

SUMMIT VIEW TAX EXCHANGE OPTIONS

Santa
Barbara
County

Board of
Supervisors

November 4,
2014

PURPOSE OF TODAY'S ITEM



- Receive and file report on status of negotiations on tax exchange agreement on Summit View Homes Reorganization
- Provide staff with direction on options for a tax exchange terms and conditions in the best interest of county residents

HISTORY OF TODAY'S ITEM



On October 21, 2014, the Board directed staff to:

- Continue this matter to November 4, 2014 as a Departmental item
- Present other options
- Identify the amount of development fees that would be assessed by the County if the development occurred within the County boundaries (estimated at \$233,000)
- Confirm that the City would be responsible for road maintenance, which would extend the easterly extent of the reorganization boundaries ~500' along Purisima Road to end at the current City limit, and extend the northerly extent of the reorganization boundaries ~3,500' along Harris Grade Road to end at the current City limit.

OPTIONS FOR CONSIDERATION

OPTION 1



- a) Adopt the resolution providing for a negotiated exchange of property tax revenues pertaining to the Summit View Homes Reorganization (LAFCO #14-1), an annexation to the City of Lompoc, annexation to the Mission Hills Community Services District, detachment from the Santa Barbara County Fire Protection District and detachment from the Mosquito and Vector Management District of Santa Barbara County;
- b) Approve the Regional Housing Needs Allocation (RHNA) Transfer Agreement (Attachment B) between the County of Santa Barbara and the City of Lompoc regarding the transfer of RHNA housing units pertaining to the Summit View Homes Reorganization.

OPTIONS FOR CONSIDERATION

OPTION 2



- a) The City and the County shall mutually select a mediator, funded in equal portions by those agencies, to perform mediation for a period not to exceed 30 days from November 30, 2014, the extension identified in the Summit View Reorganization Second Extension Agreement with the City of Lompoc. If, upon the completion of the mediation period, no exchange of property tax revenues is agreed upon by the City and the County, Cal. Rev. & Tax. Code Section 99(e)(1)(C) of Revenue and shall apply (arbitration).

OPTIONS FOR CONSIDERATION

OPTION 2



If Option # 2 is selected, the City and County would move into mediation as required per Rev. & Tax Code Section 99(e) (1) (B). Details of the required actions under this code section are included in the Board Letter.

99(c)(1)(B) The city and the county shall mutually select a mediator, funded in equal portions by those agencies, to perform mediation for a period not to exceed 30 days. If, upon the completion of the mediation period, no exchange of property tax revenues is agreed upon by the city and the county.

OPTIONS FOR CONSIDERATION

OPTION 3



- a. Approve, ratify, and authorize the Chair to execute the Summit View Reorganization Third Extension Agreement with the City of Lompoc, extending the time period specified in Cal. Rev. & Tax. Code Section 99(e)(1)(A) to February 28, 2014;
- b. Direct staff to continue tax exchange negotiations to include the following concerns:
 - I. Compensation for the loss of development fees to the County
 - II. Timeliness of response for Sheriff and Fire services to residents; consider service agreements or Fire District remaining in TRA
 - III. The City would be responsible for road maintenance, which would extend the easterly extent of the reorganization boundaries ~500' along Purisima Rd. to end at the current City limit, and extend the northerly extent of the reorganization boundaries ~3500' along Harris Grade Rd. to end at the current City limit.

OPTIONS FOR CONSIDERATION

OPTION 4



- a) Direct staff to request that the City withdraw its application for reorganization, Summit View Homes Reorganization (LAFCO #14-1).**

OPTIONS FOR CONSIDERATION

ALL OPTIONS INCLUDE



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.

