

Agenda Report

May 13, 2019

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: TAX-SHARING RESOLUTION IN CONNECTION WITH ANNEXATION NO. 32 TO COUNTY SANITATION DISTRICT NO. 16

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed Tax-Sharing Resolution is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act (Title 14, Chapter 3, Section 15315, Class 15, minor land divisions);
2. Adopt the joint resolution of the Board of Directors of County Sanitation District No. 16, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation No. 32 to County Sanitation District No. 16 of Los Angeles County; and
3. Authorize the City Manager or designee to execute all documents on behalf of the City, subject to City Attorney approval.

BACKGROUND:

Los Angeles County's Sanitation District (LACSD) No. 16 provides wastewater treatment services within the District's service area, which includes the majority of the City of Pasadena (City). To provide wastewater treatment service to properties located outside its service area, the boundary must be expanded through the annexation process. As part of this process, a tax-sharing resolution to provide the required funding to the District is adopted by the public agency responsible for providing services to the subject property(ies).

The applicant of a new development on a vacant parcel in the eastern part of the City has filed an application with the LACSD for annexation into County Sanitation District No. 16, as shown in Attachment A. Annexation No. 32 consists of the following (as mapped in Attachment B):

- Three proposed single-family houses at 3139, 3143 and 3147 East Sierra Madre Boulevard, identified as Los Angeles County Assessor' s Parcel No. 5751-019-002. Construction is permitted under building permits BLD2017-00730, -00731, and -00732, which started in January 2018.
- Tentative Parcel Map No. 74302, which proposes to subdivide one lot into three residential parcels, was approved by the Hearing Officer on May 17, 2017.

Adoption of the joint resolution of the Board of Directors of County Sanitation District No. 16, as shown in Attachment C, is recommended to ensure that the three new single-family residential properties under construction are served by the city's sewer system and the flow treated by LACSD. In accordance with the California Plumbing Code, connection to an existing sewer system is required where a sewer main exists within 200 feet of a proposed development. Any new sewer connection within a sewer district requires treatment and procedural acceptance by LACSD. That in turn requires the annexation of the parcel(s) in question into the District and a multi-agency collective resolution.

Local agencies receiving an apportionment of the property tax from the annexing area, including cities and utility districts, must determine the percentage of tax revenues to be exchanged between the affected agencies. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) established procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations. In compliance with the Act, the various agencies affected by the proposed annexation shall, by resolution, agree to a negotiated exchange of incremental property tax revenue due to service to be provided by LACSD. The City of Pasadena is one agency affected by the proposed annexation, along with other Los Angeles County entities and the Foothill Municipal Water District.

Based on the County Auditor's calculation, the annual tax increment percentage attributable to the land area involved in the corresponding annexation and to be transferred to LACSD No. 16 totals 0.5199430 percent. For this transfer, the City of Pasadena is contributing 0.2156123 percent of its revenues from the annual tax increment. Thereby, City's current property tax share of 21.5311954 percent will be reduced to 21.3155831 percent, amounting to an immaterial impact to the City. The Property Tax Transfer Resolution Worksheet for Fiscal Year 2018-2019, as shown in Attachment D, includes the detailed distribution amongst all affected agencies.

ENVIRONMENTAL ANALYSIS:

At the approval of the tentative subdivision map, the project has been determined to be exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act (Title 14, Chapter 3, Section 15315, Class 15, minor land divisions). Section 15315 applies to the division of property in urbanized areas zoned for residential use into four or fewer parcels. The project would result in the division of property into three parcels.

FISCAL IMPACT:


As proposed, the annexation to LACSD should result in no significant adverse fiscal impact to the City. Assuming an average annual property tax of \$10,000, the City's property tax reduction of 0.2156123 percent would be approximately \$21.56 each year.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:

for


Yannie Wu, P.E.
Principal Engineer

Approved by:



STEVE MERMELL
City Manager

Attachment A: Boundary Map – Sanitation District No. 16

Attachment B: Map of Annexation No. 32

Attachment C: Joint Resolution of the County Sanitation District No.16 - Annexation No. 32

Attachment D: Property Tax Transfer Resolution Worksheet - Annexation No. 32