

LAFCO

Santa Barbara Local Agency Formation Commission

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April 3, 2014 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consideration of a Position on Assembly Bill 2455 (Williams)

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission adopt a SUPPORT, IF AMENDED position on AB 2455. The amendment would be to shorten the sunset period from 2035 to 2020.

DISCUSSION

Assembly Bill 2455 has been introduced by Assemblyman Das Williams at the request of the Santa Rita Hills Community Services District (SRHCSD). The Assemblyman's Office has requested that Santa Barbara LAFCO take a position on the bill since it affects a special district in Santa Barbara County. A fact sheet prepared by the Assemblyman's Office, as well as the latest copy of AB 2455, is attached to this staff report.

By way of background, the Santa Rita Hills CSD was formed by an election that was held in 2009 following approval by Santa Barbara LAFCO. The powers of the CSD are limited to road construction, improvement and maintenance. The area within the boundaries of the district comprises approximately 1,590 acres located 4.7 miles east of the City of Lompoc at the east end of Sweeney Road, north of Santa Rosa Road (Lakeview Estates Tract). The basic purpose of the district at the time of formation was to provide a funding mechanism to assess the properties within the district to build access roads. The original subdivision was comprised of 39 parcels, slightly larger than 40 acres. The current subdivision contains 35 parcels. One property owner now owns 8 parcels. Adequate access to the parcels is a condition of County Fire before construction of residences can be approved. For several years, the district has been attempting to secure access to the subdivision from Sweeney Road over a parcel that is outside the district boundaries. The adjacent property owner is unwilling to grant access to the subdivision. The district is not able to use eminent domain outside it's because this power was not granted by LAFCO at the time of

Commissioners: Bob Short, Chair ♦ Roger Aceves ♦ Doreen Farr, ♦ Craig Geyer ♦ Jeff Moorhouse ♦ Bob Orach ♦ Bob Short ♦ Janet Wolf
♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt ♦ **Executive Officer:** Paul Hood

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formation. Negotiations with the intervening property owner to gain access to the Lakeview estates Tract, to this point have been unsuccessful.

On June 6, 2013, the Commission considered a request by the SRHCSD amend its sphere of influence, grant the power to use eminent domain outside its boundaries, and approve an out-of-agency agreement. The Commission continued the matter to its September 5, 2013 meeting. Prior to the September meeting the district withdrew its application when staff determined that an Environmental Impact Report should be prepared before consideration of the application.

At the time of formation there were 14 registered voters within the boundaries of the proposed Santa Rita Hills CSD. The election results were certified by the County Clerk/Registrar of Voters on May 13, 2009. The vote approving formation was 12-yes and 2-no or 85.71% approval. The initial 5-member Board of Directors were also elected at the formation election. As well as being registered to vote, the Board of Directors were also landowners within the district. The latest voter registration roll indicates 10 registered voters in the SRHCSD.

The issue that resulted in the proposed legislation is based on the inability of the district to find five voters residing within the district who are willing to serve on the Board of Directors. In fact because of a fairly recent resignation the district is currently functioning with 4 directors. A quorum of three directors is necessary for meetings to be held and decisions made. Gaining a quorum of at least three directors, on many occasions, is difficult to achieve. The problem is further exacerbated by the fact that a number of parcels are for sale and current owners could be leaving.

AB 2455 as originally proposed by the Santa Rita Hills CSD, would have allowed landowners who are registered voters outside the district to serve on the Board of Directors. This presented a problem since it would be inconsistent with the statutes that govern community services districts Statewide. CSD's are established pursuant the California Government Code as registered voter districts. Government Code Section 61040(b) clearly states that:

No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district. No person shall be a candidate for the board of directors that is elected by divisions or from divisions unless he or she is a voter of that division or proposed division.

Changing the Community Services District Law to allow landowners to serve on this particular CSD Board of Directors would establish a precedent that could lead to difficult issues in the future. A number of alternatives to solving the problem of attaining a quorum were discussed with the Assemblyman's staff, the California Association of LAFCO's (CALAFCO), and SBLAFCO staff. These included consolidation or annexation with another Community Services District in Santa Barbara County; forming a County Service Area to replace the SRHCSD; No Action – continuing with a five member Board in the hopes that three members representing a quorum can attend meetings; and reducing this particular CSD's board of directors from 5 to 3 members.

