

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 23, 2017

REGULAR MEETING

TO: **Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission**

FROM: **José C. Henríquez, Executive Officer**

PREPARED BY: **Erica Sanchez, Policy Analyst**

AGENDA ITEM #7: **PUBLIC TO CONSIDER ENVIRONMENTAL REVIEW,
MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE UPDATE FOR THE MARBLE MOUNTAIN
HOMEOWNERS COMMUNITY SERVICES DISTRICT
(LAFCO PROJECT NO. 2017-01)**

RECOMMENDATION

Staff recommends that the Commission:

1. Receive and discuss the information related to the municipal services review and sphere of influence update for the Marble Mountain Homeowners Community Services District;
2. Open the public hearing on this matter;
3. Accept statutory exemption §15061(b)(3) from environmental review as the appropriate environmental review;
4. Adopt Resolution L-2017-09, adopting the municipal service review and sphere of influence update for the Marble Mountain Homeowners Community Services District; and
5. Direct staff to complete the necessary filings and transmittals as required by law.

REASON FOR RECOMMENDED ACTION

The Marble Mountain Homeowners Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides a current snapshot of service delivery for the District, and also identifies areas of potential growth for future extension of services as well as areas of potential reduction for lack of services, where appropriate.

BACKGROUND

This MSR analyzes the agency's ability to provide existing and future residents with road services within its service area. The MSR was prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The SOI study uses the data in the MSR portion to generate a guidance document for any future boundary changes to Marble Mountain Homeowners Community Services District (MMHCSd).

Municipal Service Review Determinations

The MSR provides analysis for the statutory criteria set forth within the CKH Act, as well as additional locally adopted requirements. These criteria are listed as follows:

- Growth and Population Projections
- Disadvantaged Unincorporated Communities
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
- Financial Ability to Provide Services
- Status of, and Opportunities for, Shared Facilities
- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
- The Potential Effect of Agency Services on Agricultural and Open Space Lands

Throughout the analysis portions of the report, LAFCO staff did not identify any substantial areas for improvement or current issues faced by the District that needed to be addressed or resolved as a part of this Municipal Service Review. The MSR found that the MMHCSd provides sufficient road maintenance services within its boundaries and the roads are maintained at levels consistent with the residents' expectations, as identified by the MMHCSd Board of Directors.

Determination 1 – Demands for service within MMHCSd are not expected to increase in the near future. For the majority of the District no significant future growth, population increases, or changes in land uses are anticipated. Territory (80 acres) in the southern portion of MMHCSd will be developed in the future as part of the approved East Ridge Village within the Valley View Specific Plan; however, this area will not be accessed through MMHCSd roads.

Determination 2 – According to 2015 income data from the US Census Bureau, the MMHCSd service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding MMHCSd or its sphere of influence.

Determination 3 – Overall, roadway conditions appear to be adequate for the current demand, relative to adopted standards and resident preferences and expectations. Internally, the District is split into two separate service areas: the Lower Road Zone of Benefit (Zone 1) which collects an additional special tax for road maintenance purposes, and the Upper Road area, which is not designated as a zone of benefit. Each parcel within the MMHCSd is assessed \$100; the Lower Road Zone of Benefit (Zone 1) is assessed an additional annual fee of \$300, for a total not to exceed \$400. The different

levels of funding have resulted in a disparity in the condition of the roadways between the two service areas. A recent ballot measure (June 6, 2017) to increase the special tax in the Upper Road area to the same level as the Lower Road Zone failed to receive the required two-thirds majority of votes cast. Similar to efforts in previous years, the measure failed by as little as one vote.

Determination 4 – MMHCSD appears to be financially stable and is able to recover from periodic large roadway maintenance expenditures. The District does not have outstanding debts. MMHCSD is able to provide adequate services and the District's budget is balanced. MMHCSD utilizes a sufficient range of cost avoidance opportunities, including bidding for services and utilizing volunteers from the community for minor roadway maintenance. No additional financing opportunities have been identified District-wide; however, in order to provide an equitable level of service in both service areas, the District would need to increase the special tax amount in the Upper Road to a level equal to that of the Lower Road (Zone 1).

Determination 5 – Marble Mountain Homeowners CSD does not own any facilities and does not share any facilities with other service providers. MMHCSD is not within close proximity to any other local entity that provides similar services; therefore, no significant opportunities for shared facilities have been identified.

Determination 6 – MMHCSD appears to operate efficiently under its existing structure; the current governmental and management structures are appropriate to allow the District to provide necessary services and operate in an efficient and effective manner. The MMHCSD Board of Directors has not appointed a general manager, as required by State Law. No significant issues regarding local accountability were noted.

Determination 7 – It is unlikely that MMHCSD's services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand, so there should be no additional impacts to the economic viability of surrounding agricultural operations.

