



STAFF REPORT

DATE: 01/21/2026
TO: Honorable Mayor and City Council Members
FROM: Finance Department

2026-21

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

RESOLUTION DECLARING THE CITY'S INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2016-3 (MAINTENANCE SERVICES) AND ADOPTING A MAP OF THE AREA PROPOSED TO BE ANNEXED THERETO (ANNEXATION NO. 45)

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt a Resolution declaring intention to annex territory to Community Facilities District 2016-3 (Maintenance Services). Certain development projects are required to form or annex into a maintenance district. In accordance with this requirement, Malloy Family Partners, L.P. ("Owner"), is requesting annexation of CUP 2023-0001 into the City's Community Facilities District No. 2016-3 (Maintenance Services) to provide maintenance services for public facilities within and for the benefit of the proposed development.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2026-004, declaring intention to annex territory to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, and adopting a map of the area proposed to be annexed thereto (Annexation No. 45).

BACKGROUND & HISTORY:

On December 7, 2016, the City Council approved Resolution No. 2016-112 establishing Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona ("CFD No. 2016-3" or "District") to levy special taxes on parcels of taxable property to provide certain services necessary to meet increased demands placed upon the City.

Certain development projects are required to be formed or annexed into a maintenance district. These districts apply an annual fee or special tax on properties within the district, which provides the revenue to offset the cost of maintaining the public improvements necessary to serve the development.

ANALYSIS:

Malloy Family Partners, L.P. ("Owner") have submitted a Petition to the City requesting that CUP 2023-0001 be annexed to CFD No. 2016-3. The Petition, including the waiver and consent by the Owner, is on file in the City Clerk's office and authorizes the City to: (1) hold the election and declare election results; (2) shorten election time requirements; (3) waive analysis and arguments; and (4) waive all noticing requirements relating to the conduct of the election immediately following the public hearing.

The development comprises an empty lot located south of Harrington Street, west of Cota Street, and north of Rincon Street. The gross acreage for the entire property in the boundary area is approximately 5.53 acres, as shown in Exhibit "A" of Resolution No. 2026-004 ("Subject Parcel"). The Owner proposes to construct a Battery Energy Storage System (BESS).

As a condition of approval, the Subject Parcel must be annexed to CFD No. 2016-3 to pay for lighting, street, and drainage maintenance. Should Resolution No. 2026-004 be approved, the annexation process proceeds, and a public hearing of the proposed annexation shall be held on March 4, 2026.

FINANCIAL IMPACT:

The proposed annexation will establish Tax Zone 45 within the CFD No. 2016-3. The Subject Parcels will be assessed as residential units and will benefit from the existing and future lighting, street maintenance, and drainage for Special Tax A. This annexation will yield an estimate of \$11,672 annually in special assessment revenue, for the District at build-out as planned. The total annexation cost will be paid by the Owners.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely declares the City's intent to annex the Subject Parcel to CFD No. 2016-3

and there is no possibility that adopting this resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: ERMA MONTANO, SENIOR FINANCIAL ANALYST

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – CFD No. 2016-3 Annexation No. 45 Project Map
2. Exhibit 2 – Resolution No. 2026-004