



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: CEO
Department No.: 012
For Agenda Of: June 3, 2008
Placement: Set Hearing
Estimated Tme: 15 minutes on
June 17, 2008
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info: John Baker, Assistant County Executive Officer, 568.3400
SUBJECT: Veronica Meadows Reorganization

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors set a hearing for June 17, 2008 (15 minutes) to receive a report on the Veronica Meadows Reorganization.

On June 17, 2008, receive a report on the Veronica Meadows Reorganization to

- (A) Adopt a resolution of negotiated tax exchange agreement between the City of Santa Barbara and the County which detaches parcels from the County Fire Protection District; and,
- (B) Approve a Memorandum of Understanding between the City of Santa Barbara and the County regarding the transfer of housing credits pertaining to the Veronica Meadows Reorganization.

Summary Text:

The County received a request from the Local Agency Formation Commission (LAFCO) regarding the Veronica Meadows Reorganization: Annexation to the City of Santa Barbara, Detachment from the Goleta Water District and Detachment from the County Fire Protection District. The Veronica Meadows project consists of 50.5 acres of land (three parcels) located between Campani Hill and Las Positas Road which will be developed into 25 single family residences. Also included within the project is the restoration of Arroyo Burro Creek, flood improvements and dedication of open space. A public road and bridge across Arroyo Burro Creek connecting to Las Positas will be constructed and financed by the private developer. The reorganization was considered by the City of Santa Barbara on May 20, 2008.

Background:

This item is being placed on the agenda as the Board of Supervisors, per Section 99 of the Revenue and Taxation Code, must approve a resolution of a negotiated exchange of property tax revenues with the City of Santa Barbara before the proposed reorganization is forwarded to LAFCO for approval. In accordance with a Board adopted policy (July 17, 2007) to include the negotiation of housing units as part of the tax exchange agreement required for annexations, it is recommended that the Board also consider approving a memorandum of understanding (MOU) with the City of Santa Barbara to transfer one unit (fifty percent) of the two affordable units of proposed housing to be built as part of this reorganization) to the County, which will be credited toward the County's 2008 Regional Housing Needs Allocation (RHNA).

Fiscal and Facilities Impacts:

These three parcels have a total assessed value of approximately \$5.2 million, of which the 1% value of \$52,000 is allocated to various taxes. Per the reorganization request, these parcels would detach from the County Fire Protection District and the nearly \$7,000 (13.28 percent) that these parcels pay to the Fire District would be allocated to the City of Santa Barbara. The rationale behind this methodology is that the City of Santa Barbara would become the service provider of fire suppression services to these parcels and bear the cost of providing this service.

As per the attached resolution, the portion of the property tax allocation of the parcels included within the Veronica Meadows Reorganization currently allocated to the County Fire Protection District will be allocated to the City at 11.92 percent (the City's matching tax rate area), with the tax rate differential being allocated to the County General Fund. Should the attached MOU be approved by both the City and the county, the County will receive credit of one unit toward its RHNA.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

Attachments:

- (1) A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE VERONICA MEADOWS REORGANIZATION, AN ANNEXATION TO THE CITY OF SANTA BARBARA AND
- (2) DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT REQUEST FOR REPORTBACK FROM LONG RANGE PLANNING

Authored by:

Sharon Friedrichsen, County Executive Office, 568.3107

cc: David Matson, Deputy Director, Long Range Planning
Michael Ledbetter, Deputy County Counsel
Chief John Scherrei, County Fire Department

BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE VERONICA MEADOWS REORGANIZATION, AN ANNEXATION TO THE CITY OF SANTA BARBARA AND DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT

Resolution No. _____

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue; and

WHEREAS, the City of Santa Barbara (CITY) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization which is commonly referred to as the Veronica Meadows Reorganization.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property:

1. Definitions:

a. "Reorganization" shall mean the recordation by LAFCO of a certificate of completion and the filing by LAFCO with the State Board of Equalization and the Santa Barbara County Assessor of a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the City of Santa Barbara.

b. "Property tax revenue" shall include the base property tax revenue and the property tax increment.

