the General Fund with these recommended actions.

Attachments

[Attachment 1 - R-2026-32](#)

[Attachment 1 - Exhibit A](#)

[Attachment 2 - FY 2026-27 Assessment Roll](#)