



## City of La Habra Heights AGENDA REPORT

Meeting Date: June 8, 2020

Agenda Item # 23

TO: Honorable Mayor and City Council

FROM: Fabiola Huerta, City Manger

BY: Rafferty Wooldridge, Assistant City Manager rw

**SUBJECT: ESTABLISHMENT OF THE SPECIAL FIRE TAX FOR FY 2020-21**

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### **BACKGROUND**

On July 15, 1997 voters adopted a Special Fire Tax to fund fire protection and prevention services. In 2005, voters approved Measure B, which amended the purpose of the Special Fire Tax and allowed Special Fire Tax funds to pay for emergency medical services, such as paramedic and emergency response services. Measure B only amended the permissible purpose, or use, of the fire tax funds. The tax rates, the maximum permissible rates or any other provision of the tax were not adjusted or increased to offset the additional costs of life safety services.

The Fire Prevention, Protection, and Life Safety Services Special Tax municipal code provisions require the City Manager to annually recalculate the maximum tax amounts permissible under Section 3.4.70 of the La Habra Heights Municipal Code. Section 3.4.70(B) states:

*"The maximum tax amounts specified by Section 3.4.30 of this chapter shall be increased by the lesser of (i) three (3%) percent or (ii) the percentage by which the Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim area published by the Bureau of Labor Statistics of the U.S. Department of Labor, or any successor to that index..."*

The City Council must give notice of maximum tax amount determination. A Notice of Determination (attached) has been posted pursuant to Section 3.4.70 indicating the FY 2020-21 Special Fire Tax rates. The City Council must also act by resolution to determine the amount of revenue necessary to provide adequate fire protection and prevention services to the City and to establish tax amounts sufficient to generate that revenue. However, the City Council may not impose tax amounts in excess of the maximum permitted by code.

## **FISCAL IMPACT**

The amount of revenue necessary to provide adequate fire prevention, protection and life safety services to the City for Fiscal Year 2020-21 is estimated to be \$1,819,074. The tax amounts set forth in the attached resolution total \$1,227,500 and are based on a 1.95% increase over the previous year's estimated proceeds. The difference between the budgeted amount and the available funding is estimated to be \$591,574. Of this, other Fire Department revenue will fund \$278,130 and \$313,444 will be transferred out from the general fund.

## **RECOMMENDATION**

It is recommended that the City Council approve Resolution No. 2020-19 establishing the FY 2020-21 Fire Prevention, Protection, and Life Safety Services Special Tax rates.

## **ATTACHMENTS**


1. Notice of Determination for FY 2020-21 Special Fire Tax
2. Resolution No. 2020-19

## **AGENDA REPORT APPROVAL**



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Fabiola Huerta  
City Manager



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Rafferty Wooldridge  
Assistant City Manager

**Notice of Determination**  
of the maximum tax amount for the  
**City of La Habra Heights**  
**Fire Prevention, Protection, and Life Safety Services Special Tax**  
As calculated pursuant to Section 3.4.70 of the Municipal Code

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NOTICE IS HEREBY GIVEN that, pursuant to Chapter 3.4 of the Municipal Code of the City of La Habra Heights, the undersigned has recalculated the maximum tax amounts specified by Section 3.4.30 of the Municipal Code. The maximum tax amounts for Fiscal Year 2020/21 are determined to be:

- a) ***Acreage Charge:*** eighty-one dollars and eighty-two cents (\$81.82) on each parcel, other than a parcel maintained and irrigated for golf course use, for each acre or part thereof up to and including the tenth acre; plus forty-two dollars and twenty-two cents (\$42.22) for each acre or part thereof in excess of ten acres, up to and including the twentieth acre; plus twenty-one dollars and seven cents (\$21.07) for each acre or part thereof in excess of twenty acres. For each parcel maintained and irrigated for golf course use the tax shall be sixteen dollars and ninety-three cents (\$16.93) for each acre or part thereof.
- b) ***Residential Structure Charge:*** in addition to the acreage charge described above, a residential structure charge shall be imposed on each parcel improved with one (1) or more residential structures. If the total enclosed habitable area of the structures on the site is equal to or less than seven thousand square feet (7,000 sq. ft.), the residential structure charge shall be four hundred ninety-four dollars and eleven cents (\$494.11). If the total enclosed habitable area of the structures on site is more than seven thousand square feet (7,000 sq. ft.), the residential structure charge shall be seven hundred ninety-seven dollars and thirty-nine cents (\$797.39).
- c) ***Commercial and Institutional Structure Charge:*** in addition to the acreage and residential structure charges described above, the tax shall be nineteen cents (\$0.1976) per square foot of enclosed habitable area on each parcel improved with one (1) or more commercial structures; and the tax shall be one thousand seven hundred sixty dollars and forty cents (\$1,760.40) on each parcel improved with one (1) or more institutional structures.
- d) ***Fuel Storage Facility Charge:*** in addition to the acreage, residential structure, and commercial and institutional structure charges described above, the tax shall be three thousand five hundred twenty dollars and eighty-four cents (\$3,520.84) on each parcel improved with a fuel storage facility, pump station, natural gas underground storage facility, or compressor station.

Reference is made to Chapter 3.4 of the Municipal Code for a complete description of the special tax to fund fire prevention, protection, and life safety services.

Please note that the tax amounts shown above represent the *maximum tax amounts* for the special tax for the indicated fiscal year. The actual amount of the special tax for each fiscal year is established by action of the City Council of the City of La Habra Heights pursuant to Section 3.4.70 of the Municipal Code. Absent additional voter approval, the tax amount imposed for any fiscal year may not exceed the maximum tax amount for that fiscal year.

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Fabiola Huerta, City Manager

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Date