CONCLUSION: The reduction in Board members from 5 to 3 appeared to be the best option. This would establish a quorum of 2 members who could continue to conduct the business of the district. The larger issue still remains about the continued viability of the Santa Rita Hills CSD to acquire, construct, improve, and maintain streets and roads. Santa Barbara LAFCO approved the formation of the SRHCSD in 2008. After approval by the voters, the elected Board of Directors of the CSD becomes the legislative body of the district and is responsible for governing the district. Reducing the board of directors from five to three member may not make a difference in achieving the goals of the district, but it may resolve a current procedural issue. Staff and CALAFCO have worked closely with the Assemblyman's staff to provide a solution to the inability of the district to conduct its affairs because of insufficient board member participation. Allowing the Board to function by reducing the membership requirement from 5 to 3 members would solve a procedural issue, but in the long term may help with gaining access to the Lakeview Estates Subdivision.

SUNSET PROVISION: The bill, as currently drafted, contains a sunset clause whereby the 3-member board for the Santa Rita Hills CSD would be in place until 2035. At the end of the sunset period, the SRHCSD would revert back to a five member Board. A 20 year sunset provision seems excessive. The Commission may wish to suggest a shorter sunset period before it takes a position on the bill. Staff would suggest a shorter sunset provision of 5-7 years.

CALAFCO'S POSITION: The CALAFCO Legislative Committee reviewed AB 2455 at its meeting of March 21, 2014 and approved a WATCH position. CALAFCO usually does not get involved in local issues that affect individual LAFCO's.

ALTERNATIVES FOR COMMISSION ACTION

The Commission can follow one of the following options:

OPTION 1 – Support AB 2455

OPTION 2 –Support, if Amended

OPTION 3 – Oppose AB 2455

OPTION 4 – Oppose, Unless Amended

OPTION 5 – Watch

RECOMMENDED ACTION:

Approve OPTION 2 – SUPPORT, IF AMENDED

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The amendment would be to shorten the sunset period from 2035 to 2020.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

AMENDED IN ASSEMBLY MARCH 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2455

Introduced by Assembly Member Williams

February 21, 2014

An act to amend, repeal, and add Section 61040 of, and to add and repeal Section 61040.1 of, the Government Code, relating to community services districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2455, as amended, Williams. The Santa Rita Hills Community Services District.

The Community Services District Law specifies the procedures for district formation, procedures for the selection of district governing board members, the powers and duties of the board, and the procedures for changing those powers and duties. Existing law ~~prohibits a person who is not a voter of the district or the proposed district from being a candidate for the board of directors~~ *requires the board of directors of each district to consist of 5 members.*

This bill would ~~provide that~~, *authorize*, until January 1, 2035, ~~in addition to persons who are voters in the district, a person who is otherwise qualified to vote and who also owns property in the district may be a candidate for the board of directors of the Santa Rita Hills Community Services District~~ *to consist of 3 members.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the Santa Rita Hills Community Services District.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 61040 of the Government Code is
2 amended to read:

3 61040. (a) ~~A~~ Except as provided in Section 61040.1, a
4 legislative body of five members known as the board of directors
5 shall govern each district. The board of directors shall establish
6 policies for the operation of the district. The board of directors
7 shall provide for the implementation of those policies which is the
8 responsibility of the district's general manager.

9 (b) ~~Except as provided in Section 61040.1, no~~ No person shall
10 be a candidate for the board of directors unless he or she is a voter
11 of the district or the proposed district. No person shall be a
12 candidate for the board of directors that is elected by divisions or
13 from divisions unless he or she is a voter of that division or
14 proposed division.

15 (c) All members of the board of directors shall exercise their
16 independent judgment on behalf of the interests of the entire
17 district, including the residents, property owners, and the public
18 as a whole in furthering the purposes and intent of this division.
19 Where the members of the board of directors have been elected
20 by divisions or from divisions, they shall represent the interests of
21 the entire district and not solely the interests of the residents and
22 property owners in their divisions.

23 (d) Service on a municipal advisory council established pursuant
24 to Section 31010 or service on an area planning commission
25 established pursuant to Section 65101 shall not be considered an
26 incompatible office with service as a member of a board of
27 directors.