Sphere of Influence Determinations

The MSR also includes a review of the existing SOI for the District to determine if changes should be made. Written determinations are included within the MSR consistent with the requirements of CKH that address the following:

- Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands
- Present and Probable Need for Public Facilities and Services
- Present Capacity of Public Facilities and Adequacy of Public Services
- Existence of Any Social or Economic Communities of Interest

Determination 1 – Present land uses within the District are low density residential; there are no designated agricultural lands within the District. Planned land uses are anticipated to remain the same as current land uses for the majority of the District. Territory within the District which is also part of the approved East Ridge Village Subdivision will see an increase in density and population growth in the future upon build out.

Determination 2 – Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary

from present needs, as future demands are expected to remain the same. Access for the future East Ridge Village parcels will be solely from the south, through internal roadways within the East Ridge Village, and not through MMHCSD roads.

Determination 3 – The present capacity of public facilities provided appears to be sufficient for the level of service expected by District residents. The disparity in the condition of the roadways between the Upper and Lower areas is a result of the differing levels of funding through voter approved special taxes.

Determination 4 – Nearby communities include the El Dorado Hills area. MMHCSD borders the El Dorado Hills Community Region on the south and west, though the majority of the District is not within the Community Region. The East Ridge Village parcels are within the Valley View Specific Plan and the EDH Community Region.

Determination 5 – While Marble Mountain Homeowners CSD does not provide any municipal services as defined in Government Code 56425(e)5, LAFCO has not identified any disadvantaged communities within the District's boundaries or in its sphere of influence.

Sphere of Influence Recommendation

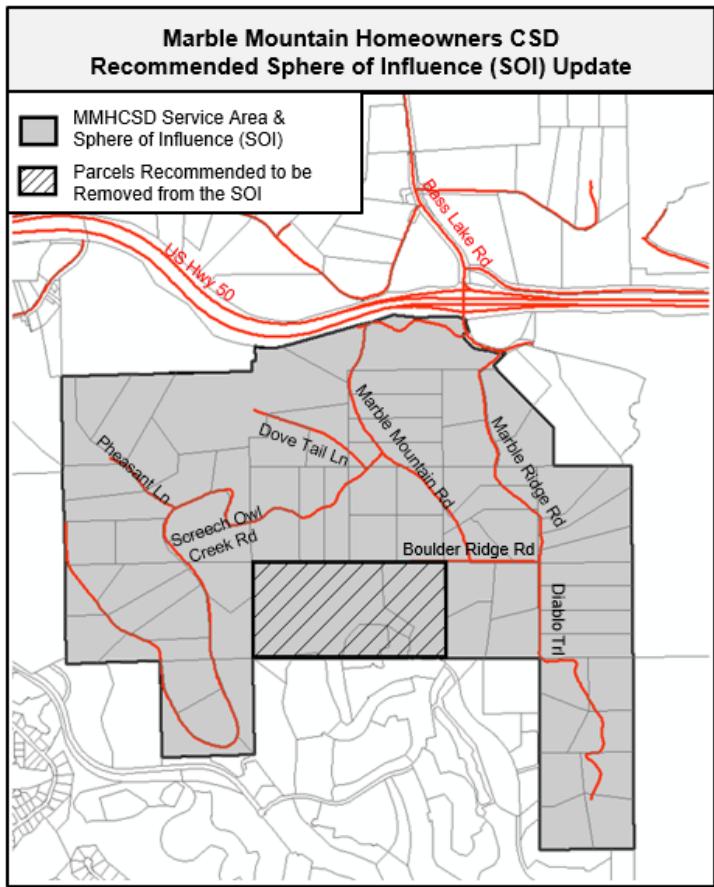
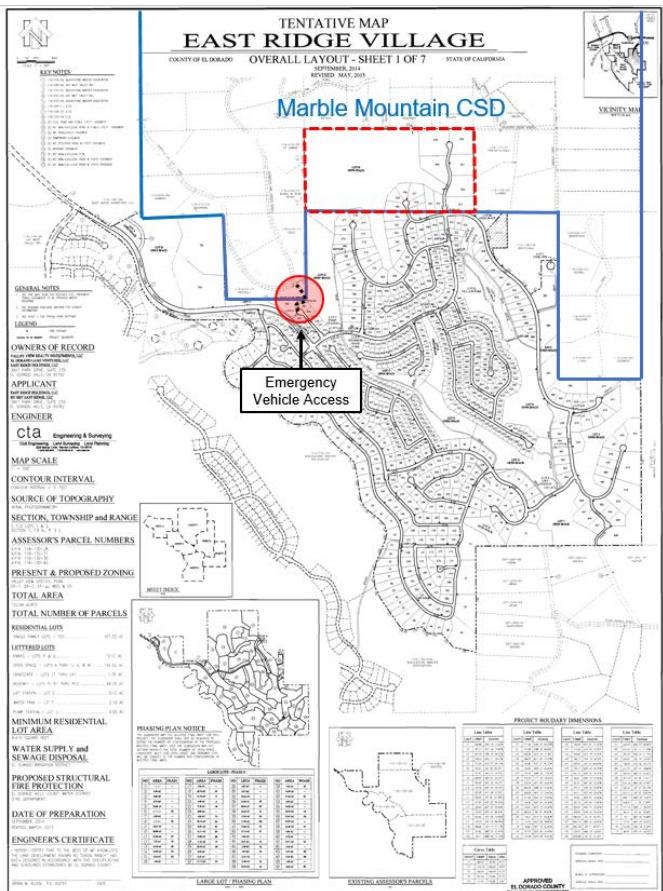
The SOI recommendation analyzes the appropriateness of the District's SOI boundaries, relative to the capabilities of the service provider and future growth.

