



# COUNTY OF HUMBOLDT

## Legislation Details (With Text)

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**On agenda:** 4/9/2024      **Final action:** 4/9/2024  
**Title:** Approval of a Secured Property Tax Revenue Exchange Agreement with the Salmon Creek Fire Protection District

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Staff Report, 2. Secured Property Tax Revenue Exchange Agreement with Salmon, 3. Resolution 24-01 Authorizing a Secured Property Tax Revenue

Date	Ver.	Action By	Action	Result
4/9/2024	1	Board of Supervisors	approved	Pass

**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Approval of a Secured Property Tax Revenue Exchange Agreement with the Salmon Creek Fire Protection District

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached secured property tax revenue exchange agreement with the Salmon Creek Fire Protection District substantially similar to the attached;
2. Authorize the Humboldt County Auditor-Controller to administer the exchange of secured property tax revenues between the County of Humboldt and the Salmon Creek Fire Protection District and make technical corrections as needed; and
3. Confirm the members and term of the Board ad hoc committee to continue working with the Fire Services Working Group to implement the fire services funding strategy and expand their focus to include providing guidance on the structure of the Humboldt County Fire Safe Council.

**SOURCE OF FUNDING:**

General Fund (1100)

**DISCUSSION:**

On April 9, 2019, staff presented the Humboldt County Board of Supervisors with a report on fire services funding strategies for the county. This report outlined service gaps and funding options for areas located outside the boundaries of any local fire service-related district. These areas face unique challenges as no government agencies are legally responsible for providing structure fire protection to these areas. For that reason, finding a long-term solution for sustaining service delivery to out-of-district areas has proven to be a challenge. To address these challenges the Board adopted a group of strategies and expectations to enable local fire service providers to utilize property tax sharing agreements with the County of Humboldt in support of annexation, formation, or consolidation. The strategy included several tax exchange agreement options available through April 9, 2027.

In addition, the Board approved the formation of an ad hoc committee to work with the Fire Services Working Group to implement the funding strategy. Since 2019, the Fire Services Working Group, consisting of County of Humboldt staff, Humboldt County Fire Chiefs' Association representatives, Local Agency Formation Commission staff, and the ad hoc committee of the Board of Supervisors (currently Supervisors Bushnell and Madrone), worked with local fire service providers to apply the approved strategies to incentivize fire service-related district annexations, consolidations and formations.

On Nov. 8, 2022, the Board approved a Salmon Creek tax exchange agreement proposal and adopted a resolution authorizing a secured property tax revenue exchange between the County of Humboldt and the proposed Salmon Creek Fire Protection District, subject to successful district formation and special tax ballot measures. On March 7, 2023, a special election was held, and Measure S Formation of Salmon Creek Fire Protection District and Measure T Salmon Creek Fire Protection District Special Tax were approved by voters with over 96% and over 95% of the votes cast respectively. On March 21, 2023, the Humboldt Local Agency Commission filed a certificate of completion certifying the formation of the Salmon Creek Fire Protection District. Approval of the ballot measures was a condition placed on the Board's authorization to execute the attached secured property tax revenue exchange agreement with the Salmon Creek Fire Protection District.

If the Board approves execution of the attached secured property tax revenue exchange agreement with the Salmon Creek Fire Protection District, the County of Humboldt would permanently transfer, to the Salmon Creek Fire Protection District, a portion of the Humboldt County general property tax increment factor that is used to calculate property tax revenue within the new district boundary. The property tax exchange would equal 3% of the total secured property tax revenue attributable to the year-to-year change in the assessed value of property (*i.e.*, property tax growth) within the new district boundary and would first occur during Fiscal Year 2024-2025 and continue each year thereafter. On Feb. 8, 2024, the Salmon Creek Fire Protection District adopted Resolution 24-01 authorizing the district to enter into a secured property tax revenue exchange agreement with the County of Humboldt.

Supervisors Bushnell and Madrone, as members of the Board ad hoc committee, formed to work with the Fire Services Working Group, have and continue to make valuable contributions as the 2019 direction from the full Board is carried out. Staff recommend that the ad hoc remain active with its current members at least through April 2027 to see the fire services funding strategy through and to make recommendations for any necessary next steps. Staff further recommend that this Board ad hoc committee expand its focus to providing guidance on the structure of the Humboldt County Fire Safe Council and bring proposed action or recommendations back to the full Board if any changes are recommended. The Humboldt County Fire Safe Council is a committee appointed by the Humboldt County Board of Supervisors to oversee the maintenance and implementation of the Humboldt County Community Wildfire Protection Plan. The fire services funding strategy that the Board ad hoc is currently focused on, represents implementation of the Fire Protection countywide action plan of the Humboldt County Community Wildfire Protection Plan which aims to support fire protection for people, property, communities, and natural resources. The experience and insight gained by Supervisors Bushnell and Madrone from collaborating with the Fire Services Working Group are very applicable to helping to evaluate the structure and effectiveness of the Humboldt County Fire Safe Council and their contributions would be welcomed.

**FINANCIAL IMPACT:**

Funding Sources (1100)	FY24-25 Projected*
General Fund	\$1,300.00
<b>Total Funding Sources</b>	<b>\$1,300.00</b>

*\*Projected amounts are estimates and are subject to change.*

There will be no base transfer from the General Fund. Staff estimates that in Fiscal Year 2024-2025 the share of property tax growth that would have gone to the Humboldt County General Fund, but instead will go to the Salmon Creek Fire Protection District, will be approximately \$1,300 and the amount of property tax revenue growth received by the Salmon Creek Fire Protection District, which would have previously gone to the Humboldt County General Fund, would likely increase each year thereafter.

**STAFFING IMPACT:**

Approval of the attached secured property tax revenue exchange agreement with the Salmon Creek Fire Protection District will not impact current staffing levels.

**STRATEGIC FRAMEWORK:**

The recommended actions support the following areas of the Board of Supervisors' Strategic Framework:

Core Roles: Create opportunities for improved safety and health

New Initiatives: Facilitate the establishment of local revenue sources to address local needs

Strategic Plan: N/A

**OTHER AGENCY INVOLVEMENT:**

Humboldt County Local Agency Formation Commission; Humboldt County Fire Chiefs' Association

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board may choose not to take the recommended actions. However, this alternative is not recommended because of the benefits the proposed action will have for sustaining critical community emergency services for citizens of Humboldt County and supporting wildfire resilience efforts.

**ATTACHMENTS:**

1. Secured Property Tax Revenue Exchange Agreement with the Salmon Creek Fire Protection District
2. Resolution 24-01 Authorizing a Secured Property Tax Revenue Exchange Between County of Humboldt and Salmon Creek Fire Protection District

**PREVIOUS ACTION/REFERRAL:**

Meeting of: 11/8/2022, 10/25/2022, 4/9/2019

File No.: 22-1432, 22-1391, 19-501