



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 24-539

August 13, 2024

Introduced: 7/30/2024

Current Status: Agenda Ready

Version: 2

Matter Type: General Agenda Item

Approve Property Tax Transfer for the proposed “Tunzi-Thorp Annexation” involving annexation of approximately 18.67 acres to the City of Greenfield (APNS: 109-232-006 and 109-232-007)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve Property Tax Transfer for the proposed “Tunzi-Thorp Annexation” involving annexation of approximately 18.67 acres to the City of Greenfield (APNS: 109-232-006 and 109-232-007)

SUMMARY:

The Local Agency Formation Commission of Monterey County (LAFCO) is in receipt of an application by the City of Greenfield to annex 18.71 acres within the City’s existing sphere of influence. The proposal cannot be considered by LAFCO until a property tax transfer has been approved by the City and County.

DISCUSSION:

The area proposed for annexation is shown on the attached map and is located northwest of Apple Avenue and southwest of 12th Street within the City of Greenfield sphere of influence. The annexation area is contiguous to existing single family residential development and will bring the Arroyo Seco Academy property and the City Recreational Center property into the Greenfield city limits.

Regarding the property tax transfer, the Board of Supervisors has previously adopted a pro forma tax transfer resolution. The resolution provides that the County and affected agencies would transfer a percentage of their “tax base revenue” based on the pro rata share of the City’s equivalent tax rate to the combined City/County equivalent tax rates. The formula also reflects the County’s loss of property tax revenue that was imposed by the State of California during fiscal year 1993-94. This State imposed reduction was known as the Education Relief

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Augmentation Fund (ERAF). Non-affected jurisdictions would retain their percentage share of property taxes collected within an affected tax code area. After annexation the City of Greenfield would receive 32.49% and the County would receive 67.51% of the property tax available for distribution.

OTHER AGENCY INVOLVEMENT:

The attached resolution was previously approved as to form by County Counsel. This matter was reviewed with the assistance of the Monterey County Auditor-Controller's Office

FINANCING:

The reorganization proposal territory is within Tax Rate Area 078-001 which has the following property tax distribution: 26.18% - Monterey County; 73.82% - non-affected districts; 100% - total. Due to property tax revenue reductions imposed by the State on the County of Monterey, the percentage share of existing County property tax available for distribution has been reduced by 41% from 26.18 % to 15.44%. As recommended, the County would receive 10.42% and the City would receive 5.02 % of the tax base amount available for distribution. Per the Board of Supervisors approved annexation property tax distribution formula, after adding back in the State imposed 41% County ERAF reduction, the County would receive 21.15 % of the total property tax collected within the affected area if the annexation is approved.

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Attachments:

Exhibit A - Map

Exhibit B - Resolution