BACKGROUND

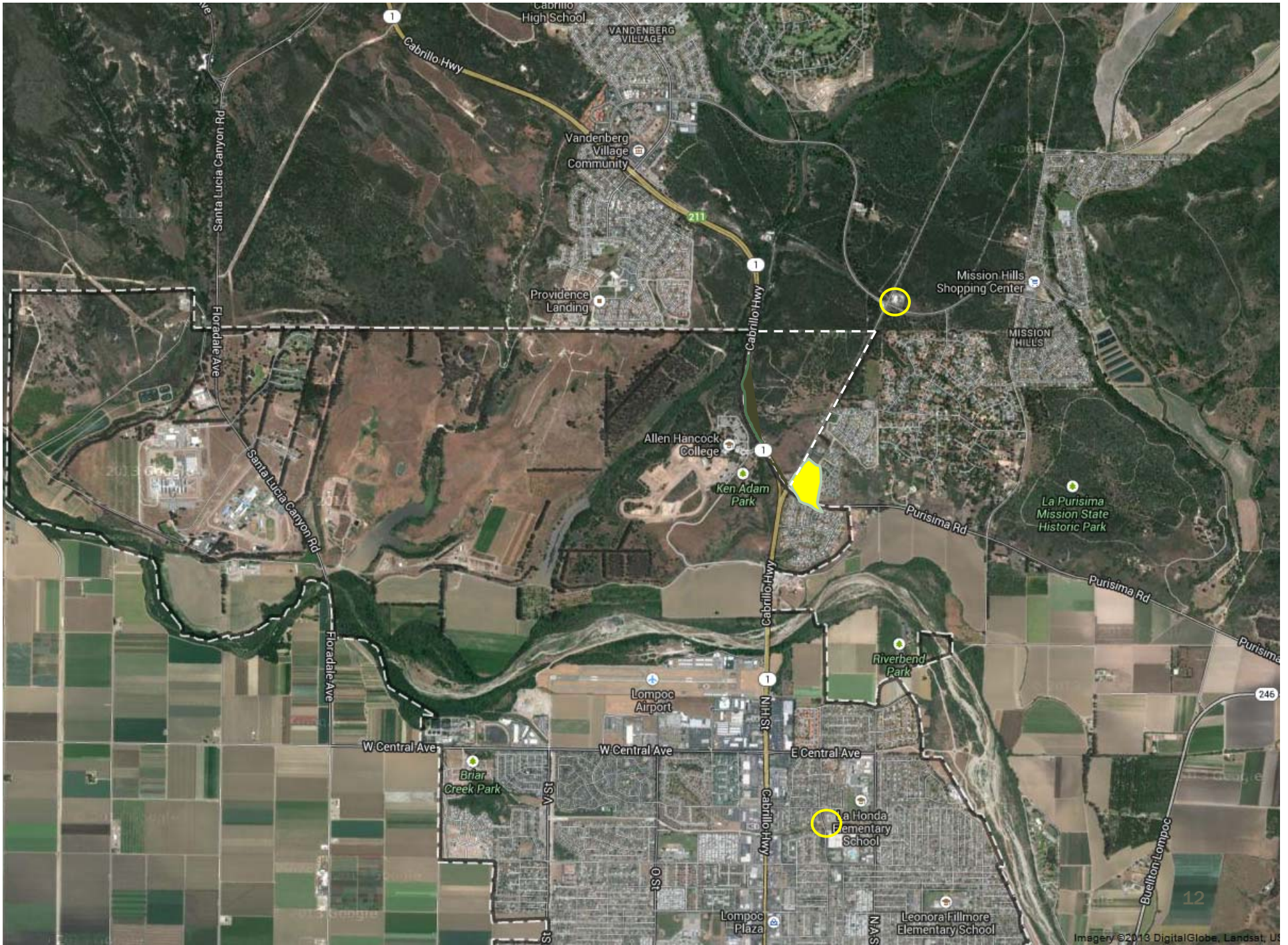


- **Cortese-Knox Local Government Re-org Act**
 - “encourage orderly growth”
 - Concern for public service delivery prioritization based on limited resources
- **Revenue and Taxation Code**
 - Section 99 requires exchange agreement resolution
 - Proportional sharing of limited tax revenue
 - Requires analysis, mediation and arbitration, if needed to arrive at a tax exchange agreement

