

RESOLUTION 2014-01

JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AND THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BENITO PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES FOR ANNEXATIONS TO THE CITY OF SAN JUAN BAUTISTA

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each City and County, whose areas of service responsibilities would be altered by such change, agree by resolution to a negotiated exchange of property tax revenue; and

WHEREAS, pursuant to subsection 99(d) of the Revenue and Tax Code, the City of San Juan Bautista (hereafter CITY) and the County of San Benito (hereafter County) have negotiated and reached a mutually acceptable Master Agreement for an exchange of property tax revenue for proposed annexations of territory into the CITY; and

WHEREAS, this resolution shall constitute a “master property tax exchange agreement”, that applies prospectively to future boundary changes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the CITY and the Board of Supervisors of the COUNTY approve and adopt this Resolution for an agreement of the exchange of property tax revenues for annexations into the CITY.

1. Definitions:

a. “Completion of proceedings” shall mean the recordation of a certificate of completion by Local Agency Formation Commission (hereafter LAFCo) and filing with the State Board of Equalization and San Benito County Assessor of a statement of boundary change pursuant to the Government Code Section 54900 et seq. annexing territory to the CITY and making related boundary changes.

b. "Property tax revenue" shall include the base property tax revenue and property tax increment.

2. This property tax exchange agreement shall not affect or modify the base year property tax revenue received by the COUNTY within areas that are annexed to the CITY.

3. In years following completion of the proceedings, the Auditor-Controller of San Benito County shall allocate and distribute property tax revenues directly to the CITY in an amount that is equal to the property tax increment from the annexation area that otherwise would be allocated to the COUNTY General Fund based on the following:

a. For all annexations into the City of San Juan Bautista, the portion of the property tax increment transferred to the City shall be 4.49%

4. Payment to the CITY will commence in the first full fiscal year following completion of the boundary change based on corresponding adjustments to the affected tax rate allocation system.

5. This resolution is prospective and applies only to future boundary changes that include an annexation to the CITY.

6. The CITY or the COUNTY may terminate this agreement and it shall not apply to subsequent annexations by giving sixty calendar days written notice to the other party and to the County Auditor-Controller.

7. This agreement may be amended by mutual agreement of the CITY and COUNTY with respect to annexations for which a certificate of completion has not been recorded.

8. Within one year of the effective date of this agreement the CITY shall adopt a Capital Improvement Impact Fee for Jail and Juvenile Hall Facilities that will be imposed upon each new residential housing unit developed in the City of San Juan Bautista.

The CITY Capital Improvement Impact Fee shall be consistent with San Benito County Impact fee established for the purpose of constructing the County Jail and Juvenile Hall Facility. All Capital Improvement Impact Fees for Jail and Juvenile Facilities shall be collected and paid to the COUNTY each quarterly period of the year collected.

9. The CITY shall work with the COUNTY to develop an agreement to address the Regional Housing Needs Assessment (RHNA) which is mandated by the State Housing Law as part of the periodic process of updating local housing elements of the General Plan. The agreement to address the RHNA shall be negotiated and mutually agreed by both parties to transfer a portion of the County's RHNA allocation to the CITY, in conjunction with future annexations of this resolution, which will reduce the COUNTY obligation to construct and provide urban services to new housing units.

10. In years following completion of the annexation proceedings, the Auditor-Controller of San Benito County shall allocate and distribute property tax revenues for the State Fire Contract to the same portion of the City's Tax Revenue Area (TRA) that is adjacent to annexed areas.

**CITY OF SAN JUAN BAUTISTA
Resolution 2014-01**

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at its regular meeting held on the 21st day of January 2014 by the following vote:

AYES: Moore, Cosio, Boch, Lund, Edge

NOES: None

ABSENT: None

ABSTAIN: None

Mayor Andy Moore

ATTEST:

Linda G. McIntyre, City Clerk

**COUNTY OF SAN BENITO
Resolution 2014**

PASSED AND ADOPTED by the Board of Supervisors for the County of San Benito at its regular meeting held on the _____ day of _____ 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Board of Supervisors Chairperson

ATTEST:

Clerk of the Board