



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: August 2, 2022

Subject: Contra Costa County Fire Protection District Property Tax Transfer Resolution

RECOMMENDATION(S):

1. OPEN a public hearing on the adoption of Resolution No. 2022/267, determining to transfer to the Contra Costa County Fire Protection District (the "CCCFPD") that portion of the County's property tax base and increment that was previously transferred to the former East Contra Costa Fire Protection District (the "ECCFPD") from Tax Rate Areas 60043, 60047, 60048, 60050, 60055, and 60056 (the "Subject Territory").
2. RECEIVE and CONSIDER all written and oral objections or protests to the property tax transfer, and CLOSE the public hearing.
3. FIND that:
 - a. County revenues are available for this purpose.
 - b. The transfer will not result in any increase in the ratio between the amount of revenues of the County that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of County revenues used to finance services provided by the County.
 - c. The transfer will not impair the County's ability to provide existing services.

☒ APPROVE
 ☐ OTHER
☒ RECOMMENDATION OF CNTY ADMINISTRATOR
 ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/02/2022** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
 Candace Andersen, District II Supervisor
 Diane Burgis, District III Supervisor
 Karen Mitchoff, District IV Supervisor
 Federal D. Glover, District V Supervisor

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: August 2, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Paul Reyes,
925-655-2049

cc:

d. The transfer will not result in a reduction of property tax to school entities.

4. CONSIDER APPROVING and ADOPTING Resolution No. 2022/267 determining to transfer to CCCFPD that portion of the County's property tax base and increment described in Resolution No. 2016/332 from the Subject Territory.

RECOMMENDATION(S): (CONT'D)

5. DIRECT the County Administrator, or designee, to send Resolution No. 2022/267 to the County Auditor to notify the County Auditor of the approved transfer.

FISCAL IMPACT:

No net impact to the County. If approved, Resolution 2022/267 will transfer from the County to CCCFPD the revenue previously assigned to ECCFPD for fiscal year 2022/23 and will transfer the ad valorem property tax base and increment from the County to CCCFPD beginning with fiscal year 2023/24. The property tax base and increment are associated with six tax rate areas: 60043, 60047, 60048, 60050, 60055, and 60056, excepting two small parcels within these tax rates areas (APNs 011-190-044/-045). Although it is not possible to predict future property tax revenues with certainty, the property tax revenues for fiscal year 2021/22 for the six tax rate areas at issue totaled \$952,380.52. Because these property revenues were previously transferred to ECCFPD, transfer of the funds to CCCFPD will not impact County fees or services.

BACKGROUND:

On August 10, 2016, the Contra Costa Local Agency Formation Commission (the “LAFCO”) approved the detachment of the Subject Property, which comprises approximately 480 acres, from the Byron-Bethany Irrigation District (the “BBID”) and approved the reallocation of the associated property tax base and increment to the County. On October 12, 2016, LAFCO’s order of detachment became final.

On October 18, 2016, the Board of Supervisors approved the transfer of the portion of the County’s property tax base and increment that had previously been allocated to BBID to the ECCFPD. (Resolution No. 2016/332.) The transfer was authorized under a law which permits a local agency to transfer a portion of its property tax revenues to another local agency. (Rev. & Tax. Code, § 99.02.) The Board determined the contribution would help to bolster ECCFPD, which, due to “a lack of sufficient funding resulting from low property tax rates,” had been forced to reduce its fire and medical services.

Resolution No. 2016/506, which authorized the property tax transfer, states that if ECCFPD is dissolved by order of LAFCO, the property tax transfer will automatically terminate and, the Board of Supervisor’s intent is to reallocate the property tax revenues for fire and emergency medical services for the residents of Discovery Bay. An associated agreement between the County and ECCFPD, concerning the annual transfer of the property tax base and increment to ECCFPD, similarly provides that any transfers cease at the end of any fiscal year in which LAFCO approves the dissolution of ECCFPD.

On March 9, 2022, LAFCO approved the dissolution of ECCFPD, effective at the end of June 30, 2022. On July 1, 2022, CCCFPD assumed most of the duties and obligations of ECCFPD as its successor agency. Under the statutes governing the allocation and

apportionment of property tax revenues, the property tax revenues that were being transferred to ECCFPD revert to the County. As ECCFPD was dissolved at the end of the day on June 30, 2022, the transfer of the property tax revenues from the Subject Territory terminated on July 1, 2022.

By adopting the attached Resolution No. 2022/267, the Board of Supervisors will determine to transfer to CCCFPD that portion of the County's property tax base and increment that was previously transferred to ECCFPD from the Subject Territory. This resolution would permanently transfer, beginning with fiscal year 2023/24, the base tax and increment allocation factor described in Resolution No. 2016/332.

The transferred property tax revenues will be used to help CCCFPD provide fire and emergency medical services to those in its service area, which now includes the Discovery Bay Community Services District. As the successor agency to ECCFPD, CCCFPD has newly assumed responsibilities to serve an additional 143,000 residents, spread over 249 square miles. The recommended transfer of the property tax base and increment from the Subject Territory will provide crucial funding that will help CCCFPD provide fire and emergency medical services throughout its service area, including the area encompassing the Discovery Bay Community Services District.

CONSEQUENCE OF NEGATIVE ACTION:

If the resolution is not adopted and approved, the County's property tax base and increment share and annual revenue will be increased, and CCCFPD will not receive additional funding for providing fire and emergency medical services, including in the areas recently annexed to CCCFPD.

CLERK'S ADDENDUM

Speakers: No name given, Danville

WAIVED the Better Government Ordinance 96-Hour Time Limit to allow inclusion of the PowerPoint presentation for this item; **CLOSED the public hearing; FOUND that: a) County revenues are available for this purpose b) The transfer will not result in any increase in the ratio between the amount of revenues of the County that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of County revenues used to finance services provided by the County c) The transfer will not impair the County's ability to provide existing services d) The transfer will not result in a reduction of property tax to school entities; ADOPTED Resolution No. 2022/267 determining to transfer to CCCFPD that portion of the County's property tax base and increment described in Resolution No. 2016/332 from the Subject Territory; and DIRECTED the County Administrator, or designee, to send Resolution No. 2022/267 to the County Auditor to notify the County Auditor of the approved transfer.**

ATTACHMENTS

Resolution 2022/267

Resolution 2016-506

Resolution 2016-332