SUMMIT VIEW ANNEXATION



- Re-organization that detaches from County Fire Protection and Vector Control and annexes to City of Lompoc and Mission Hills CSD + SOI change
- Summit View Homes Proposal
 - 10.05 acres unincorporated parcel
 - Existing county zoning is 4.6 units per acre
 - NE corner of Harris Grade and Purisima (3rd District)
 - 44 residential units
 - Average lot size is 6,785 square feet



INITIAL TAX EXCHANGE NEGOTIATIONS



- Reviewed “comp” Tax Rate Areas
- Met with City and discussed
 - Long-term planning for developed areas north and east of city limits
 - RHNA MOU
 - County departmental findings
- Tax exchange proposals discussed
 - County suggested 12%
 - City countered 14.05%

COUNTY DEPARTMENTAL FINDINGS

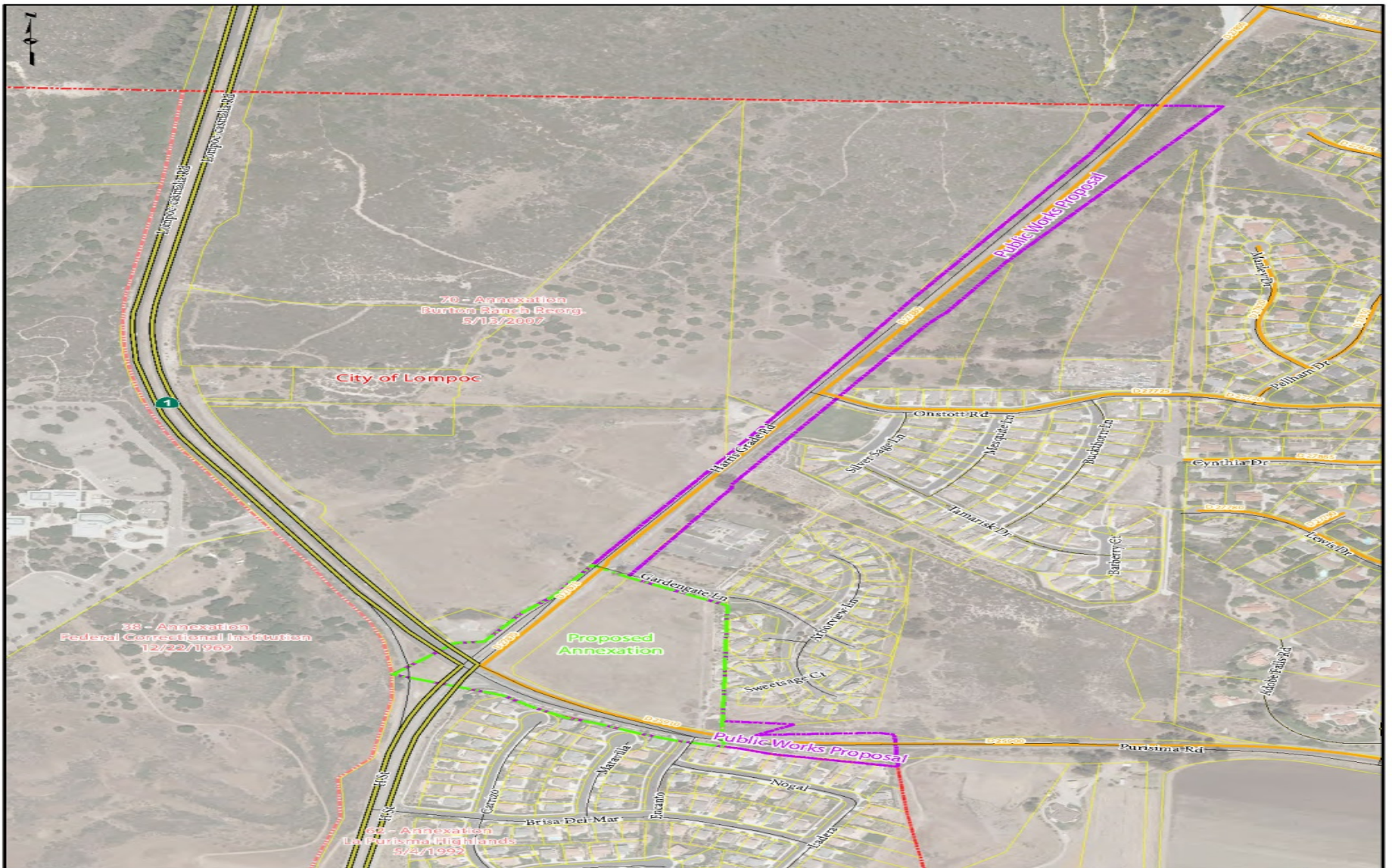


- **County Fire Protection District**
 - County Station 51 will be at least 2 minutes faster
 - In 2013, County Fire responded to City 112 more times than Lompoc Fire responded to County
 - Potential \$30,000 annual loss in County FPD
- **Emergency Medical Services**
 - County Ambulance 51 still required for ALS calls
- **Public Safety Dispatch**
 - 911 calls will need additional step for County response

IMPACTS OF NEARBY DEVELOPMENT



- Burton Ranch – West of Harris Grade
- 476 residential units
- City will collect \$1.4M one-time when built out
- Prior annexation had no provision for ROW transfer along Harris Grade north of Purisima
- No consideration of public safety response time



Lompoc Annexation - Proposal 1

Compiled by the Office of the County Surveyor on 8/28/2013.
 Incorporated 8/6/1888, Board of Supervisors Minute Book F/71-72.
 Last Action: Burton Ranch Reorganization, LAFCO 06-05, 5/13/2007.
 Sphere: 11/4/2010. Boundary activity table at
<http://www.countyofsb.org/pwd/pwsurveyor.aspx?id=5118>

A missing number means no completion information was found for a proposed boundary change.
