



**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:** May 24, 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 *NA*

DocuSigned by:  
*Mona Miyasato*  
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**SUBJECT:** Property Tax Exchange Agreement for 4146 Eleventh Street Reorganization Annexation with the City of Guadalupe (LAFCO 22-03)

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Treasurer/ Tax Collector**

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Adopt a Resolution (Attachment B) providing for a negotiated exchange of property tax revenues pertaining to the 4146 Eleventh Street Reorganization (LAFCO #22-03), an annexation to the City of Guadalupe (City) and the Guadalupe Lighting District and detachment from the Santa Barbara County Fire Protection District, Mosquito and Vector Management District of Santa Barbara County, and County Service Area 32; 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 the City of Guadalupe (City) for the Eleventh Street Reorganization. Currently, the property is bordered by the City to the north and the County to the south. The proposal is for a .58-acre portion of a 52.25-acre property to be annexed to property located at 4146 Eleventh Street (District 5); the existing land use is residential. The .58-acre portion has an assessed value of \$0; therefore,

there is currently no property tax revenue generated from this property. The proposal includes the following actions:

- Annexation to the City of Guadalupe and Guadalupe Lighting District;
- Detachment from the Santa Barbara County Fire Protection District, Mosquito and Vector Management District of Santa Barbara County and County Service Area 32.

The County and the City engaged in tax exchange negotiations that ended in an agreement to allocate base property taxes and future increment in the same percent to the City and the Guadalupe Lighting District as the existing City TRA 004-008 which is adjacent to the property, totaling 25.11013269%. This agreement is specific to this property tax exchange and any future negotiations will take into consideration the unique specifications of a proposed annexation area.

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 with the City of Guadalupe 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 August 11, 2022.

### **Background:**

The City of Guadalupe (City) is requesting annexation of a .58-acre portion of a 52.25-acre property to the City. The .58-acre property is a portion of Assessor Parcel Number (APN) 113-040-004. The proposal also includes detaching this portion from County Service Areas No. 32, the County Fire Protection District, and the Mosquito and Vector Management District of Santa Barbara County. According to the City's Resolution No. 2021-67, the .58-acre territory will subsequently be combined, through a lot line adjustment, with a 2.0-acre parcel occupied by a single-family home in the City. The 2.0-acre parcel is APN 115-230-027 and is located at 4146 Eleventh Street. The City would provide water, sewer as applicable, and other municipal services to the annexed area.

Currently, the County General Fund's allocated percentage of property taxes is 12.82372136%. The Santa Barbara County Fire Protection District's, Mosquito and Vector Management District of Santa Barbara County's, and County Service Area 32's allocated percentages of property taxes are 14.95629375%, 0.01631322% and 0%; respectively. The adjacent tax rate area (TRA) paid to the City of Guadalupe and Guadalupe Lighting District on adjoining properties in the City limits is 20.75655086% and 4.35358183%, respectively. In negotiations between the City of Guadalupe and the County, the parties agreed that all of the County Fire Protection District's and the Mosquito and Vector Management District of Santa Barbara County's allocated percentages will be eliminated. The City of Guadalupe and Guadalupe Lighting District will become the provider of all municipal services and will receive 25.11013269% of property taxes. With this tax exchange agreement and based on the current assessed value of \$0, the County General Fund will receive \$0 per year and the City will receive \$0. No property tax revenue from these parcels is distributed to County Service Area 32.

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 \$0 FY 2021-2022				
Pre-Agreement		Jurisdiction	Post-Agreement	
Tax Allocation %	Revenue		Tax Allocation %	Revenue
12.82%	\$ 0	County General Fund	2.69%	\$ 0
0.00%	\$ -	CSA 32	0.00%	\$ -
0.00%	\$ -	City of Guadalupe	20.75%	\$ 0
0.00%	\$ -	Guadalupe Lighting District	4.35%	
14.97%	\$ 0	SB County Fire Protection District	0.00%	\$ -
0.02%	\$ 0	SB Mosquito/ Vector District	0.00%	\$ -

Attached is a Board Resolution (Attachment B) which proposes the authorization of the terms, provisions and directions for executing the property tax exchange between the City of Guadalupe and the County, Santa Barbara County Fire Protection District, and the Mosquito and Vector Management District of Santa Barbara County.

### **Fiscal and Facilities Impacts:**

The Auditor-Controller of Santa Barbara County shall allocate and pay directly to the CITY portions of the Property Tax Revenues generated from a portion of the parcel making up the 4146 Eleventh Street Reorganization area as expressed in LAFCO Proposal #22-03, which otherwise would be allocated 14.95629375% to the Santa Barbara County Fire Protection District, 0.01631322% to the Santa Barbara Mosquito and Vector District, and 10.137525720% to the County General Fund. The CITY's future share of the allocation will be equal to 20.75655086% of Property Tax Revenues generated by a portion of this parcel and the Guadalupe Lighting District's future share of the allocation will be equal to 4.35358183%. The allocation percentages of taxing entities not included in this Reorganization are not affected. The negotiated tax allocation is equal to the matching TRA allocation (004-008) identified by the Auditor-Controller of 25.11013269%. The rationale behind this methodology is that the City of Guadalupe would become the provider of municipal services and the County will continue to support other beneficial services; which is consistent with Section 99 of the Revenue and Taxation Code.

### **Attachments:**

- A. LAFCO Submission Packet #22-03 – 4146 Eleventh Street Reorganization
- B. A Resolution providing for a negotiated exchange of property tax revenues pertaining to the 4146 Eleventh Street Reorganization (LAFCO #22-03), an annexation to the City of Guadalupe and Guadalupe Lighting District and detachment from the Santa Barbara

County Fire Protection District, the Mosquito and Vector Management District of Santa Barbara County, and County Service Area 32

**Special Instructions:**

Please provide copies of the minute order and signed Attachment B to Jasmine McGinty, Principal Analyst, CEO 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