



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1494

Agenda Date: 6/3/2026

Agenda #: 20.

DATE: June 3, 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 OF THE SPANO FREEMAN STREET PROJECT 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 the Spano Freeman Street project 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 on North Coast Highway was included in the CFD, while the remainder of the City was designated as a “Future Annexation Area.” This process 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 following types of projects qualify for annexation into the Public Safety Community Facilities District if they consist of 16 units or more:

1. Projects which are subject to General Plan Amendment for residential uses.
2. Mixed-use projects proposed on a commercially-zoned land, including mixed use projects in the Downtown District.
3. Residential projects exceeding base density allowances.
4. Assisted Living or Skilled Nursing facilities of any size.

The citywide public safety services CFD is intended to encompass in-fill residential development projects throughout the City. Projects meeting the specific parameters described above 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, as further described below.

This agenda item involves a request for City Council approval to annex the Spano Freeman Street project into Zone B of the CFD. The project site is owned by Spano Properties LP, (the "Owner") and is located at 700-713 North Freeman Street (APN 143-20-504-00, 143-20-505-00, 143-20-506-00, and 143-20-507-00). The proposed Spano Freeman Street development includes 24 residential units on a .46-acre site, including 2 units reserved for low-income households. The low income units would be exempt from the CFD assessment.

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 Spano Freeman Street 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 \$5,000 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 consultant fees.

This development includes 24 residential units including 2 low-income units; which are exempt from special taxes. Estimated annual revenue generated from the remaining 22 units, once final occupancy is approved, is approximately \$8,500 per year. Annual special tax increases will be assessed 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
Special tax consultant	\$5,000	Developer Deposit	905.2090.0085	\$5,000
Total	\$5,000			

COMMISSION OR COMMITTEE REPORT

Does not apply.

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. Unanimous Consent
2. Resolution
3. Boundary Map