 NOTICE OF DISCLAIMER: This data is for reference only. Although every effort has been made to ensure the accuracy of information, errors and conditions originating from physical sources used to develop the database may be reflected in this data. Santa Barbara County shall not be liable for any errors, omissions, or damages that result from inappropriate use of this document. No level of accuracy is claimed for the boundary lines shown herein and lines should not be used to obtain coordinate values, bearings or distances.

- Legend**
- Highways
 - Roads
 - County Maintained Roads
 - Parcels
 - City of Lompoc
 - Lompoc City Annexations
 - Proposed Lompoc Annex. - Initial
 - Proposed Lompoc Annex. - PW Ideal



LOMPOC REVISED FISCAL ANALYSIS REPORT – 2014



- City Council received revised Hoffman Report date June 2014
- Assumes City would receive County Fire District tax allocation of 14.04%
- Identifies new property and other tax revenues for the city *Day One* & upon build-out
- Identifies pro-rated expenses for new residents
- Shows recurring annual surplus of \$5K to the City of Lompoc upon build out

FISCAL ANALYSIS & FURTHER NEGOTIATIONS



- County prepared fiscal analysis; expenditures exceed revenues (using per capita costs)
- Fire would continue to provide service under any scenario but w/o funding
- Fixed costs of Sheriff/Fire station
- Reduced City tax allocation, 11% = break even for City
- County financial position improved but still deficit
- Doesn't address development fees (\$233k) or maintenance of certain roads adjacent to City land

OPTIONS



- 1. Adopt Tax Exchange Resolution (Attach. A) & RHNA Agreement (Attach. B)**
- 2. Direct staff to proceed with selection of mediator and begin mediation**
- 3. Approve 3rd Extension (Option 3-a) and continue negotiations (3-b)**
- 4. Direct staff to request City to withdraw its application for reorganization**

QUESTIONS

