



## Staff Report

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

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**Description:** The proposed action initiates the formation of Community Facilities District No. 2025-M (Maintenance Services) to finance the ongoing maintenance of public improvements associated with new residential development by Meritage Homes of California, Inc. The District will levy an annual special tax on properties within its boundaries to fund the cost of maintenance services, with provisions allowing future developments to annex into the District. Adoption of the Resolution of Intention declares the City's intent to form CFD No. 2025-M and schedules a public hearing for December 16, 2025, to consider final formation of the District and related proceedings.

### **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 certain maintenance services. Therefore, the Developer has also requested that the City form a community facilities district ("CFD No. 2025-M") in accordance with the Act.

The Developer has requested that the boundaries of CFD No. 2025-M initially include the area described in Attachment A of the Resolution of Intention to Establish CFD No. 2025-M presented at this meeting (the "Resolution of Intention"), and that special taxes be levied within the boundaries of CFD No. 2025-M 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-M in order for additional property to annex into CFD

No. 2025-M. The Potential Annexation Area, which consists of all of the property within the City other than the initial CFD No. 2025-M, 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-M. It is anticipated that future development in the City will annex into CFD No. 2025-M.

The Resolution of Intention is the first step in the process of forming CFD No. 2025-M. The attached Resolution declares the City's intention to establish CFD No. 2025-M 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-M and the Potential Annexation Area and hold an election on the approval of the special taxes within CFD No. 2025-M.

The RMA provides that the Maximum Special Tax Rates within CFD No. 2025-M are \$438 per year per Residential Unit of Single-Family Property and Multi-Family Property and \$2,736 per year per acre of Non-Residential Property. The Special Taxes within CFD No. 2025-M may be levied each Fiscal Year, commencing July 1, 2025. On each July 1, commencing on July 1, 2026 the special taxes shall increase by (i) the year-over-year percentage increase for the month of March in the Consumer Price Index (All Items) for all Urban Consumers for the Riverside-San Bernardino-Ontario California Standard Metropolitan Statistical Area, or a comparable replacement index for the area if this index is no longer published, since the beginning of the preceding Fiscal Year, or (ii) by two percent (2.0%), whichever is greater.

**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-M will annually levy special taxes on all of the taxable property within CFD No. 2025-M 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-M (Maintenance Services), to Authorize the Levy of a Special Tax on Property Within the District to Pay the Costs of Providing Public Maintenance Services.”

**Attachments:**

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