



Staff Report

TO: City Council
FROM: Elizabeth Gibbs, City Manager
DATE: November 4, 2025
SUBJECT: Formation of CFD No. 2025-S (Public Services)

Description: The proposed action initiates the formation of Community Facilities District No. 2025-S (Public Safety Services) to fund ongoing police protection, fire protection and suppression, and paramedic services associated with new residential development by Meritage Homes of California, Inc.

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. In connection with the formation of CFD No. 2025-1, the Developer is also required to either annex into or request the formation of a community facilities district for the purpose of financing police protection services (including but not limited to criminal justice services), fire protection and suppression services, and paramedic services. Therefore, the Developer has also requested that the City form a community facilities district ("CFD No. 2025-S") in accordance with the Act.

Formation of the CFD will allow the City to levy annual special taxes on developed properties within the District, with the ability for future developments to annex into the District as additional areas build out. Adoption of the Resolution of Intention declares the City's intent to establish CFD No. 2025-S and schedules a public hearing on December 16, 2025, to consider final formation and approval of the special tax levy.

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

be levied within the boundaries of CFD No. 2025-S in accordance with the Rate and Method of Apportionment (the “RMA”) described in Attachment C to the Resolution of Intention. The Developer has also requested that the City designate a “Potential Annexation Area” for CFD No. 2025-S in order for additional property to annex into CFD No. 2025-S. The Potential Annexation Area, which consists of all of the property within the City other than the initial CFD No. 2025-S and property already in an existing CFD paying a services tax, is also designated in Attachment A to the Resolution of Intention. The special taxes will not be levied on property within the Potential Annexation Area unless and until such property is annexed into CFD No. 2025-S. It is anticipated that future development within the City will be required to annex into CFD 2025-S.

The Resolution of Intention is the first step in the process of forming CFD No. 2025-S. The attached Resolution declares the City’s intention to establish CFD No. 2025-S and calls for a public hearing on the matter to take place on December 16, 2025. At that time the Council will formally consider approval to form CFD No. 2025-S and the Potential Annexation Area and hold an election on the approval of the special taxes within CFD No. 2025-S.

The RMA provides that the Special Tax within CFD No. 2025-S may only be levied on parcels of Developed Property, which are parcels of property for which a building permit for new construction has been issued prior to May 1 preceding the fiscal year in which the special taxes are being levied. The RMA further provides that the Maximum Special Tax Rates within CFD No. 2025-S are \$639 per year per Residential Unit of Single-Family Property and \$526 per year per Residential Unit of Multi-Family Property. The Special Taxes within CFD No. 2025-S may be levied each Fiscal Year, commencing July 1, 2025. On each July 1, commencing on July 1, 2026, the Maximum Special Tax for Developed Property of Single-Family Property and Multi-Family Property shall increase by the greater of CPI or five percent (5.0%).

Fiscal Impact:

The City Council previously approved a Reimbursement Agreement with the Developer in connection with the formation of CFD No. 2025-1, and the Developer has previously made a deposit of \$50,000 to pay for the costs of the formation proceedings. If established and subject to necessary Council and voter approvals, CFD No. 2025-S will annually levy special taxes on all of the taxable property within CFD No. 2025-S in accordance with the RMA (as attached to the Resolution of Intention).

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-s (Public Services), to Authorize the Levy of a Special Tax on Property Within the District to Pay the Costs of Providing Public Services."

Attachments:

- A. Resolution Declaring the Intention to Establish City of Beaumont CFD 2025-S
- B. Landowner Petition to Form (Beaumont CFD No. 2025-S (Safety Services))
- C. CFD 2025-S Boundary Map
- D. CFD 2025-S Project Map
- E. CFD 2025-S Potential Annex Area Map