



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 19-169

Board Meeting Date: 2/26/2019

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Michael P. Callagy, County Manager

**Subject:** Resolution authorizing an amendment to the annexation of 1304 Elmer to the City of Belmont and detachment of those properties from the Harbor Industrial Sewer Maintenance (HISMD) and Belmont Highway Lighting Districts (BHLD) to include 633 Oneill

### **RECOMMENDATION:**

Adopt a resolution authorizing and agreeing to an exchange of property tax between the County of San Mateo and the City of Belmont for the proposed annexation of 1304 Elmer Street and 633 Oneill Avenue and detachment from the Harbor Industrial Sewer Maintenance and the Belmont Highway Lighting Districts.

### **BACKGROUND:**

Before the Local Agency Formation Commission (LAFCo) can schedule an annexation application for hearing, Revenue and Taxation Code Section 99 requires participating jurisdictions to agree to the amount of property tax to be transferred as a result of the annexation.

On April 24, 2018, the Board adopted Resolution 075848 agreeing to a property tax exchange for LAFCo application No. 17-19 for the annexation of 1304 Elmer. In September LAFCo received a revised application to include 633 Oneill necessitating a revision to the tax transfer agreement to include the additional parcel.

### **DISCUSSION:**

In response to the revised application to LAFCo for the addition of 633 Oneill Avenue to the annexation of 1304 Elmer to the City of Belmont and detachment from HISMD and BHLD, the Controller has provided a property tax negotiation letter that includes the additional property.

County staff recommends a tax exchange that approximates the County and City shares elsewhere in the city. Because the parcels are being detached from the HISMD and BHLD, staff recommends transferring 100% of the tax share from these districts to the City of Belmont. The recommended tax share transfers in tax rate area 053-011 are summarized in the following chart.

From	To	Incremental Factor
HISMD	City of Belmont	0.0094812614
BHLD	City of Belmont	0.0077590724
County of San Mateo	City of Belmont	0.0793891566

The total incremental factor transferred to the City of Belmont is 0.0966294904. The remaining incremental factor for the County is 0.1627855374.

The resolution agreeing to this exchange have been reviewed and approved by County Counsel.

The action contributes to the Shared Vision 2025 of Collaborative Community by formalizing annexation of lands requiring urban level of services to a city.

**FISCAL IMPACT:**

Prior to the initial annexation, which included a resolution adopting a zero property tax transfer agreement on an adjacent portion of Old County Road, the total amount of property tax revenue attributable to the incremental factors before the ERAF shift for the County, HISMS, and BHLD were \$5,105.62, \$199.89, and \$163.58, respectively, a total of \$5,469.09. Based on the proposed transfers, after the annexation and amendments are complete, the City of Belmont will receive \$2,037.18 and the County will receive \$3,431.91.

While this does not appear to have a large fiscal impact based on the amounts noted above, once the properties are developed property taxes may increase substantially and the incremental tax revenues will be distributed based on the proposed incremental factors.