



## VENTURA LOCAL AGENCY FORMATION COMMISSION

801 S. VICTORIA AVENUE, SUITE 301 • VENTURA, CA 93003

TEL (805) 654-2576 • FAX (805) 477-7101

VENTURA.LAFCO.CA.GOV

January 15, 2026

Mr. Mark Perryman  
Oak Park Community Services District Formation Committee

Re: Formation of the Oak Park Community Services District

Dear Mr. Perryman,

Thank you for the telephone conversation on Monday. I appreciated hearing your update on your efforts to form a community service district (CSD) in Oak Park. The purpose of this letter is to follow up on parts of our conversation, in particular, the method of determining the amount of property tax revenue that can be transferred to a proposed CSD.

In your two November 26, 2025, letters (one to Jeff Burgh, the County Auditor-Controller, and the other to LAFCo, the Rancho Simi Recreation and Park District (Rancho Simi), the Board of Supervisors, and County Public Works), you described the proposal to include: (1) the formation of the Oak Park Community Services District (OPCSD), (2) the dissolution of County Service Area No. 4 (CSA), and (3) the detachment of the affected territory (effectively the community of Oak Park) from Rancho Simi. The proposal is to be initiated via a registered voter petition, pursuant to LAFCo law and the CSD principal act. You have indicated that the new CSD would assume some of the services currently provided by the CSA, some that are currently provided by the County of Ventura (including the County Sheriff), and all services currently provided by Rancho Simi. In your letter to the County Auditor-Controller, you indicate these services may include:

1. Fire prevention
2. Public recreation, including parks, parkways and community centers
3. Street lighting and sweeping services
4. Open space management & fuel reduction
5. Community policing and ranger services
6. Public library services
7. Vector control services (e.g. mosquito abatement)
8. Community shuttle transit services
9. School crossing guard program
10. Building and facility maintenance
11. Telecommunications and fiber infrastructure administration
12. Parking enforcement and oversized vehicle regulation
13. Administrative, financial, and contract services

Notwithstanding the fact that some of these services do not appear to be functions/services that a CSD may provide, during our conversation, you shared that it was your understanding that should LAFCo approve the formation of the OPCSD, no election would be required because the formation

of the OPCSD would not necessitate any new taxes or benefit assessments. I informed you that pursuant to the CSD principal act, if LAFCo were to approve the formation and it survives the protest process, the formation of the CSD would be: (1) subject to approval of the majority of voters in the affected territory, (2) subject to approval by 2/3 of voters if a special tax is necessary, or (3) subject to approval by 2/3 of property owners if a new or increased benefit assessment is needed (Govt. Code § 61014(e)). Therefore, an election, in one form or another, would be required to form the CSD.

I expressed skepticism that a new OPCSD could provide the desired array of services that you have indicated without the imposition of a new or increased benefit assessment or special tax. You explained that it was your understanding that should LAFCo approve the formation, it would transfer a significant portion of the 1% property tax generated in Oak Park to the new CSD that would be sufficient to provide the listed services at an enhanced level without any additional revenue sources. This does not appear to be accurate. As explained below, for the services that are to be transferred, the OPCSD could expect to receive less property tax revenue than is currently spent on those services provided to Oak Park.

#### Property Tax Exchange

Among the Commission's powers listed in Government Code section 56375 is the power to determine the exchange of property tax revenue for a district formation. Subdivision 56375(o) provides for the formation of a district that "the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810". Government Code section 56810 outlines the process for LAFCo to determine the amount of property tax that can be transferred to a newly formed district. This determination must be made as it applies to each affected local agency that would transfer one or more services to the OPCSD, these being the CSA, the County, and Rancho Simi. For Rancho Simi, because the OPCSD would assume all services currently provided, subdivision 56810(d) would apply. In the case of the CSA and the County, because the OPCSD would not assume all of the services currently being provided by each, subdivision 56810(c) would apply. Each is summarized below.

#### Property Tax Exchange for Detachment of Oak Park from Rancho Simi

Pursuant to section 56810(d), because Rancho Simi would transfer all of the services it currently provides to the OPCSD and Oak Park would be detached from Rancho Simi, the amount of property tax transferred to the OPCSD would be equal to the portion of the 1% property tax generated in Oak Park that was provided to Rancho Simi in the prior fiscal year. In short, the OPCSD would receive no more property tax revenue than the amount generated in Oak Park that is received by Rancho Simi.

