



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 14, 2026**

FROM: FINANCE DEPARTMENT **WARDS: 1, 2, 4, 5, 6 AND 7**

SUBJECT: ORDINANCES TO LEVY SPECIAL TAXES FOR FISCAL YEAR 2026/27 ON COMMUNITY FACILITIES DISTRICTS: BRIDLE RIDGE 2021-3, GALLERIA AT TYLER 2004-1, HIGHLANDS 2014-2, KUNNY RANCH 2013-1, ORANGECREST GROVE 2015-1, POMELO 2015-2, RIVERPOINTE/PARK PLACE 2021-2, RIVERWALK VISTA 2006-1 IMPROVEMENT AREAS NO. 1 & NO. 2, SAGECREST 2025-2, AND SYCAMORE CANYON BUSINESS PARK 92-1, FOR PAYMENT OF DEBT SERVICE AND OTHER AUTHORIZED EXPENSES

ISSUE:

Introduce and adopt eleven ordinances authorizing the City of Riverside to levy special taxes to be collected during Fiscal Year (FY) 2026/27 for payment of debt service, associated services, and other authorized expenses for the City's nine Community Facilities Districts, which include: Bridle Ridge 2021-3, Galleria at Tyler 2004-1, Highlands 2014-2, Kunny Ranch 2013-1, Orangecrest Grove 2015-1, Pomelo 2015-2, Riverpointe/Park Place 2021-2, Riverwalk Vista 2006-1 Improvement Areas No. 1 & No. 2, Sagecrest 2025-2, and Sycamore Canyon Business Park 92-1, to be effective immediately upon adoption.

RECOMMENDATIONS:

That the City Council:

1. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for authorized district costs associated with Community Facilities District No. 2021-3 (Bridle Ridge) to be effective immediately upon adoption;
2. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, and other authorized district costs associated with Community Facilities District No. 2004-1 (Galleria at Tyler) to be effective immediately upon adoption;
3. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2014-2 (The Highlands) to be effective immediately upon adoption;
4. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2013-1 (Kunny Ranch)

- to be effective immediately upon adoption;
5. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2015-1 (Orangecrest Grove) to be effective immediately upon adoption;
 6. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, associated services, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2015-2 (Pomelo) to be effective immediately upon adoption;
 7. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2021-2 (Riverpointe/Park Place) to be effective immediately upon adoption;
 8. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Improvement Area No. 1 of Community Facilities District No. 2006-1 (Riverwalk Vista) to be effective immediately upon adoption;
 9. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Improvement Area No. 2 of Community Facilities District No. 2006-1 (Riverwalk Vista) to be effective immediately upon adoption;
 10. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for authorized district costs associated with Community Facilities District No. 2025-2 (Sagecrest) to be effective immediately upon adoption; and
 11. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2026/27 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 92-1 (Sycamore Canyon Business Park) to be effective immediately upon adoption.

BACKGROUND:

The City currently has ten Community Facilities Districts (CFDs), formed to finance the up-front cost of new residential development within the City of Riverside. Riverwalk Vista (CFD 2006-1) is comprised of two improvement areas under one district. As of the date of this report eight of the districts have debt obligations issued pursuant to the Mello-Roos Community Facilities Act of 1982.

Each CFD is authorized, upon issuance of permit, to levy special taxes to pay debt service, capital facility costs, administrative costs, fiscal charges and to establish a special reserve fund. Pomelo, Riverpointe, Sagecrest, and Bridle Ridge have authorization to levy a services special tax, which offsets the additional cost of providing services not covered by general property tax.

The CFDs to levy special taxes for FY 2026/27 include:

1. Bridle Ridge (CFD 2021-3)
2. Galleria at Tyler (CFD 2004-1)
3. Highlands (CFD 2014-2)
4. Kunny Ranch (CFD 2013-1)
5. Orancrest Grove (CFD 2015-1)
6. Pomelo (CFD 2015-2)
7. Riverpointe/Park Place (CFD 2021-2)
8. Riverwalk Vista Improvement Area No. 1 & 2 (CFD 2006-1)
9. Sagecrest (CFD 2025-2)
10. Sycamore Canyon Business Park (CFD 92-1)

Each year, a consultant works with the City to prepare a budget for each Community Facilities District (CFD) which creates a detailed analysis of the costs associated with the facilities and services funded by the CFD. Based on this analysis and the guidelines set forth in the Rate and Method of Apportionment of Special Tax (RMA), special taxes/assessments are calculated and apportioned among the taxable properties.

