

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

**Agenda Number:**  
**Prepared on:** 6/16/2006  
**Department Name:** CEO  
**Department No.:** 012  
**Agenda Date:** 6/20/06  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Michael F. Brown, Chief Executive Officer  
568-3400

**STAFF CONTACT:** Sharon Friedrichsen, Interim Project Manager  
568-3400

**SUBJECT:** Initiation of the Annexation of Old Mill Run Residential Development into Orcutt Community Facilities District No.1, Fourth Supervisorial District

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## Recommendation(s):

That the Board of Supervisors:

- A. Adopt on June 20, 2006 a Resolution Initiating Annexation of Territory to Orcutt Community Facilities District No. 2002-1 and to Authorize the Levy of Special Taxes Therein for the Old Mill Run residential development (tentative tract map 14,532 on APN 105-020-046);
- B. Adopt on June 20, 2006 a Resolution Calling for a Special Election for Annexation of Old Mill Run into the Orcutt Community Facilities District (No. 2002-1);
- C. Set a public hearing on July 25, 2006 regarding the intent to annex territory known as Old Mill Run residential development into the Orcutt Community Facilities District (No. 2002-1) and levy special taxes on the proposed parcels to be annexed. On July 25, 2006, the Board of Supervisors will:
  1. Receive testimony regarding written protests that have been filed, if any;
  2. Hold a special election on the annexation of Old Mill Run into the Orcutt Community Facilities District (No. 2002-1) and the levying of special taxes on the parcels proposed to be annexed and trail this matter so that the election may be held and the results tallied during the Board meeting;

Later, on July 25, 2006, after the election results are tallied, if the vote of qualified electors approves the annexation and authorizes the levy of a special tax on the newly annexed parcels, it is recommended that the Board of Supervisors:

3. Certify the election results;
4. Adopt the Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien; and
5. Introduce the first reading of an Ordinance entitled "An Ordinance of the Board of Supervisors of the County of Santa Barbara Approving Annexation of Territory (Old Mill Run Residential Development) to Orcutt Community Facilities District (No. 2002-1) and Authorizing the Levy of Special Taxes Therein."

D. Set a hearing on the administrative agenda for August 1, 2006 to:

1. Adopt the attached ordinance (second reading) entitled "An Ordinance of the Board of Supervisors of the County of Santa Barbara Approving Annexation of Territory (Old Mill Run Residential Development) to Orcutt Community Facilities District (No. 2002-1) and Authorizing the Levy of Special Taxes Therein."

**Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with Goal No. 1, An Efficient Government Able to Respond Effectively to the Needs of the Community; Goal No. 4, A Community that is Economically Vital and Sustainable; and Goal No. 5, A High Quality of Life for All Residents.

**Executive Summary and Discussion:**

The Old Mill Run residential development project is located within the Orcutt Community Plan and located at the southeast corner of Blosser Road and Old Mill Road. It is surrounded by residential development in the north and east, mixed density residential development in the west, and a mobile home park in the south. The land is currently undeveloped and is zoned for Residential 3.3/Ac. and Design Residential 3.3/Ac. It includes 19.28 acres that will be subdivided into 62 parcels. Of the 62 parcels, 60 will be developed into single family residential units. Six of those parcels will contain 3 duplex structures containing a total of 6 units that meet the County's affordability requirements for low-income households. Services sought by the development include fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services, which are provided through the Orcutt Community Facilities District.

The Orcutt Community Facilities District (Orcutt CFD No. 2002-1) was formed on October 8, 2002 and encompasses approximately 750 gross acres of land in an unincorporated area of northwestern Santa Barbara County that is generally located South of Clark Avenue and between State Highway 135 and U.S. Highway 101. The CDF, as a special financing entity, is empowered to levy special taxes and/or issue bonds through a local government as authorized by a two-thirds vote of the qualified electors of such district. The special taxes may be used to finance infrastructure construction as well as certain public operations and maintenance services. The special tax is levied on all new development and the County currently requires all new parcels, as a condition of development, to annex into a CFD and subsequently pay the annual CFD Tax.

The maximum special tax rates for CFD No. 2002-1 was previously set during formation of the District. The costs to be covered by the Special Taxes levied will be the direct shortfall costs for the proposed services and related administrative expenses. The maximum annual Special Tax that can be levied within the CFD on all four land use classes of Developed Property increases annually by the greater of the change in the Los Angeles Urban Consumer Price Index during the twelve months ending in December of the Fiscal Year prior to the Fiscal Year in which the Special Tax is being levied, or two percent (2%).

The Old Mill Run parcel being proposed for annexation into the Orcutt CFD, as per the condition of approval by the Planning Commission, will result in 60 single family homes being built. Based on the Fiscal Year 2005-2006 Annual Special Taxes calculated by Taussig and Associates, Inc., the homes would be assessed \$662.64 per unit, for a total cost of \$39,758.40 allocated to the Orcutt CFD.

### Annexation Procedures

Annexation into the Orcutt CFD No. 2002-1 is one of the requirements of the Planning Commission's Conditions of Approval for the Old Mill Run residential development. Capital Pacific Homes has accordingly requested annexation of the Old Mill Run residential development into the Orcutt Community Facilities District. The Board of Supervisors adoption of the attached resolution of intent to annex into the Orcutt CFD will initiate the process. An election will be held no less than 30 days and no greater than 60 days after the adoption of the resolution.

