

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

November 15, 2022

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Property Tax Exchange Related to LAFCO 3259 – Reorganization to Include Annexation to the City of Loma Linda and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone and its Zone FP-5, and County Service Area 70

RECOMMENDATION(S)

Adopt **Resolution No. 2022-214** 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 3259 – Reorganization to Include Annexation to the City of Loma Linda and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone and its Zone FP-5, and County Service Area 70.

(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 increase of \$814 in funding for the County General Fund and an ongoing reduction of \$6,926 in funding for the San Bernardino County Fire Protection District (SBCFPD) due to the transfer of property tax revenue from the County to the City of Loma Linda (City). However, the City will assume responsibility and cost for municipal services in that portion of the reorganization 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 3259 is as follows:

Affected Agency	Transfer From	Transfer To
County General Fund	\$0	\$814
County Service Area 70	\$0	\$0
San Bernardino County Fire Protection District	\$6,926	\$0

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Affected Agency	Transfer From	Transfer To
City of Loma Linda	\$0	\$6,112
Transfer Total	\$6,926	\$6,926

BACKGROUND INFORMATION

LAFCO 3259 is a proposal initiated by the City on June 14, 2022, requesting the reorganization to include annexations to the City and detachment from the SBCFPD, its Valley Service Zone and its Zone FP-5, and CSA 70.

The reorganization proposal encompasses approximately 141 acres and is a substantially surrounded island of unincorporated territory generally bounded by a combination of the Union Pacific Railroad right-of-way and parcel lines (portion of existing City boundary) on the west and southwest, a combination of Barton Road, New Jersey Street and parcel lines (existing City boundary) on the north, and a combination of San Timoteo Canyon Road, Nevada Street and parcel lines (existing City of Redlands boundary) and the east, within the City's southeastern sphere influence.

On September 1, 2022, the LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the annexation proposal. The NOF requires the San Bernardino County 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. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings. In accordance with Section 99 of the California Revenue and Taxation Code, the Board of Supervisors 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.

Any change in the boundaries of Service Zone FP-5, the corresponding FP-5 special tax, or the Valley Service Zone to exclude the detached area would require separate action(s) by the SBCFPD's Board of Directors following the procedures identified in the Fire Protection District Law of 1987 found in Health and Safety Code section 13950, et seq.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on October 21, 2022; Finance (Allegra Pajot, Administrative Analyst, 387-5005 and Tom Forster, Administrative Analyst, 387-4635) on October 20, 2022; LAFCO (Samuel Martinez, Executive Officer, 388-0480) on October 26, 2022; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on October 27, 2022.

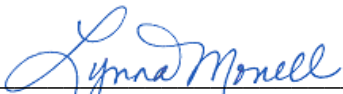
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Janice Rutherford
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Curt Hagman, Joe Baca, Jr.
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 15, 2022



cc: W/RESOLUTION
LAFCO- Erickson
File- Administrative Office/Property Tax Transfer & Distribution
w/attach
LA 11/18/2022