#### Property Tax Exchange for the Dissolution of CSA

During our conversation, you indicated that the OPCSD would likely not assume all of the services currently provided by the CSA. If true, then dissolution of the CSA should not be part of the proposal, as it would still provide some services. If the OPCSD assumes some but not all services

from the CSA, section 56810(c) outlines a three-step process to determine the amount of property tax to be transferred, as summarized below:

1. **Section 56810(c)(1): County Auditor determines the ratio of property tax revenue to total revenue for each affected agency.** For each affected agency, the County Auditor shall determine the proportion of property tax revenue the agency receives to the agency's total amount of revenue from all sources, available for general purposes, in the prior fiscal year (total revenue for all sources excludes revenue required to be used for specific purposes; fees, charges, or assessments levied to specifically offset the cost of particular services; and revenue from the federal government that is required to be used for a specific purpose).
2. **Section 56810(c)(2): LAFCo determines the net cost to the affected agency to provide each service to Oak Park.** For each service that is to be transferred to the new district, LAFCo shall then determine, based on information submitted by each affected local agency, the total net cost of general purpose revenues to each agency to provide the service within the boundaries of the proposed district. Only the costs to the affected agency to provide the service within the boundaries of the proposed new district are factored, not the cost to provide the service anywhere outside of those boundaries.
3. **Section 56810(c)(3): LAFCo multiplies the cost to provide the services within Oak Park by the proportion of property tax revenue to total revenue to determine the amount of property tax to be exchanged.** LAFCo then multiplies the amount determined under No. 2 above by the proportion determined under No. 1. This result is the amount of property tax revenues that would be transferred to the new district for each service to be assumed. For example, if the proportion determined under No. 1 is 90%, then the new district will receive 90% of the cost to provide the service determined under No. 2. Because the proportion determined in No. 1 will always be less than 100%, the amount of property tax to be transferred to the new district for each service will be less than the amount that is currently spent on that service.

Therefore, for each of the services that the OPCSD would assume from the CSA, it can expect to receive an amount of property tax revenue that is less than the amount of property tax revenue that the CSA spent on that service in the prior fiscal year within Oak Park. Conversely, the CSA would retain that portion of the property tax revenue that it spent on the services that it will continue to provide.

Should the CSA be dissolved and the OPCSD assume all of its services, then, similar to the tax transfer from Rancho Simi, the OPCSD would receive 100% of the property tax revenue the CSA received in the prior fiscal year. The amount of property tax revenue exchanged from the CSA to the OPCSD would not exceed the amount that was received by the CSA in the prior fiscal year.

#### Property Tax Exchange for the Transfer of County of Ventura Services

Based on your November 26, 2025, letter to the County Auditor-Controller and our conversation, there are multiple services that are currently provided to Oak Park by the County that the OPCSD would assume. The amount of property taxes that would be transferred to the OPCSD would be determined using the three-step process outlined above. Again, in all cases, the amount transferred to the OPCSD would be less than is currently spent by the County to provide the current level of services in Oak Park.

We discussed the OPCSD's intent to fund a sheriff patrol, under contract, dedicated to Oak Park. You stated that currently, there is only a single patrol for all of the unincorporated county area, including Oak Park, and that the cost of the envisioned increased level of service would be covered by the amount of property tax revenue that would be transferred to the OPCSD. However, as explained above, the amount of property tax exchanged to the OPCSD for this service would be less than that used to cover the cost to provide the current level of service within Oak Park. This would also apply to any other agency that would transfer one or more services to the OPCSD, such as if the Ventura County Fire Protection District transfers the service described above as "fire prevention".

You also indicated that the tax exchange arrangement that was included as part of the formation of the Bell Canyon CSD would serve as precedent for that which would apply to the formation of OPCSD. The Bell Canyon CSD was formed by LAFCo in 1984. Over the last 40 years, the CSD principal act has undergone multiple significant revisions. The law under which LAFCo currently operates (the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) did not exist in 1984. As such, the process to form the Bell Canyon CSD is not relevant to the process to form a CSD today.

#### Conclusion

It appears that the amount of property tax revenue that would be transferred from the affected agencies may not be sufficient for the OPCSD to provide the services as envisioned. Pursuant to the CSD principal act, "Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a [community services] district unless the commission determines that the proposed district will have sufficient revenues to carry out its purposes." However, the commission may approve the formation of a CSD without sufficient revenue "provided that the commission conditions its approval on the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues." (Government Code §§ 61014(b) and (c)).

Again, I appreciate your time to discuss these matters. Please feel free to contact me should you have any questions.

Sincerely,



Kai Luoma  
Executive Officer

c: LAFCo Commissioners  
Jeff Burgh, Ventura County Auditor-Controller  
Gregg Strakaluse, Ventura County Public Works Agency  
Dan Paranick, Rancho Simi Recreation and Park District