

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 6, 2024

FROM

LUTHER SNOKE, Chief Executive Officer, County Administrative Office

SUBJECT

Revised Property Tax Exchange Related to LAFCO 3268 – Reorganization to Include Annexation to the City of Chino and Detachment from County Service Area 70

RECOMMENDATION(S)

Adopt **Resolution No. 2024-125** accepting the property tax revenue amounts that would be transferred as a result of the pending jurisdictional change related to Local Agency Formation Commission proposal LAFCO 3268 – Reorganization to Include Annexation to the City of Chino and Detachment from County Service Area 70 (East End Annexation), as modified.
(Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally Responsible and Business-Like Manner.
Ensure Development of a Well-Planned, Balanced, and Sustainable County.
Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). Approval will potentially result in an ongoing decrease of \$54,870 in funding for the County General Fund due to the transfer of property tax revenue to the City of Chino (City). However, the City will assume responsibility and cost for municipal services for the reorganization proposal area. The proposed transfer does not affect County Service Area (CSA) 70 as it currently does not receive property tax revenue for the reorganization area. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings.

The recommended redistribution of annual property tax revenue as a result of the pending reorganization related to Local Agency Formation Commission (LAFCO) proposal LAFCO 3268, as modified, is as follows:

Affected Agency	Transfer From	Transfer To
County General Fund	\$54,870	\$0
County Service Area 70	\$0	\$0
City of Chino	\$0	\$54,870
Transfer Total	\$54,870	\$54,870

BACKGROUND INFORMATION

**Revised Property Tax Exchange Related to LAFCO 3268 -
Reorganization to Include Annexation to the City of Chino and
Detachment from County Service Area 70
August 6, 2024**

LAFCO 3268 is a proposal initiated by the City on October 3, 2023, requesting reorganization to include annexation to the City and detachment from CSA 70. The reorganization proposal area originally encompassed approximately 57.6 acres and was generally bounded by a combination of the San Bernardino Countyline, the San Antonio Creek Channel, and parcel lines on the west, Francis Avenue on the north, East End Avenue (portion of existing City boundary) on the east, and a combination of Philadelphia Street and parcel lines (existing City boundary) on the south, within the City's northern sphere of influence.

On December 21, 2023, LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the reorganization proposal. The NOF requires the Auditor-Controller/Treasurer/Tax Collector to estimate the property tax revenue and proportions by agency, which is used to establish the property tax revenue amounts to be transferred. A determination of the property tax revenue exchange associated with the jurisdictional change must occur prior to the issuance of the Certificate of Filing by LAFCO. In accordance with Section 99 of the California Revenue and Taxation Code, the Board of Supervisors (Board) must, on behalf of any impacted special district, negotiate any exchange of property tax revenues and adopt a resolution related to the property tax exchange.

The original LAFCO 3268 proposal would have created an unincorporated County island encompassing three parcels (Assessor's Parcel Numbers [APNs] 1013-531-09, 1013-531-10, and 1013-531-11) (Island Properties) adjacent to the reorganization proposal area. On April 23, 2024 (Item No. 27), the Board adopted Resolution No. 2024-42 accepting the property tax revenue amounts that would be transferred as a result of the pending jurisdictional change related to LAFCO 3268 – Reorganization to Include Annexation to the City of Chino and Detachment from County Service Area 70 (East End Annexation). The Board also adopted Resolution No. 2024-43 opposing the proposal unless modified to include three additional parcels (APNs 1013-531-09, 1013-531-10, and 1013-531-11) to avoid the creation of an unincorporated County island.

After further discussions between the City and the County regarding the options, both agreed that annexation to the City is the appropriate solution. Therefore, LAFCO staff modified the City's application to include the expansion area and the legal noticing included not only the original area for LAFCO 3268 (57.75 acres) but also the expansion area (7.31 acres). The reorganization area, as modified, encompasses approximately 65.06 acres and is generally bounded by the San Bernardino Countyline on the west, Francis Avenue on the north, East End Avenue (portion of existing City boundary) on the east, and a combination of Philadelphia Street and parcel lines (existing City boundary) on the south, within the City's northern sphere of influence.

On July 17, 2024, LAFCO approved the modified proposal. The City and County now have the opportunity, within 30 days of such approval, to renegotiate and adopt respective resolutions revising the property tax exchange associated with the modified proposal, superseding any prior resolutions. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings by LAFCO.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

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This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on July 17, 2024; Finance (Allegra Pajot, Administrative Analyst, 387-5005) on July 17, 2024; LAFCO (Samuel Martinez, Executive Officer, 388-0480) on July 17, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on July 17, 2024.

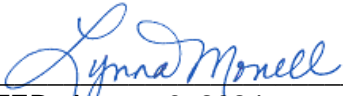
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 6, 2024



cc: File - Administrative Office w/resolution
CCM 08/8/2024