AGENDA STAFF REPORT

Control: 26001783

MEETING DATE:	09/29/2026
LEGAL ENTITY TAKING ACTION:	Community Facilities District 2025-1 (Rienda Phase 3)
BOARD OF SUPERVISORS DISTRICT(S):	District 5
SUBMITTING AGENCY/DEPARTMENT:	County Executive Office
DEPARTMENT CONTACT PERSON(S):	Oana Cosma, 714-834-7410 Louis McClure, 714-834-5999

SUBJECT: Annexation of Property to Community Facilities District No. 2025-1

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve resolution to form	DISCUSSION 3 Votes Board Majority

Budgeted: Yes	**Current Year Cost:** See Financial Impact Section	**Annual Cost:** See Financial Impact Section
Staffing Impact: No		**Sole Source:** No
Current Fiscal Year Revenue: See Financial Impact Section	**Funding Source:** Developer Deposits: 100%	**County Audit in Last 3 years:** No
Levine Act Review Completed? Yes		

Prior Board Action: 5/9/2026 #31, 4/8/2025 #24, 2/11/2025 #S31A, 1/14/2025 #39

RECOMMENDED ACTION(S):

Adopt the attached Resolution of the Board of Supervisors of the County of Orange, acting as the legislative body of Community Facilities District No. 2025-1 of the County of Orange (Rienda 3), accepting unanimous consents and approvals of property owners to annex property as Improvement Area No. 2 of Community Facilities District No. 2025-1 of the County of Orange (Rienda 3).

SUMMARY:

Approval of the recommended action will accept the unanimous consents and approvals of the property owners to annex property as Improvement Area No. 2 of Community Facilities District No. 2025-1, and will provide an efficient financing mechanism for the construction of improvements in the additional development area.

BACKGROUND INFORMATION:

On November 8, 2004, your Board approved the Ranch Plan Development Agreement (Development Agreement) between the County of Orange and Rancho Mission Viejo allowing up to 14,000 dwelling units, as well as retail, office, and recreational uses within a development area of approximately 7,700 acres with approximately 15,000 acres retained in open space. Rancho Mission Viejo (the Master Developer) has proposed the formation of community facilities districts (CFDs) to financing the facilities and projects that are required pursuant to the Development Agreement, to be completed in phases, as development occurs. Pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Act), as amended, the County previously formed five CFDs.

On January 14, 2025, the Board of Supervisors (Board) held a public hearing and adopted resolutions establishing CFD 2025-1, designating Improvement Area No. 1 therein, and designating a future annexation area to be annexed to either Improvement Area No. 1 or as a separate future improvement area. On February 11, 2025, the Board adopted an ordinance authorizing the levy of a special tax within Improvement Area No. 1 and each future improvement area in accordance with the rate and method of apportionment approved in the unanimous consents and approvals executed by the owners of each parcel at the time such parcels are annexed.

On April 8, 2025, the Board adopted a resolution accepting the unanimous approval of the owners of property to be annexed to Improvement Area No. 1, and such property has been annexed to Improvement Area No.1 and is subject to the levy of the special tax. On May 19, 2026, the Board adopted a resolution authorizing the issuance of bonds for Improvement Area No. 1 in an amount not to exceed $130 million. On June 18, 2026, bonds were issued in the amount of $121.6 million to finance facilities for the development within Improvement Area No. 1.

Certain parcels located within the proposed Improvement Area No. 2 of Community Facilities District No. 2025-1, have been sold by the Master Developer to entities affiliated with five merchant builders – Lennar, Shea Homes, TRI Pointe, Pulte and Trumark (or their respective land holding entity) (collectively, the Merchant Builders), while an affiliate of the Master Developer has retained ownership of certain parcels. The County has received the unanimous consents and approvals of the Master Developer and the Merchants Builders representing landowners of all parcels within the area to be annexed as Improvement Area No. 2. Adoption of the attached resolution accepts the unanimous consents and approvals of the landowners, determines that such property is annexed to Improvement Area No. 2, authorizes the Board to levy the special tax in accordance with the rate and method of apportionment in Attachment B of the resolution and incur bonded indebtedness for Improvement Area No. 2 in a principal amount not to exceed $150 million.

The public improvements to be provided for the parcels within Improvement Area No. 2, and bonds expected to be issued to reimburse the Master Developer for a portion of the costs incurred to construct such public improvements, include the same backbone public improvements to be provided for the property in Improvement Area No. 1. At buildout, the property within Improvement Area No. 2 is planned for 232 market-rate housing units, 307 age-qualified housing units, a market-rate rental project of approximately 321 units, and commercial property anticipated to be developed as a self-storage facility. Staff will return to the Board for approval prior to the issuance of bonds for Improvement Area No. 2.

FINANCIAL IMPACT:

All costs incurred by the County to undertake the analyses required to form CFD 2025-1, annex the additional property, and finance the facilities and improvements are covered under a Reimbursement Agreement between the County and the Developer approved by your Board on January 12, 2021. Under the Reimbursement Agreement, the Master Developer is required to periodically advance funds to the County to cover all costs associated with retaining the financing professionals, as well as County staff time.

If bonds are issued, there is no financial impact to the County as repayment of the bonds will be paid by the special taxes of the property within CFD 2025-1.

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:
N/A

ATTACHMENTS:
Attachment A - Resolution Annexing Property as Improvement Area No. 2
Attachment A - Resolution Annexing Property as Improvement Area No. 2