The Special Taxes imposed by a CFD must be approved by a two-thirds majority of the "qualified voters." When fewer than twelve registered voters reside within the area proposed to be annexed, the qualified voters are those owners of property within that area to be annexed. Every property owner receives one vote per acre, or portion thereof, owned within the area to be annexed. Because no parcels have yet been sold, there is only one owner and one registered voter within the Old Mill Run annexation boundaries. The sole landowner, Capital Pacific Homes, may therefore elect annexation.

Capital Pacific Homes will be sent a special election ballot and a "Waiver and Consent" form which will allow the County to shorten minimum time requirements relative to annexation procedures prior to the Public Hearing set for July 25, 2006.

If Capital Pacific Homes returns its ballot in favor of Annexation to Orcutt CFD No. 2002-1 and levying of the Special Tax, the County may then levy the Special Tax relative to the newly annexed parcels for Fiscal Year 2006-07 and on. The Clerk of the Board shall then record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.

### **Mandates and Service Levels:**

No changes in mandates or service levels are associated with this action. Final annexation of the Old Mill Run residential development into the Orcutt Community Facilities District will allow fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services to be provided and funded through a levy of special taxes on the homeowners.

**Fiscal and Facilities Impact:**

No fiscal impact with this action. Completion of the annexation proceedings will allow the County to impose Mello Roos special taxes in the new developing areas covered by this annexation. Once the parcel is annexed into the Orcutt CFD and the proposed 60 single family homes are assessed the special tax rate, additional revenue will be generated for the Orcutt CFD. Based on the Fiscal Year 2005-2006 Annual Special Taxes calculated by Taussig and Associates, Inc., the homes would be assessed \$662.64 per unit, for a total cost of \$39,758.40 allocated to the Orcutt CFD.

**Special Instructions:**

- A. Direct the Clerk of the Board to publish a notice of said hearing one time in a newspaper of general circulation published in the area of the Orcutt Community Facilities District. The publication of said notice shall be completed at least seven days prior to the hearing set for July 25, 2006.
- B. Direct the Clerk of the Board to mail notice of the hearing for the intent to annex Old Mill Run residential development into the Orcutt Community Facilities District and levy special taxes therein to registered voters and landowners on the surrounding territory to be annexed, as set forth below, as prescribed in Section 53339.4 of the Government Code:

“Notice may be mailed to the registered voters and landowners on the surrounding territory proposed to be annexed or proposed to be annexed in the future. It shall contain the following: 1) contain the text or summary of the resolution; 2) state the time and place of the hearing; 3) state that at the hearing the testimony of all interested persons for or against the annexation of territory of the future annexation of territory to be for the community facilities district or the levying of special taxes within the territory proposed to be annexed or proposed to be annexed in the future will be heard.”

Notice to be published and mailed:

BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA  
NOTICE OF PUBLIC HEARING CONCERNING A RESOLUTION INITIATING  
THE ANNEXATION OF THE OLD MILL RUN RESIDENTIAL DEVELOPMENT  
INTO THE ORCUTT COMMUNITY FACILITIES DISTRICT  
AND THE LEVY OF SPECIAL TAXES THEREIN

Notice is hereby given that a public hearing will be held by the Board of Supervisors of the County of Santa Barbara, State of California, on July 25, 2006 at 9:00 AM or shortly thereafter, in the County Board of Supervisors Hearing Room at the Betteravia Government Center, 511 East Lakeside Parkway in Santa Maria to take public testimony on the proposed ordinance annexing territory onto the Orcutt Community Facilities District and imposing an annual assessment for Old Mill Run, Tract 14,532, in the County of Santa Barbara. The testimony of all interested persons for or against the annexation of territory or the future annexation of territory into the community facilities district or the levying of special taxes within the territory proposed to be annexed or proposed to be annexed in the future will be heard.

Any objections or protest to the adoption of the proposed ordinance may be filed with the Clerk of the Board of Supervisors before the public hearing scheduled above. The address of the Clerk of the Board is 105 East Anapamu Street, Santa Barbara, CA 93101.

- C. Direct the Clerk of the Board to mail special elections ballots to all qualified owners, which in this case is Capital Pacific Homes, Inc., no later than 15 days before the public hearing on July 25, 2006. The Special Taxes imposed by a Community Facilities District must be approved by two-thirds majority of the "qualified voters." Since there are fewer than twelve registered voters that reside within the area proposed to be annexed, the qualified voters are those owners of property within that area to be annexed. Every property owner received one vote per acre, or portion therefore, owned within the area to be annexed as per Government Code Section 5339.6.
- D. Direct the Clerk of the Board to forward a certified minute order and completely executed copies of the resolution to the County Executive Office to the attention of Sharon Friedrichsen.

Concurrence:  
County Counsel

Attachments:

Resolution Initiating Annexation of Territory to Orcutt CFD No. 2002-1

Exhibit A: Old Mill Run Annexation Parcel Map #1 for Orcutt CFD No. 2002-1

Exhibit B: Proposed Boundary Map for Orcutt CFD No. 2002-1

Exhibit C: Rate and Method of Apportionment for Orcutt CFD No. 2002-1

Resolution Calling Special Election for Annexation of Old Mill Run into Orcutt CFD No. 2002-1

CC: Billie Alvarez, Elections  
Marie La Sala, County Counsel  
Jennifer Christensen, Planning and Development  
John Zorovich, Planning and Development  
Robert Baker, Capital Pacific Homes Inc. 4050 Calle Real Ste 200-B Santa Barbara CA 93110

Board Letter prepared by Sharon Friedrichsen, 568-3107