DISCUSSION:

As part of the annual levy authorization process, the City Council must adopt an ordinance each year to levy special taxes for each eligible CFD. Each ordinance includes an exhibit that lists the special tax to be levied for every parcel within the CFD. The ordinances will be effective upon adoption in accordance with Section 416 of the City of Riverside Charter and after being published in a newspaper of general circulation in accordance with Section 414 of the City Charter. The special tax rolls will then be transmitted to the Riverside County Auditor-Controller, which will collect the special tax as part of its annual ad valorem property tax levy.

The following tables provide a summary of the outstanding debt obligations and corresponding special tax levies for each Community Facilities District (CFD) for the current and prior fiscal years. Special Tax revenues are used to fund debt service, capital facility costs, administrative costs, fiscal charges and to establish a special reserve fund.

Table 1 summarizes the outstanding debt obligations for each district and identifies the final payoff date of the related debt. District's displaying "Not Applicable" in these fields do not have outstanding debt obligations as of the date of this report.

Table 1: Outstanding Debt Obligations

District Name	Debt Issuance Date by Fiscal Year	Issued Par	Outstanding Par ¹	Final Maturity Date by Fiscal Year ²
Bridle Ridge (CFD 2021-3)	n/a	n/a	n/a	n/a
Galleria at Tyler (CFD 2004-1) ³	FY 2019	\$15,980,000	\$10,880,000	FY 2037
Galleria at Tyler (CFD 2004-1) ⁴	FY 2020	\$19,945,000	\$5,000	FY 2037
Highlands (CFD 2014-2)	FY 2016	\$2,610,000	\$2,080,000	FY 2047
Kunny Ranch (CFD 2013-1)	FY 2024	\$4,140,000	\$4,070,000	FY 2054
Orangecrest Grove (CFD 2015-1)	FY 2020	\$2,440,000	\$2,190,000	FY 2050
Pomelo (CFD 2015-2)	FY 2022	\$4,805,000	\$4,540,000	FY 2053
Riverpointe/Park Place (CFD 2021-2)	FY 2025	\$3,790,000	\$3,790,000	FY 2055
Riverwalk Vista Improvement Area No. 1 (CFD 2006-1)	FY 2013	\$4,415,000	\$3,330,000	FY 2044
Riverwalk Vista Improvement Area No. 2 (CFD 2006-1)	FY 2016	\$6,780,000	\$5,350,000	FY 2047
Sagecrest (CFD 2025-2)	n/a	n/a	n/a	n/a
Sycamore Canyon (CFD 92-1)	FY 2006	\$9,700,000	\$4,555,000	FY 2035
Total		\$74,605,000	\$40,790,000	

¹ Outstanding amount of debt to be paid off per district as of June 30, 2026

² This date represents the final payment date on the debt of the district

³ This issuance represents the 2019A Lease Revenue Bonds which refunded all but \$5,000 from the previous 2006 Certificates of Participation

⁴ This issuance represents the 2006 Certificates of Participation

Table 2 summarizes the special tax levy by category, parcel count and district for the current and prior fiscal years. Parcel counts reflect all parcels associated with building permits issued on or before the March 1 of the year for the following fiscal year’s levy. Increases in parcel counts would be due to increased building permits being issued for a district.

Year-over-year decreases in parcel counts generally result from parcel consolidations or remove of parcels from a district. Parcel removals may occur for several reasons including:

- Annexation to a different City or Special District
- Change in District or Dissolution of District
- Parcel Map Corrections or Mapping Errors

For newly formed districts that have not yet commenced levying special taxes, the applicable fields are identified as “Not Applicable”.