Currently, the MMHCSD sphere of influence (SOI) is coterminous with its service area. Based upon the information contained in the MSR, it is recommended that the MMHCSD SOI be amended to remove four parcels which do not have current or planned direct access through the MMHCSD road system. These parcels are part of an approved, but not yet built, development to the south which will provide access through its own internal road system and not through MMHCSD roads. The parcels recommended to be removed from the SOI are APNs 119-390-11, 119-390-15, 119-390-16, and 119-390-67.

These four parcels, totaling 80 acres, are located in the southern portion of the District, but they also make up the northern portion of the future East Ridge Village development. East Ridge Village, approved by the County in 2015 for 701 residential lots at full build-out, is a part of the Valley View Specific Plan. At build-out, these four parcels will be further subdivided into approximately 16 residential lots and a 50-acre open space lot. Most of the future parcels will still be fully within MMHCSD, but several of the lots will be split by the MMHCSD boundaries and only partially within the District.

Access for the future East Ridge Village parcels will be solely from the south through internal roadways within the East Ridge Village, and not through MMHCSD roads. There is a planned emergency vehicle access road, but it will be gated and used for emergency passage only, such as in the event of a wildfire.

Despite what is, and will continue to be, a lack of access through MMHCSD roads, these four parcels are located in the Lower Road (Zone 1) area and are responsible for the two special taxes levied in that area, amounting to a total of \$400 per parcel annually to fund District road improvements. When the parcels are eventually split into the approved 16 lots, the \$100 and \$300 special taxes will be assigned to all 16 new lots as well. (Some of the parcels will be only partially within the District, so they may or may not be subject to the special taxes.)



Given the inclusion in the East Ridge Village and what will be primary access from East Ridge Village roads, it is unlikely that the future East Ridge Village property owners would find any advantage or benefit to remain within the District, nor is it equitable for these property owners to pay two annual special taxes to maintain MMHCSD roads. Therefore, it would be reasonable to remove these parcels from the District's SOI, setting the stage for possible detachment from the District in the future.

Removing these parcels from MMHCSD's sphere of influence will not remove them from the District; detachment from the District would require an application to LAFCO by either landowner petition or District resolution. Rather, the amendment is recommended in order to reflect the appropriateness of MMHCSD's sphere of influence, acknowledging an area where it would be logical for the District to reduce its service area in the future, based on the lack of access through District roadways.

Staff Outreach and Public Comment Period

Both the MMHCSD Board and representatives for the East Ridge Village development landowners were contacted regarding staff's recommendation to remove the East Ridge parcels from the MMHCSD sphere of influence. Staff explained the reasoning behind the recommendation and clarified what it would mean for the District and future landowners; specifically, that removing the parcels from the SOI would not initiate detachment from the District.

Representatives for the East Ridge Village development submitted comments regarding the emergency vehicle access; specifically, that the EVA would be paid for by the East

Ridge Development, and that maintenance of the EVA would be the responsibility of the land in which the EVA is located, i.e., East Ridge Development would maintain that portion lying on East Ridge and MMHCSD would maintain that portion lying within their territory. The comments also clarified that the proposed EVA is not a requirement of the East Ridge development nor the Valley View Specific Plan, rather the East Ridge landowners made this offer in good faith and the MMHCSD has not yet accepted or rejected the offer.

The MMHCSD Board did not submit comments regarding the parcels recommended to be removed from the SOI, nor on the rest of the MSR. Additionally, no comments were received from the public during the open comment period on the draft MSR/SOI update.

Attachments:

Attachment A: Marble Mountain Homeowners CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-01)

Attachment B: Resolution L-2017-09

Attachment B, Exhibit A: Recommended Marble Mountain Homeowners CSD SOI Map