

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF DECEMBER 2, 2009

REGULAR MEETING

TO: Francesca Loftis, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

**AGENDA ITEM #7A1: OTHER BUSINESS – LEGISLATION: Consider proposed
legislation to convert Resort Improvement Districts into
Community Services District**

RECOMMENDATION

Staff recommends that the Commission receive the attached letter from Peter Detwiler, Senior Consultant for the Senate Local Government Committee, and provide input to staff on the Commission's position on this proposed legislation.

REASON FOR RECOMMENDED ACTION

El Dorado County has one "resort improvement district," (RID) a type of district that is considered a "legislative dead end" because its governing law is both outdated and the Legislature no longer allows the creation of RIDs. The proposed legislation would create an "expedited LAFCO process" for converting RIDs into CSDs. If adopted and the Commission chose to use these new powers, it would affect the Tahoe Paradise RID.

BACKGROUND

Because the Legislature stopped the creation of new resort improvement districts in 1961, the RID governing act has been in "suspended animation" for almost five decades. This means that the RID statute is archaic and out of synch with subsequent sunshine and good-government statutes, such as the Brown Act and the Fair Political Practices Act, making it hard for these special districts to govern themselves and deliver public services with transparency and accountability.

This legislation would allow LAFCOs to convert RIDs into community services districts, without changing their boundaries, services, finances, or other duties. As the Commission is aware, a CSD is a type of district with broad powers and responsibilities while having to comply with contemporary disclosure and accountability laws. It is very

possible and realistic for a CSD to assume the responsibilities and duties currently utilized by Tahoe Paradise RID.

The legislation states that the conversion from one type of government to another will utilize the existing LAFCO process, with notable exceptions:

- Unlike other district-initiated proceedings, if LAFCO approves the conversion, there is no protest hearing and no election.
- If LAFCO approves, it must impose the terms and conditions listed in the bill.
- The RID or MID can stop the conversion up to the time of LAFCO approval.
- The proposed legislation specifically declares that an "expedited reorganization" is a Class 20 categorical exemption.

If both entities are interested in the conversion, Tahoe Paradise RID would be responsible for the payment of LAFCO fees and other expenses; however, the Commission retains the discretion to waive the LAFCO fees if it finds that this waiver is in the public interest.

As the Commission discusses the merits of the proposed legislation, Mr. Detwiler requests that the following questions be addressed:

- Is El Dorado LAFCO likely to use the proposed procedures?
- Are the proposed procedures sufficiently transparent?
- Do the proposed procedures provide enough accountability?
- Can El Dorado LAFCO recommend improvements to the proposed bill?

One proposed improvement for the legislation is that the State Board of Equalization should waive any fees associated with the conversion.

Please note that over the past 10 months LAFCO staff has been unsuccessful in attempting to contact Steve Dunn, the general manager for Tahoe Paradise RID, on the proposed legislation. Consequently, the Commission may not have any information on the district's thoughts at the time of the meeting.

Attachment A: Proposed Resort Improvement District Legislation