



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: February 28, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Mona Miyasato, County Executive Officer
Contact Info: Nancy Anderson, Assistant CEO
SUBJECT: Property Tax Exchange Agreement for the 3025 and 3035 Lucky Lane
Annexation to Santa Ynez Community Services District (LAFCO 22-10)

County Counsel Concurrence

As to form: Yes

Other Concurrence

As to form: No

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 negotiated exchange of property tax revenues pertaining to the 3025 and 3035 Lucky Lane Annexation to the Santa Ynez Community Services District (LAFCO #22-10); 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 owners at 3025 and 3035 Lucky Lane in Santa Ynez, APN 141-380-017 and 141-380-035 respectively. Currently, the properties are located just outside and adjacent to the Santa Ynez Community Services District (SYCSD) northeastern service boundary. The proposal is for two one-acre parcels, a total of 2.08 acres Residential 1-E-1 to be annexed into the SYCSD (District 1) and for the SYCSD to extend their existing boundary eastward to include the 2.08-acre parcels. The existing land has two existing single-family dwellings (SFD) on the properties and one

accessory dwelling unit (ADU). In the application, the owners state they would like to annex into the SYCSD to obtain waste water services and connect to the sewer line and step pump system (Attachment A). The 2.08-acre portion of both parcels (two one-acre parcels) has an assessed value of \$1,060,884; however, since SYCSD does not receive any property taxes from the adjacent tax rate area 062-035, no property taxes will be exchanged for this annexation. The proposal includes the following actions:

- Annexation to SYCSD

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 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 April 4, 2023.

Background:

The property owners at 3025 and 3035 Lucky Lane, located in the unincorporated County of Santa Barbara are requesting annexation via one application of two one-acre parcels, totaling 2.08-acres into SYCSD to connect to the existing sewer line to receive waste water services. Both parcels are zoned Residential 1-E-1 and have existing single-family homes on acre. The parcels are located adjacent and just outside of the northeastern SYCSD boundary. The 2.08-acre properties are Assessor Parcel Number (APN) 141-380-017 and 141-380-035. The proposal only includes annexation into the SYCSD.

Currently, the County General Fund’s allocated percentage of property taxes is 16.61973568%. SYCSD will receive a 0% allocation because SYCSD does not receive property taxes for the adjacent tax rate area 062-035. SYCSD will become the provider of waste water services and will receive 0% of property taxes. With this tax exchange agreement and based on the current assessed value of \$1,060,884, the County General Fund will receive \$1,763 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 \$1,060,884 FY 2022-2023				
Pre-Agreement		Jurisdiction	Post-Agreement	
Tax Allocation %	Revenue		Tax Allocation %	Revenue
0%	\$ 0	Santa Ynez Community Services District	0%	\$ 0

Revenue and Taxation Code Section 99.01(a)(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 of the county in the area subject to the jurisdictional change is located 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 to the County as a result of this annexation because no property taxes will be exchanged for this annexation.

Attachments:

- A. LAFCO Submission Packet #22-10 – 3025 AND 3035 Lucky Lane Annexation to the Santa Ynez Community Services District

- B. A Resolution providing for a negotiated exchange of property tax revenues pertaining to the 3025 and 3035 Lucky Lane Annexation to the Santa Ynez Community Services District (LAFCO #22-10)

- 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

Mike Prater, Executive Officer, Local Agency Formation Commission