



Staff Report

TO: City Council
FROM: Elizabeth Gibbs, City Manager
DATE: November 4, 2025
SUBJECT: Formation of CFD No. 2025-1 (Fairway Canyon 4C)

Description: The proposed action initiates the process to form Community Facilities District No. 2025-1 (CFD No. 2025-1) at the request of Meritage Homes of California, Inc. to finance public improvements serving 366 residential lots located west of Tukwet Canyon Parkway and north of Oak Valley Parkway.

Background and Analysis:

The developer, Meritage Homes of California, Inc., a California corporation (the "Developer"), owns property containing 366 proposed residential lots within the City. Such property is located in the northwestern part of the City, west of Tukwet Canyon Parkway, and north of Oak Valley Parkway. The Developer has requested that the City form a community facilities district ("CFD No. 2025-1") to encompass such property in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to finance the costs of certain public improvements through the levy of a special tax. Formation of the CFD will allow the City to issue bonds, in an amount not to exceed \$4 million, secured by special taxes levied on property within the District. Adoption of the accompanying Resolutions declares the City's intention to form the CFD, authorize the incurrence of bonded indebtedness, and schedule a public hearing on December 16, 2025, when the Council will consider final formation and hold the required landowner elections. The proposed Rate and Method of Apportionment (RMA) establishes three tax zones with annual special tax rates ranging from \$576 to \$682 per parcel, depending on lot type and location, and the special taxes will remain fixed without escalation.

In order to finance the CFD facilities and incidental expenses, the City intends to issue bonds secured by special taxes levied in the CFD. The maximum amount of bonded indebtedness proposed for CFD No. 2025-1 is \$4 million.

The Developer has requested that the boundaries of CFD No. 2025-1 include the area described in Attachment A of the Resolution of Intention to Establish CFD No. 2025-1 presented at this meeting (the "Resolution of Intention"), and that special taxes be levied

within the boundaries of CFD No. 2025-1 in accordance with the Rate and Method of Apportionment (the "RMA") described in Attachment C to the Resolution of Intention. The Resolution of Intention is the first step in the process of forming CFD No. 2025-1. The attached Resolutions declare the City's intention to establish CFD No. 2025-1, its intention to incur bonded indebtedness by CFD No. 2025-1 and call for a public hearing. A public hearing on the matter will take place on December 16, 2025, and at that time the Council will formally consider approval to form CFD No. 2025-1 and hold elections on the approval of the special taxes and the need to incur bonded indebtedness within CFD No. 2025-1.

CFD No. 2025-1 will have three different Tax Zones, with different Assigned Special Tax rates for each Tax Zone. The RMA provides that the Assigned Special Tax ranges from \$576 per year to \$617 per year for parcels of single family property in Tax Zone 1, from \$664 per year to \$674 per year for parcels of single family property in Tax Zone 2, and from \$603 per year to \$682 per year for parcels of single family property in Tax Zone 3. The Assigned Special Tax within CFD No. 2025-1 will not increase. Property within the CFD is also located in a Beaumont Unified School District CFD.

Fiscal Impact:

The City Council previously approved a Reimbursement Agreement with the Developer, and the Developer has previously made a deposit of \$50,000 to pay for the costs of the formation proceedings. The Developer's deposit may be reimbursed to the Developer from the proceeds of bonds issued by CFD No. 2025-1 in the future. If established and subject to necessary Council and voter approvals, CFD No. 2025-1 will annually levy special taxes on all of the taxable property within CFD No. 2025-1 in accordance with the RMA (as attached to the Resolution of Intention). Any bonds issued by CFD No. 2025-1 are not obligations of the City and will be secured solely by the Special Taxes levied in CFD No. 2025-1.

The estimated cost to prepare this report is \$625.

Recommended Action:

Adopt by title only, "Resolution of the City Council of the City of Beaumont, California, Declaring its Intention to Establish City of Beaumont Community Facilities District No. 2025-1 (Fairway Canyon 4C), to Authorize the Levy of a Special Tax to Pay the Cost of Acquiring or Constructing Certain Public Facilities and to Pay Debt Service on Bonded Indebtedness"; and

Adopt by title only, "Resolution of Intention of the City Council of the City of Beaumont, California, to Incur Bonded Indebtedness within Proposed City of Beaumont Community Facilities District No. 2025-1 (Fairway Canyon 4C)."

Attachments:

- A. Resolution Declaring the Intention to Establish City of Beaumont CFD 2025-1
- B. Resolution Declaring the Intention to Incur Bond Indebtedness within 2025-1
- C. Landowner Petition to Form (Beaumont CFD No. 2025-1 (Fairway Canyon 4C)
- D. CFD Boundary Map
- E. Project Map
- F. Beaumont CFD 2025-11-04 City Council Presentation