



County of Monterey

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

Board Report

File #: 22-061, Version: 1

Approve Property Tax Transfer for the proposed “Miramonte Reorganization” involving Sphere of Influence amendment, annexation of approximately 647 acres to the City of Soledad and detachments from the Monterey County Resource Conservation District, the Soledad Mission Recreation District and the Mission Soledad Rural Fire Protection District.

RECOMMENDATION

It is recommended that the Board of Supervisors take the following actions:

Approve Property Tax Transfer for the proposed “Miramonte Reorganization” involving Sphere of Influence amendment, annexation of approximately 647 acres to the City of Soledad and detachments from the Monterey County Resource Conservation District, the Soledad Mission Recreation District and the Mission Soledad Rural Fire Protection District.

SUMMARY

The Monterey County Local Agency Formation Commission (LAFCO) is in receipt of a reorganization proposal involving a Sphere of Influence amendment, annexation of 647 acres to the City of Soledad and detachments from the Monterey County Resource Conservation District, the Soledad Mission Recreation District and the Mission Soledad Rural Fire Protection District. 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 governed by the Miramonte Specific Plan, adopted by the City in 2018. The Specific Plan provides for a mixed use development with total of 2,392 residential units, 100,000 square feet of neighborhood commercial use, 22 acres for schools/public facilities and 196 acres of parks/open space. The planned residential units would include a mix of low and medium density residential, senior housing and a “residential study area” which may allow for a higher density of development provided that the total number of residential units within the Specific Plan area is not exceeded. The proposed annexation is consistent with a Memorandum of Agreement approved by the City and the County in 2016.

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 has been previously revised to reflect the County’s loss of property tax revenue that was imposed by the State of California during fiscal year 1993-94. Non-affected jurisdictions would retain their percentage share of property taxes collected within an affected tax code area. Of the total amount of property taxes available for distribution, the City of Soledad would receive 51.38% and the County would receive 48.62%. In addition, in Tax Rate Area 126-004, the City would receive the entire amount of property tax attributed to the Mission Soledad Rural Fire Protection District and the Mission Soledad Recreation District. In Tax Rate Area 126-007 the City would receive the entire amount of property tax attributed to the Mission Soledad Recreation District.

OTHER AGENCY INVOLVEMENT

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

FINANCING

The reorganization proposal territory is within Tax Rate Areas 126-004 and 126-007. Tax Rate Area 126-004 has the following property tax distribution: 28.10% - Monterey County; 3.90 % - affected districts; 68.00% - 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 28.10 % to 16.58%. As recommended, the County would receive 8.06 % and the City would receive 8.52 % of the amount available for distribution. In addition, the City would receive the entire 3.90 % previously allocated to the Mission Soledad Rural Fire Protection District and the Mission Soledad Recreation District , for a total allocation of 12.35%. After adding back in the 41% ERAF reduction, the County would receive 19.58 % of the total property tax collected within the affected area if the reorganization is approved.

Tax Rate Area 126-007 has the following property tax distribution: 28.49% Monterey County; 3.03% affected districts; 68.48% non-affected districts; 100% total. Due to property tax reductions imposed on Monterey County by the State, the percentage share of existing County property tax available for distribution has been reduced by 41% from 28.49 % to 16.81 %. As recommended, the County would receive 8.17% and the City would receive 8.64% of the amount available for distribution. In addition, the City would receive the entire 3.03% previously allocated to the Mission Soledad Recreation District for a total allocation of 11.67%. After adding back in the 41 % ERAF reduction, the County would receive 19.85% of the total property tax collected within the affected area if the reorganization is approved.

Nicholas Chiulos,
Assistant County Administrative Officer

Date

cc: Kate McKenna, LAFCO Executive Officer
Darren McBain, LAFCO Analyst
Brent Slama, City Manager, City of Soledad
Joey Nolasco, Monterey County Auditor-Controller's Office

Attachments: Map and Resolution