Table 2: Summary of Tax Levy For Current and Prior Fiscal Year

District Name	Special Tax Type	FY 2025/26 (Actuals)		FY 2026/27 (Projected)	
		Parcel Count ⁵	Special Taxes	Parcel Count ⁶	Special Taxes
Bridle Ridge (CFD 2021-3)	Special Tax A-Project Facilities	46	\$143,940	103	\$326,553
Bridle Ridge (CFD 2021-3)	Special Tax B-Services	103	\$45,507	103	\$46,331
Galleria at Tyler (CFD 2004-1)	Special Taxes	11	\$1,237,412	11	\$1,237,512
Highlands (CFD 2014-2)	Special Taxes	72	\$170,723	72	\$167,959
Kunny Ranch (CFD 2013-1)	Special Taxes	74	\$309,300	74	\$304,322
Orangetrest Grove (CFD 2015-1)	Special Taxes	85	\$172,713	85	\$174,615
Pomelo (CFD 2015-2)	Special Tax A-Project Facilities	108	\$334,170	108	\$330,601
Pomelo (CFD 2015-2)	Special Tax B-Services	108	\$41,636	108	\$42,924
Riverpointe/Park Place (CFD 2021-2)	Special Tax A-Project Facilities	103	\$272,151	103	\$273,063
Riverpointe/Park Place (CFD 2021-2)	Special Tax B-Services	103	\$26,079	103	\$26,885
Riverwalk Vista Improvement Area No. 1 (CFD 2006-1)	Special Taxes	185	\$316,594	185	315,318
Riverwalk Vista Improvement Area No. 2 (CFD 2006-1)	Special Taxes	212	\$397,355	212	\$395,525
Sagecrest (CFD 2025-2)	Special Tax A-Public Safety	n/a	n/a	41	\$25,677
Sagecrest (CFD 2025-2)	Special Tax B-Services	n/a	n/a	41	\$1,952
Sycamore Canyon (CFD 92-1)	Special Taxes	54	\$672,457	54	\$675,265
Total of Special Taxes per Fiscal Year			\$4,140,037		\$4,344,502

⁵ March 1, 2025

⁶ March 1, 2026

FISCAL IMPACT:

The total fiscal impact of the special tax levies across all districts is estimated at \$4,344,502. This amount is nearly fully offset by Special Tax Revenues collected by the City, resulting in a minimal net impact on the General Fund, estimated to be approximately \$11,000.

Each Communities Facilities District (CFD) operates as a separate financing district and is supported solely by its respective special tax revenues. Annual levies are established to fund debt service on outstanding bonds, capital and maintenance obligations, public safety costs, administrative expenses, and other authorized district expenditures, as applicable.

Administration costs associated with managing each CFD are included in the Fiscal Year 2026/27 budget adopted by the City Council on June 23, 2026, and are charged to the respective district through its annual special tax levy. The estimated administration costs by district are provided in the table below.

CFD 2004-1 (Galleria at Tyler) does not assess administrative costs due to the tax-sharing agreement established at the time of the bond issuance. The estimated Fiscal Year 2026/27 administration cost of approximately \$11,000 will be funded through the budget previously adopted by the City Council.

It is estimated that City Administration Costs for Facilities, Services and Maintenance are as follows:

District Name	Type of Charge	Amount for Next FY
Bridle Ridge (CFD 2021-3)	Facilities	\$15,000
Bridle Ridge (CFD 2021-3)	Services	\$2,070
Highlands (CFD 2014-2)	Facilities	\$16,000
Kunny Ranch (CFD 2013-1)	Facilities	\$18,000
Orangetrest Grove (CFD 2015-1)	Facilities	\$18,000
Pomelo (CFD 2015-2)	Facilities	\$15,000
Pomelo (CFD 2015-2)	Services	\$2,805
Riverpointe/Park Place (CFD 2021-2) – Zone 1 & 2	Facilities	\$15,000
Riverpointe/Park Place (CFD 2021-2) – Zone 1 & 2	Services	\$2,209
Riverwalk Vista Improvement Area No. 1 (CFD 2006-1)	Facilities	\$15,000
Riverwalk Vista Improvement Area No. 2 (CFD 2006-1)	Facilities	\$15,000
Sagecrest (CFD 2025-2)	Services Maintenance	\$5,741
Sycamore Canyon (CFD 92-1)	Facilities	\$15,000
	Total	\$154,825

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Certified as to
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Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City
Treasurer
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Bridle Ridge Ordinance
2. Galleria at Tyler Ordinance
3. Highlands Ordinance
4. Kunny Ranch Ordinance
5. Orangecrest Ordinance
6. Pomelo Ordinance
7. Riverwalk Vista Improvement Area No. 1 Ordinance
8. Riverside Vista Improvement Area No. 2 Ordinance
9. Riverpointe/Park Place Ordinance
10. Sagecrest Ordinance
11. Sycamore Canyon Ordinance