28 (e) A member of the board of directors shall not be the general
29 manager, the district treasurer, or any other compensated employee
30 of the district, except for volunteer firefighters as provided by
31 Section 53227.

32 (f) This section shall be repealed on January 1, 2035.

33 SEC. 2. Section 61040 is added to the Government Code, to
34 read:

35 61040. (a) A legislative body of five members known as the
36 board of directors shall govern each district. The board of directors
37 shall establish policies for the operation of the district. The board

1 of directors shall provide for the implementation of those policies
2 which is the responsibility of the district's general manager.

3 (b) No person shall be a candidate for the board of directors
4 unless he or she is a voter of the district or the proposed district.
5 No person shall be a candidate for the board of directors that is
6 elected by divisions or from divisions unless he or she is a voter
7 of that division or proposed division.

8 (c) All members of the board of directors shall exercise their
9 independent judgment on behalf of the interests of the entire
10 district, including the residents, property owners, and the public
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15 property owners in their divisions.

16 (d) Service on a municipal advisory council established pursuant
17 to Section 31010 or service on an area planning commission
18 established pursuant to Section 65101 shall not be considered an
19 incompatible office with service as a member of a board of
20 directors.

21 (e) A member of the board of directors shall not be the general
22 manager, the district treasurer, or any other compensated employee
23 of the district, except for volunteer firefighters as provided by
24 Section 53227.

25 (f) This section shall become operative on January 1, 2035.

26 SEC. 3. Section 61040.1 is added to the Government Code, to
27 read:

28 61040.1. (a) ~~No person shall be a candidate for the~~ *The* board
29 of directors of the Santa Rita Hills Community Services District
30 ~~unless he or she is a voter of the district, or is an individual who~~
31 ~~is otherwise qualified to vote and who owns property in the district.~~
32 ~~Eligibility shall be determined using the last Santa Barbara County~~
33 ~~equalized assessment roll preceding the election~~ *may consist of*
34 *three members.*

35 (b) This section shall be repealed on January 1, 2035.

36 SEC. 4. The Legislature finds and declares that a special law
37 is necessary and that a general law cannot be made applicable
38 within the meaning of Section 16 of Article IV of the California
39 Constitution because of the unique circumstances that exist ~~in~~ *with*

- 1 *respect to the composition of the board of directors of the Santa*
- 2 Rita Hills Community Services District.

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AB 2455 (Williams)

The Santa Rita Hills Community Services District

SUMMARY

AB 2455 temporarily authorizes the Santa Rita Hills Community Services District (SRHCSD) to reduce the membership of their board of directors from five to three members.

BACKGROUND

Special districts are a form of local government created by a local community to meet a specific need. Community Services Districts (CSD) provide different services, such as water, garbage collection, wastewater management, etc. CSD's are typically governed by a five member board of directors and are elected by resident voters to four year terms.

The Santa Rita Hills Community Services District is a "roads" district formed in 2009 by a registered voter election, which included property owners registered to vote in the district. It was created to serve a small community of Santa Rita Hills which consists of 39 parcels in Santa Barbara County.

The power and responsibilities granted to the SRHCSD include the act to acquire, construct, improve and maintain streets, roads, bridges and sidewalks. Any road improvements or infrastructure constructed by the District must relate to the authorized services and any significant costs for construction will be financed by benefit assessments approved by landowners within the District.

NEED FOR THE BILL

Under current law, eligibility for membership on the board of directors is restricted to "a voter of the district." However, because much of the district is comprised of parcels of land, there are only between 10-12 actual voters residing in the district, some of which are in the process of moving outside the district. Additionally, Santa Barbara County currently has a restriction that prohibits new residences from being built in the district until upgrades in road access is provided, thereby limiting the potential for new registered voters within the district.

At present day, the board currently has one vacancy and consists of only four members. Additional vacancies are expected in the near future leaving the board in a situation where they may lose quorum to conduct business.

AB 2455 recognizes this dilemma and temporarily reduces the size of their board until the current requirements can be more easily met in the future – once the roads are improved and property owners are allowed to build their residences.

This bill would sunset January 1, 2035.

SUPPORT

- Santa Rita Hills Community Services District (Sponsor)

OPPOSITION

- None on file

FOR MORE INFORMATION

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