

**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: 7/11/03
Department Name: CAO
Department No.: 0120
Agenda Date: 7/22/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Administrator

STAFF CONTACT: Scott Ullery, Deputy County Administrator
568-2243

SUBJECT: Exchange of Property Taxes for the Kennedy Reorganization (aka Veronica Springs),
an Annexation to the City of Santa Barbara

Recommendation(s):

That the Board of Supervisors:

Adopt the attached resolution providing for the negotiated exchange of property tax revenue pertaining to the Kennedy Reorganization, an annexation to the City of Santa Barbara, and authorizing the Chair to execute the attached resolution.

Alignment with Board Strategic Plan:

This recommendation is primarily aligned with Goal No. 5, Maintain and Enhance the Quality of Life for all Residents.

Executive Summary and Discussion:

The City of Santa Barbara proposes annexation of a developed 43,500 square foot (approximately 0.932 acres) single-family lot to the City of Santa Barbara (legal description and map attached). The subject residential parcel is located within the City's existing sphere of influence, in the unincorporated area of Las Positas Valley in the County of Santa Barbara and the Santa Barbara County Fire Protection District jurisdictions. Veronica Springs Road, along the property frontage, as well as residential properties across the street to the east are within the City's boundary. The City has received a Tentative Subdivision Map (TSM) to create four lots contingent upon the annexation of the subject property. City zoning and general plan designations are also proposed. The proposed build out of the site with four residential units would be consistent with the County's existing residential zoning of 4.6 dwelling units per acre. The recommended City zoning designation is E-3, Single Family Residential, which would require a minimum of 7,500 square

Exchange of Property Taxes for the Kennedy Reorganization

Agenda Date: 7/22/03

Page 2 of 2

feet of lot area. The proposed lots would vary in size from 8,772 square feet to 13,878 square feet, thus meeting the City's minimum lot area requirements. Two units currently exist on the site. No new residential structures are proposed at this time.

The annexation includes detachment from the County Fire Protection District. Pursuant to state law, the City and County must agree on an exchange of property tax revenue allocated to the Fire District prior to the Local Agency Formation Commission (LAFCO) considering the reorganization. City and County staff have reached a tentative agreement which is now submitted for your approval via this resolution. The Santa Barbara City Council is scheduled to consider a complementary resolution at its July 29, 2003 meeting.

Beginning Fiscal Year 2004-05, the recommended distribution of the allocated percentage of property tax currently assigned to the Santa Barbara County Fire District (13.27796591 percent), as follows: (1) the City to receive 11.92187848 percent, and (2) the County General Fund to receive the remaining portion of 1.35608743 percent, bringing the General Fund's total allocation to 23.54158987 percent.

Mandates and Service Levels:

Upon completion of the annexation all municipal services will be provided by the City of Santa Barbara.

Fiscal and Facilities Impacts:

For the current year, the subject property generates property taxes of \$7,038. The allocated taxes to the Santa Barbara County Fire Protection District, which amount to \$934.50 currently, will be redistributed to the City of Santa Barbara (\$839.06) and the County General Fund (\$95.44).

Special Instructions:

Please return signed resolutions to:

1. Barbara Godwin, Office of the Auditor Controller
2. Bob Braitman, LAFCO
3. Robert D. Peirson, Finance Director, City of Santa Barbara

Concurrence:

County Counsel
Auditor-Controller
County Fire District

cc: Stephen Shane Stark, County Counsel
Bob Geis, Auditor-Controller
John Scherrei, County Fire
Robert Peirson, City of Santa Barbara
Bob Braitman, LAFCO

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PEROPERTY TAX REVENUES PERTAINING TO THE KENNEDY REORGANIZATION: AN ANNEXATION TO THE CITY OF SANTA BARBARA, DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT AND DETACHMENT FROM THE GOLETA WATER DISTRICT

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 Kennedy 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 portions of the property tax revenue from the Kennedy Reorganization area, which otherwise would be allocated to the Santa Barbara County Fire Protection District (13.27796591 percent in fiscal year 2003-04). The allocated portion to the CITY shall be 11.92187848 percent and to the COUNTY General Fund 1.35608743, bringing the General Fund's total net allocation to 23.54158987 percent (exclusive of the requisite amount shifted to the Educational Revenue Augmentation Fund, which is currently 11.91461896 percent). The Auditor-Controller of Santa Barbara County shall allocate and pay directly to the CITY any and all property tax revenue which otherwise would be allocated to the Goleta Water District (0% in fiscal year 2003-04).

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. At the time of adoption of this resolution, that is anticipated to be fiscal year 2004-05.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California,
this _____ day of _____ 2003, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

Naomi Schwartz, Chair
Board of Supervisors
County of Santa Barbara

ATTEST:
CLERK OF THE BOARD

By: _____
Deputy Clerk

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____

APPROVED AS TO FORM:
AUDITOR-CONTROLLER

By: _____