



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1311

Agenda Date: 3/25/2026

Agenda #: 10.

DATE: March 25, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

TITLE: ADOPTION OF RESOLUTION ACCEPTING A UNANIMOUS CONSENT AND APPROVAL OF THE PROPERTY OWNER TO ANNEX PROPERTY TO CITY OF OCEANSIDE COMMUNITY FACILITIES DISTRICT NO. 2022-1 (PUBLIC SAFETY SERVICES)

RECOMMENDATION

Staff recommends that the City Council adopt the Resolution accepting a Unanimous Consent and Approval (the "Unanimous Consent and Approval") to annex property to City of Oceanside Community Facilities District No. 2022-1 (Public Safety Services) (the "CFD").

BACKGROUND AND ANALYSIS

On February 6, 2019, the City Council updated Policy 300-02 to allow the formation of Public Safety Services Community Facilities Districts (CFDs). These districts provide a financing mechanism to fund ongoing public safety services, including police, fire protection, emergency medical response, and lifeguard services associated with new development.

On March 2, 2022, the City Council directed staff to pursue the establishment of a citywide annexable public safety services CFD. On December 7, 2022, the City Council approved the formation of the CFD pursuant to the Mello-Roos Community Facilities Act of 1982. At the time of formation, the Alta Oceanside Project was included in the CFD, while the remainder of the City was designated as a "Future Annexation Area." This structure allows qualifying new residential development projects to annex into the CFD as development occurs, providing a dedicated revenue source to offset increased public safety service demands associated with population growth.

The citywide public safety services CFD is intended to encompass in-fill residential development projects throughout the City. Projects meeting specific parameters are required to annex into the CFD as a condition of approval. The CFD consists of two zones, Zone A and Zone B, and the maximum special tax within the CFD may increase annually based on the percentage change in the Consumer Price Index for the San Diego region, with a minimum increase of two percent (2%) and a maximum increase of four percent (4%).

This item requests City Council approval to annex the Modera Melrose project into Zone B of the CFD. The project site is owned by Melrose Oceanside Apartments LLC (the "Owner") and is located

at the southeast corner of Melrose Drive and West Bobier Drive (APN 161-030-38). The proposed Modera Melrose development includes 323 residential units on a 7.4-acre site, including 33 units reserved for very-low-income households, as well as approximately 2,300 square feet of commercial space at full buildout.

Consistent with City requirements for qualifying development projects, the Owner has submitted a Unanimous Consent and Approval requesting annexation of the property into the CFD. If approved, the Modera Melrose project will be annexed into Zone B of the CFD.

The special tax within Zone B is currently \$390.38 annually per residential unit and will be placed on the County property tax bill. Beginning July 1, 2026, the maximum special tax may increase annually based on the change in the Consumer Price Index for the San Diego region, with a minimum annual increase of two percent (2%) and a maximum annual increase of four percent (4%).

FISCAL IMPACT

In order to draft the necessary resolutions and ordinances there will be a cost of approximately \$12,500 payable to the City’s Bond Counsel and Special Tax Consultant. The City collected a deposit from the developer of \$5,000, which will be used to cover a portion of the consultant fees. The remaining \$7,500 will be charged to the City Treasurer division which has sufficient funding.

This development includes 323 residential units including 33 very-low-income units; which are exempt from special taxes. Estimated annual revenue generated from the remaining 290 units, once final occupancy is approved, is approximately \$113,000 per year. Annual special tax increases annually based on the change in the Consumer Price Index for the San Diego region, with a minimum annual increase of two percent (2%) and a maximum annual increase of four percent (4%).

Item	Estimated Cost	Funding Source	Account	Available Balance
Bond Counsel and Special Tax Consultant Fees	\$5,000	Developer Deposit	905.2090.0083	\$5,000
	7,500	City Treasurer Division	140000101.5305	\$7,500
Total	\$12,500			

COMMISSION OR COMMITTEE REPORT

Not applicable.

CITY ATTORNEY’S ANALYSIS

The referenced documents have been approved as to form.

Prepared by: Silvia Twardy, Supervising Accountant

Reviewed by: Jill Moya, Financial Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Unanimous Consent
3. Resolution
4. Boundary Map