2. The Auditor-Controller of Santa Barbara County shall allocate and pay directly to the CITY and the COUNTY General Fund those portions of the property tax revenue generated from the parcels making up the Veronica Meadows Reorganization

area as expressed in LAFCO Proposal 07-0012, which otherwise would be allocated to the Santa Barbara County Fire Protection District. The CITY's future share of the allocation shall be that equal to 11.92187848 percent of taxes generated by these parcels with any shortfall or overage being allocated from/to the COUNTY General Fund.

3. Payment to CITY and COUNTY General Fund will commence the first full fiscal year for which the change in property tax allocation specified by this resolution and the corresponding adjustments to affected tax rate allocation system becomes effective as specified by the State Board of Equalization in accordance with Government Code Section 54902. At the time of adoption of this resolution, that is anticipated to be fiscal year 2008-09.

4. Should LAFCO include any additional parcels to this proposal prior its recordation, the same allocated percentage as set forth in paragraph 2 above shall apply.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 3rd day June, 2008, by the following vote:


AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD


Salud Carbajal, Chair
Board of Supervisors
County of Santa Barbara

By _____
Deputy Clerk

Approved as to Form:
DANIEL WALLACE
COUNTY COUNSEL

By: 
Michael R. Ledbetter
Deputy County Counsel

Approved as to Form:
ROBERT W. GEIS,
Auditor -Controller

By: 

Memorandum of Understanding

Between
County of Santa Barbara
and
City of Santa Barbara

THIS AGREEMENT (Agreement) is made and entered into by and between the County of Santa Barbara, a political subdivision of the State of California (herein referred to as the COUNTY) and the City of Santa Barbara, a municipal corporation (herein referred to as the CITY) wherein CITY agrees to transfer a credit of one affordable housing unit proposed to be developed as part of the Veronica Meadows Reorganization, LAFCO Proposal No. 07-012, to the COUNTY in return for the COUNTY's agreement to approve the Veronica Meadows Reorganization.

WHEREAS, the COUNTY has a stated policy adopted by the Board of Supervisors on July 17, 2007 to include the negotiation of housing units as part of the tax exchange agreement required for annexations; and,

WHEREAS, Assembly Bill 1019, chaptered on July 30, 2007 authorizes a similar mutually acceptable agreement on a revised determination of regional housing needs if an annexation of unincorporated land to a city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation; and,

WHEREAS, the City of Santa Barbara (CITY) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization which is commonly referred to as the Veronica Meadows Reorganization; and,

WHEREAS, the COUNTY and the CITY have negotiated and reached a mutually acceptable agreement for the transfer of housing credit for the proposed reorganization which is commonly referred to as the Veronica Meadows Reorganization.

NOW, THEREFORE, IT IS AGREED in consideration of the mutual covenants and conditions contained herein:

1. CITY shall transfer credit of one affordable housing unit, or fifty percent of the affordable units proposed to be developed as part of the Veronica Meadows Reorganization, to the COUNTY.
2. COUNTY shall allocate the credit of one affordable housing unit toward the COUNTY's overall 2008 Regional Housing Needs Allocation (RHNA).
3. COUNTY shall agree not to object to the annexation under the terms intended to be imposed by the Local Agency Formation Agency (LAFCO), and other good and valuable consideration, the receipt of which is hereby acknowledged.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the date it is fully executed.

COUNTY:
County of Santa Barbara, a Political
Subdivision of the State of California

CITY:
City of Santa Barbara, a Municipal
Corporation

SALUD CARBAJAL
CHAIR, BOARD OF SUPERVISORS

MARTY BLUM
MAYOR, CITY OF SANTA BARBARA

BY: _____
DATE: _____

BY: _____
DATE: _____

ATTEST:

ATTEST:

MICHAEL F. BROWN
CLERK OF THE BOARD

CITY CLERK


BY: _____
DATE: _____

BY: _____
DATE: _____

APPROVED AS TO FORM:
DANIEL F. WALLACE
COUNTY COUNSEL

APPROVED AS TO FORM:

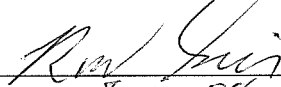
CITY ATTORNEY

By: 
Deputy County Counsel
DATE: 5-2-08

BY: _____
DATE: _____

APPROVED AS TO FORM:
ROBERT W, GEIS, CPA
AUDITOR-CONTROLLER

APPROVED AS TO FORM:
ROBERT PEIRSON
FINANCE DIRECTOR

BY: 
DATE: 5-2-08

BY: _____
DATE: _____