THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
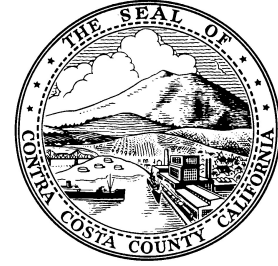
Adopted this Resolution on July 10, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

SUBJECT:　**In the Matter of Approving the　)**　　　　**Resolution No. 2018/228**
**　Property Tax Exchange Pertaining to the　)**
Dissolution of the Los Medanos Community)
Healthcare District　　　　　　　　　　　　)

　　　　WHEREAS, Section 99(b)(5) of the California Revenue and Taxation Code provides that in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues; and

　　　　WHEREAS, prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation; and

　　　　WHEREAS, on March 28, 2018, County staff sent letters to each special district that is a taxing entity in the area served by the District (the "Subject Territory," shown on map in Attachment 1) notifying them of the pending negotiation regarding the exchange of property tax revenues in connection with the dissolution of the District, and each has had adequate opportunity to comment on the exchange of proper tax revenues (a sample letter is attached

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED:　July 10, 2018

DAVID J. TWA, Clerk of the Board of Supervisors
And County Administrator

By _____Deputy

cc:　　Hon. Robert R. Campbell, Auditor-Controller
　　　　Hon. Michael R. McGill, Chair, Local Agency Formation Commission

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as Attachment 2, and a list of the taxing entities, including contacts and addresses on record with the Auditor-Controller, is attached as Attachment 3);

WHEREAS, although the District was formed in 1945 to operate the Los Medanos Community Hospital, the District has not been a direct provider of healthcare services since declaring bankruptcy in 1994, and, instead, provides financial support to third parties; and

WHEREAS, according to the Contra Costa County Civil Grand Jury, the cost of administering the District's grant program is high compared to the amount spent on grants, when, for example, in fiscal year 2017/18, the District budget allocates approximately 42% of the District's revenue to community programs and 51% to general administration; and

WHEREAS, the County is the primary provider of healthcare services to low-income persons residing in Contra Costa County, including within the District's boundaries; and

WHEREAS, the County intends to develop and conduct a grant program within the Subject Territory that is focused on comprehensive health-related services and that is funded by tax revenue received by the County pursuant to this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Contra Costa County finds that the above recitals are true and correct; and

HEREBY DETERMINES that the property tax exchange for the Subject Territory upon the dissolution of the District shall be in accordance with the following for the fiscal year in which the State Board of Equalization makes the tax rate area change for this jurisdictional change, and each year thereafter:

> All of the District's share of the base tax and the annual tax increment in the Subject Territory shall be allocated to Contra Costa County by allocating the base tax that would otherwise be allocated to the District, and the annual tax increment that would otherwise be allocated to the District, to Contra Costa County. The resulting new tax increment allocation factors for the Subject Territory will be used to allocate the annual tax increment for the effective year of the dissolution as well as in the future years.

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