



## Legislation Details (With Text)

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<b>Type:</b>	Consent	<b>Status:</b>		Agenda Ready	
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<b>On agenda:</b>	5/4/2021	<b>Final action:</b>			
<b>Title:</b>	CONSIDERATION OF: (1) RESOLUTION NO. 21-055, GRANTING CONSENT AND JURISDICTION TO LOS ANGELES COUNTY IN THE MATTER OF COUNTY LIGHTING MAINTENANCE DISTRICT 1697 AND COUNTY LIGHTING DISTRICT LANDSCAPING AND LIGHTING ACT-1, CARSON ZONE, CITY OF CARSON, TRACT 74940; AND (2) RESOLUTION NO. 21-056, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT 74940 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697 (CITY COUNCIL)				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. Exhibit No. 1 - Letter from LA County, 2. Exhibit No. 2 - Resolution No 21-055, 3. Exhibit No. 3 - Resolution No 21-056				

Date	Ver.	Action By	Action	Result
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## Report to Mayor and City Council

Tuesday, May 04, 2021

Consent

### SUBJECT:

**CONSIDERATION OF: (1) RESOLUTION NO. 21-055, GRANTING CONSENT AND JURISDICTION TO LOS ANGELES COUNTY IN THE MATTER OF COUNTY LIGHTING MAINTENANCE DISTRICT 1697 AND COUNTY LIGHTING DISTRICT LANDSCAPING AND LIGHTING ACT-1, CARSON ZONE, CITY OF CARSON, TRACT 74940; AND (2) RESOLUTION NO. 21-056, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT 74940 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697 (CITY COUNCIL)**

### I. SUMMARY

As part of the conditions of approval established by the City for various development projects within the City, developers have been required to annex their properties to a County Lighting Maintenance District (CLMD), allowing the County to provide funds for the operation and maintenance of street lights in the public right-of-way. One such recent development project was a proposed condominium project located at 123 E. 223rd Street

(Tract 74940). Entitlements were granted for this project in 2020, subject to conditions of approval that included a requirement of annexation of the subject property to the CLMD to provide for operation and maintenance of an existing streetlight.

To effectuate the annexation of the subject property, the County of Los Angeles Department of Public Works has submitted a letter to the City requesting that the City grant consent and jurisdiction to the County to annex the property to CLMD 1697 and County Lighting District Landscaping and Lighting Act-1, Carson Zone (Exhibit No. 1). Approval of a City resolution granting consent and jurisdiction to the County of Los Angeles to process the annexation (Exhibit No. 2) and a joint resolution between the County of Los Angeles and the City of Carson (and various other taxing agencies) approving and accepting the negotiated exchange of property tax revenues resulting from these annexations is also required (Exhibit No. 3). Both resolutions are on standard forms provided by the County.

The proposed property tax adjustments constitute pro-rata reductions of the current tax share allocations of all non-exempt taxing agencies (including but not limited to the City) for the subject property. The funds would be used by the CLMD to pay for operation and maintenance of the existing streetlight within the annexation area. The proposed annexation area is shown in Exhibit A to proposed Resolution No. 21-055. (Exhibit No. 2.A).

The County is requesting that the City adopt the two proposed resolutions to complete the proposed annexation of the subject property into the CLMD.

## **II. RECOMMENDATION**

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 21-055 “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, GRANTING CONSENT AND JURISDICTION TO LOS ANGELES COUNTY IN THE MATTER OF COUNTY LIGHTING MAINTENANCE DISTRICT 1697 AND COUNTY LIGHTING DISTRICT LANDSCAPING AND LIGHTING ACT-1, CARSON ZONE, CITY OF CARSON, TRACT 74940.”
2. WAIVE further reading and ADOPT Resolution No. 21-056 “A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, THE BOARD OF TRUSTEES OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT, THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY, THE CITY COUNCIL OF THE CITY OF CARSON, AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT 74940 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697.”

