



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager



**Date:** September 18, 2015  
**Board Meeting Date:** October 6, 2015  
**Special Notice / Hearing:** No  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John L. Maltbie, County Manager  
Michael Callagy, Deputy County Manager

**Subject:** Resolution authorizing the transfer and redistribution of property tax revenues between the Granada Sanitary District and the newly formed Granada Community Services District and other affected agencies.

**RECOMMENDATION:**

Adopt a resolution authorizing the transfer and redistribution of property tax between the Granada Sanitary District and the newly formed Granada Community Services District and affected taxing agencies.

**BACKGROUND:**

Revenue and Taxation Code Section 99 requires that, for organizational changes affecting independent special districts, the County shall adopt a resolution regarding the property tax to be transferred between the districts and other affected agencies as a result of and a condition of the district's application and the Local Agency Formation Commission's (LAFCo) approval of the organizational change.

**DISCUSSION:**

On January 15, 2014, LAFCo approved the reorganization of the Granada Sanitary District which resulted in the formation of the Granada Community Services District with amended boundaries. The Sanitary District's application provided for the reorganization of the Sanitary District into a Community Services District in order to add park and recreation services to the district's existing sewer and solid waste collection services.

The application amended the District's boundaries to exclude twenty parcels that are precluded from receiving municipal services from the district pursuant to the Local Coastal Program. The Sanitary District currently receives approximately 6% of the ad valorem 1% property taxes within seventeen tax rate areas that will comprise the new Community Services District's boundaries. Consistent with the district's application and

the applicable statutes concerning successor agencies, the Community Services District will be the successor to the Sanitary District's property tax within the redrawn Community Services District's boundaries.

Consistent with the Local Coastal Program, the new Community Services District will not provide sewer and solid waste collection services to the twenty parcels being excluded from the new Community Services District's boundaries. It is therefore appropriate to redistribute the base property tax revenues and recalculate the incremental property tax apportionment factors proportionately to the remaining agencies within the tax rate area(s) in which the twenty parcels are located. Such taxing entities include the County of San Mateo, San Mateo County Library, County Fire Protection, County Service Area #6, Coastside County Water District, San Mateo County Community College District, Cabrillo Unified School District, San Mateo County Resource Conservation District, Bay Area Air Quality Management District, Coastside Fire Protection District, San Mateo County Harbor District and the San Mateo County Office of Education.

County Counsel has reviewed and approved the resolution as to form.

Approval of this action will contribute to the Shared Vision 2025 outcome of Collaborative Community through local governments effectively communicating, collaborating and developing strategic approaches to issues affecting the entire County.

**FISCAL IMPACT:**

Based on the equalized roll, in FY 2014-15 the former District received approximately \$535,000 in property taxes after the ERAF Shift. The increases in property taxes to the affected taxing agencies from the twenty parcels excluded from the newly formed District will vary based on proportional share of revenues within affected tax rate areas and the assessed valuations of those tax rate areas. The total estimated increase to the affected taxing entities is approximately \$3,000 in the aggregate.