

June 27, 2008

First District Supervisor Salud Carbajal  
County of Santa Barbara Board of Supervisors  
105 E. Anapamu Street  
Santa Barbara, CA 93101

RE: Request to Exempt Hope Community Church from Orcutt Community Facilities District Special Tax Levy Fees

Dear Supervisor Carbajal:

Urban Planning Concepts is representing the Hope Community Church in their efforts to record their Parcel Map (TPM 14,711). The project involves the subdivision of a 10.43 acre parcel into three parcels. One of the parcels is proposed to be developed and owned by Hope Community Church, which has been serving the Santa Maria Community for over 15 years. The remaining two parcels are not proposed for development at this time but will eventually be sold to commercial entities for future commercial development. The project was approved on November 28, 2007 and is currently in the last stages of map recordation. One of the conditions of approval was a requirement for the property to be annexed into the Orcutt Community Facilities District (OCFD).

The development of the OCFD did not anticipate the possibility of non-profits and religious institutions in the buildout of the Orcutt Community Planning Area so no provisions are provided for these uses that have been historically tax exempt. Due to the absence of these provisions, staff designated the church property as a Non-Retail Commercial/Industrial Property use and recommended assessment at the full \$0.69347 per square foot rate that results in an annual assessment of \$20,693. The site is zoned Highway Commercial and the two vacant commercial properties would most likely be assessed as retail commercial at a much lower rate of \$0.49331 per sf.

Specifically we are requesting that:

1. Hope Community Church project area be incorporated into the OCFD but the church parcel be assessed at the correct rate of \$0.00 per sf as indicated in the Actual Special Tax provided in the adopted resolution.
2. The Board initiates direction to staff to amend the Ordinance creating the OCFD to exempt non-profits, schools, and church uses from the levy of the special tax.

#### **OCFD Tax Provisions**

The categories for tax classifications in the OCFD are:

- 1) Single Family;
- 2) Multi-Family;
- 3) Non-Retail/Commercial Industrial, and;
- 4) Retail Commercial. There are no classifications for uses such as non-profits, schools, or churches.

Each year, the Board revisits the tax rates that are determined for the above listed classifications. The Board is charged with determining the rates for the upcoming fiscal year.

The following table shows the adopted fiscal year 2007-2008 annual special taxes for developed property and graded property approved for the Orcutt area<sup>1</sup>. This table reflects the maximum special tax permitted by law and the actual tax the Board opted to assess.

Land Use Class	Description	FY 2007-2008 Maximum Special Tax	FY 207-2008 Actual Special Tax
1	Single Family Property	\$714.92 per unit	\$514.92
2	Multi-Family Property	\$486.15 per unit	NA
3	Non-Retail Commercial/Industrial Property	\$0.69347 per sq. ft.	NA
4	Retail Commercial Property	\$0.49331 per sq. ft.	\$0.35534 per sq. ft.
NA	Graded Property	\$50 per lot	\$50 per lot

According to the 2007-2008 OCFD tax rate adoption report adopted by the Board on 7/17/07 "Non-Retail Commercial/Industrial" (Land Use Class 3)" uses maintain a legal maximum tax rate of \$0.69347 per sf. but the Board opted to not charge a rate for properties classified as such (hence the NA annotation) that was adopted. The Board sets the tax rate annually and may opt to increase that amount in the future. However, based on the adopted schedule, the 2007-2008 year is \$0.00 for Land Use Class 3.

### Hope Church Tax Status

The above listed tax rates were in the public record that the landowner and UPC reviewed when this process started and it appears that the Board's decision was not to assess the properties designated in this class. UPC and the landowners agree that the project site should be annexed into the OCFD but based on the actual tax rate for the category which is \$0.00.

The Hope Church project is the first of its kind that has been presented under the Non-Retail/Commercial category. UPC and the landowner understand the Board, at the time of adoption of the OCFD, did not have the intent to tax non-profit and religious organizations at almost twice the rate of other uses. The current actual tax rate of \$0.00 is, and should remain valid, for the future. Should the Board decide to maintain Land Use Class 3 as the highest rate for OCFD funding, future non-profits and other organizations would be severely deterred from developing any future projects in the Orcutt area.

The Hope Church community hopes and prays that the Board will maintain the NA or \$0.00 rate for Land Use Class 3 in the future. Maintaining the "NA" designation on future reassessments for Land Use Class 3 would not significantly impact funding of the OCFD as such uses would be rare. The vast majority of funding in the OCFD is due to the development of single-family homes in the residential Key Sites and future buildout of the commercial designation.

Sincerely,

Laurie Tamura, AICP  
Principal Planner

Encl: OCFD Map  
Original CFD Staff Report dated October 8, 2002

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<sup>1</sup> Page 7 of the County of Santa Barbara Community Facilities District No. 2002-1 Administration Report

Hope Church Exemption from OCFD Special Tax  
Levy Fees

Page 3 of 3

OCFD 2002-1 dated June 28, 2007