### **III. ALTERNATIVES**

1. DENY the proposed annexation, however, denying the proposed annexation will obligate the City to pay 100% of the operation and maintenance cost of the streetlight.
2. TAKE another action the City Council deems appropriate, consistent with the requirements of the law.

### **IV. BACKGROUND**

As part of the conditions of approval established by the City for various developments within the City, developers have been required to annex their properties to a CLMD, allowing the County to provide funds for the operation and maintenance of existing street lights in the public right-of-way. The property located at 123 E. 223<sup>rd</sup> Street Tract 74940, zoned urban residential, has been conditionally approved for a proposed condominium project and pursuant to those conditions is being processed by the County of Los Angeles Department of Public Works for annexation to CLMD 1697 and County Lighting District LLA-1, Carson Zone. Since this area is within the boundary of the City of Carson, permission from the City is required to accomplish annexation.

The procedure requires the City to adopt a negotiated tax exchange resolution to proceed with annexation into the lighting district. For all new annexations into a CLMD, the procedure requires processing the exchange of property tax revenues with all non-exempt taxing agencies, including the City of Carson. Under Section 99.01 of the Revenue and Taxation Code, special districts providing new services to an area as a result of a jurisdictional change are entitled to a share of the annual tax increment generated in the area being annexed. CLMD 1697 is a special district within the meaning of Section 95(m) of the Revenue and Taxation Code. CLMD 1697's share of the annual tax increment is to be taken from all of the other local taxing agencies providing services within the annexed area, with the exception of school entities, which are exempted by law. The approving bodies of the local taxing agencies providing services are the County Board of Supervisors and the City Council.

This annexation will formalize the City's obligation to allocate a portion of the property tax revenue to CLMD 1697, and Los Angeles County's obligation to provide funds for the operation and maintenance of the installed street lights. Currently, the property tax share percentage for the City of Carson is 6.877%. From this tax share percentage, the City would allocate 0.0756% to CLMD 1697. The City's net property tax share would then be 6.801%. (Exhibit No. 3.A).

The City's tax share percentage was calculated using the formula approved by both the Auditor-Controller and the County Counsel. The pro-rata reduction in the property tax share percentage for the rest of the agencies providing services is shown on the Property Tax Transfer Resolution Worksheet for TR 74940, Tax rate area 13283 (Exhibit 3.A). A typical single-family home located within the CLMD is assessed a \$35.00 annual base rate, and a typical commercial lot is assessed a \$175 annual base rate in the Carson Zone. This assessment will be levied to the property tax bill received by the property owner every year. This annexation request is standard procedure and must be completed so that funds can be provided to CLMD 1697 for the operation and maintenance of the existing street light.

The County has prepared the two proposed resolutions as discussed above. Staff requests that the City Council adopt these resolutions to allow the Board of Supervisors of the County of Los Angeles funding approval to be concurrent with the Board's approval of the annexation itself.

City staff concurs with the request of the County of Los Angeles Department of Public Works as shown on the attached letter of recommendation dated March 4<sup>th</sup>, 2021 (Exhibit No. 1) and recommends that the City Council adopt these resolutions.

## **V. FISCAL IMPACT**

The cost for the operation and maintenance of streetlights located within a CLMD are primarily funded by ad valorem property tax. The collection of property tax revenues has allowed CLMD 1697 to maintain a \$35 annual base assessment rate for a single-family home within the Carson Zone. Assessment for commercial properties is proportionally higher. The City will contribute 0.0756% of the property tax share from the annexed assessor's parcels to CLMD 1697. The remaining 6.801% balance would be transmitted to the City's general fund.

## **VI. EXHIBITS**

1. Letter from the County of Los Angeles/Traffic and Lighting Division, dated March 4<sup>th</sup>, 2021 (pgs. 5-6)
2. Resolution No. 21-055 (pgs. 7-10)
  - A. Map of Proposed Annexation Area
3. Resolution No. 21-056 (pgs. 11-15)
  - A. Property Tax Transfer Resolution Worksheet

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