



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** County Executive Office  
**Department No.:** 012  
**For Agenda Of:** July 12, 2022  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director: Mona Miyasato, County Executive Officer  
Contact Info: Nancy Anderson, Assistant CEO  
**SUBJECT:** Property Tax Exchange Agreement for 806 Toro Canyon Annexation to the Montecito Water District (LAFCO 22-04)

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**County Counsel Concurrence**

As to form: Yes

**Treasurer/ Tax Collector**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Adopt a Resolution (Attachment B) providing for a zero-value negotiated exchange of property tax revenues pertaining to 806 Toro Canyon (LAFCO #22-04), an annexation to the Montecito Water District; and
- b) Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines, because they are government fiscal, organizational or administrative activities that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

The County of Santa Barbara (County) received a notification from the Local Agency Formation Commission (LAFCO) that it had received an application from property owner at 806 Toro Canyon Road. Currently, the property is located just outside and adjacent to the Montecito Water District (MWD) far eastern service boundary. The proposal is for a 14.89 acre parcel zoned RR-20 (Residential Ranchette) to be annexed into the MWD (District 1) and for the MWD to extend their existing boundary eastward to include this 14.89 parcel. The existing land is vacant. The 14.89-acre portion has an assessed value of \$306,000; however,

since MWD is not funded by and does not receive property taxes, no property taxes will be exchanged for this annexation. The proposal includes the following actions:

- Annexation to MWD

For this annexation, no Regional Housing Needs Allocation (RHNA) credits were required to be negotiated for a RHNA exchange. This item is being placed on the agenda of the Board of Supervisors, per Section 99 of the Revenue and Taxation Code. The County must consider approval of a resolution of a negotiated exchange of property tax revenues, regardless of the amount, before the proposed annexation can be heard or approved by LAFCO. The annexation request will be heard by LAFCO at a hearing tentatively scheduled for September 1, 2022.

**Background:**

The property owner at 806 Toro Canyon Road, located in the unincorporated County of Santa Barbara is requesting annexation of a 14.89 vacant parcel into MWD. It is located adjacent and just outside of the far eastern MWD boundary. The 14.89-acre property is Assessor Parcel Number (APN) 155-040-023. The proposal only includes annexation into the MWD. According to LAFCO File No. 22-04, in order to proceed with County of Santa Barbara permitting for development, the owner must be able to show he has water service for his project. The owner wishes to develop the currently vacant parcel with a single-family home and detached garage, as well as a pool. The property is zoned Residential Ranchette (RR).

Currently, the County General Fund’s allocated percentage of property taxes is 22.87127712%. MWD will receive a 0% allocation because MWD is not funded by and does not receive property taxes. MWD will become the provider of all water services and will receive 0% of property taxes. With this tax exchange agreement and based on the current assessed value of \$306,000, the County General Fund will receive \$707 per year.

Using the current assessed value and property tax amount as an example, the proposed tax exchange agreement would have the following impacts to project-affiliated jurisdictions:

Assessed Value \$306,000 FY 2022-2023				
Pre-Agreement		Jurisdiction	Post-Agreement	
Tax Allocation %	Revenue		Tax Allocation %	Revenue
0%	\$ 0	Montecito Water District	0%	\$ 0

Revenue and Taxation Code Section 99.01(4) provides that if a special district involved in the negotiation (other than the district which will provide one or more services to the area where those services have not been previously provided) fails to adopt a resolution providing for the exchange of property tax revenue, the Board of Supervisors shall determine the exchange of property tax revenues for that special district. In the Resolution, the Board is determining that there will be no exchange of property tax revenues for the special districts that receive a percentage of property taxes from the parcel as determined by the County Auditor-Controller (identified in Attachment C).

**Fiscal and Facilities Impacts:**

There are no fiscal impacts as a result of this annexation as MWD is not funded by and does not receive property taxes. Therefore, no property taxes will be exchanged for this annexation.

**Attachments:**

- A. LAFCO Submission Packet #22-04 – 806 TORO CANYON ROAD
- B. A Resolution providing for a zero-value negotiated exchange of property tax revenues pertaining to 806 Toro Canyon (LAFCO #22-04), an annexation to the Montecito Water District
- C. Auditor-Controller’s estimate of the proportion of property tax revenue attributable to each local agency

**Special Instructions:**

Please provide copies of the minute order and signed Attachment B to Jasmine McGinty, Principal Analyst, CEO Office, and to the Auditor-Controller’s Office.

**Authored by:**

Jasmine McGinty, Principal Analyst, County Executive Office

**CC:**

Betsy Schaffer, Auditor-Controller

Mark Hartwig, Fire Chief

Mike Prater, Executive Officer, Local Agency Formation Commission