

# **DRAFT**

## **Tahoe Paradise Resort Improvement District Municipal Service Review and Sphere of Influence Update**

---

**March 2017**

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**TABLE OF CONTENTS**

**I EXECUTIVE SUMMARY ..... 3**  
**II BACKGROUND ..... 5**  
    A. Legislative Framework ..... 5  
    B. Relationship Between Spheres of Influence and Service Reviews ..... 7  
    C. Service Review Guidelines ..... 8  
**III AGENCY DESCRIPTION ..... 10**  
**IV MSR DETERMINATIONS ..... 23**  
**V SOI DETERMINATIONS ..... 28**  
**VI ENVIRONMENTAL REVIEW ..... 30**  
**VII ENVIRONMENTAL JUSTICE ..... 31**  
**VIII REFERENCES AND SOURCES ..... 38**  
**IX MAPS ..... 40**

**LIST OF TABLES**

**Table 1: Study Area Population by Race ..... 32**  
**Table 2: Poverty Status in the Past 12 Months by Sex and Ethnicity by Census Tract ..... 34**  
**Table 3: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – White Males ..... 35**  
**Table 4: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – White Females ..... 35**  
**Table 5: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – Latino Males ..... 36**  
**Table 6: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – Latina Females ..... 36**

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**I EXECUTIVE SUMMARY**

State mandates enacted in 2000 establish requirements for a Local Agency Formation Commission to conduct comprehensive reviews of all municipal services (MSRs) in its county. This service review includes a summary and analysis of the Tahoe Paradise Resort Improvement District, along with a subsequent update to its sphere of influence. The MSR serves as a basis for the accompanying sphere of influence determinations and considerations for future government reorganizations. The information contained in this document does not explicitly plan for future services, nor will any action or change in services result directly as a result of LAFCO's adoption of the document. This service review provides a description of existing park and recreation related services provided by the district and is inherently retrospective, taking a "snapshot" of existing conditions. However, this document will be used as a guide for future decisions by LAFCO in determining the agency's ability to provide services. The report complies with all guidelines adopted by the Governor's Office of Planning and Research and will be available to other agencies and to the public.

As part of the inaugural cycle of municipal service reviews (2001-2008), El Dorado LAFCO contracted with PMC to prepare both the *Streets and Highways Municipal Services Review* - which reviewed all of the road maintenance service providers in the county and was adopted by the Commission in December 2007, which reviewed all of the park and recreation service providers (among other services) in the county. However, for the second and third cycles, LAFCO utilizes a different approach. Each public agency under LAFCO jurisdiction which provides public services will be reviewed in an individual MSR, instead of a single comprehensive report. For more detailed information on the other agencies which provide similar services, please the LAFCO website under the "MSRs" tab.

Located in the Southern Tahoe Basin, the Tahoe Paradise Resort Improvement provides park and recreation services to the residents of Meyers. Over the past two years, TPRID has taken steps to modernize and standardize its processes. Its Board of Directors have split the functions performed by the previous general manager into specified roles, each filled by part-time employees. It has also partnered with the County of El Dorado for administrative support, adopted a Master Plan and it is revamping its administrative procedures.

The District's major challenge is working within an outdated legal framework. The Resort Improvement District Law was frozen by the Legislature in the 1960s and has not been updated since. As a result, RID Law has no natural bridge to other significant pieces of law concerning local governance (such as Proposition 13 or the Brown Act). While there is no evidence or accusation that the District has run afoul of these statutes, ultimately it means that the District has to operate in an ad hoc manner to comply with them. This will prove to be difficult for TPRID once its main revenue stream, monies from the Measures S/R bonds, expire and must find an

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

alternate replacement. TPRID's Board considers securing adequate revenue to operate Tahoe Paradise Park to be the District's main challenge.

The Legislature adopted rules to allow TPRID to expedite its conversion to a more modern form of district, a recreation and parks district. This expedited process is due to expire in 2018. As an extra incentive, El Dorado LAFCO has twice agreed to waive its processing fees. The District Board has, to date, chosen to pass the offer and remain a resort improvement district. El Dorado LAFCO, through this study, strongly recommends to the Board to convert from a resort improvement district to a parks and recreation district. This can be achieved expeditiously and without a loss to its legal authority or current revenue streams.

This MSR and LAFCO's adoption of a subsequent resolution making sphere of influence determinations are statutorily exempt from the California Environmental Quality Act [Class 6, §15061(b)(3)]. In undertaking this service review and making sphere of influence determinations, LAFCO considered its responsibilities under federal and state civil rights and environmental justice laws. The activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This MSR and sphere of influence update have no possibility for causing a significant effect on the environment.

The structure of this report is as follows: Section II contains important background information, Section III contains a description of the Tahoe Paradise Resort Improvement District, Sections IV and V contain the service review and sphere of influence determinations, Sections VI and VII cover the environmental review and environmental justice determinations, respectively, Section VIII contains the references, and Section IX contains maps.

For each of the six categories of required determinations, staff has prepared recommended determinations recognizing the following: unique land use and planning conditions, government organization and fiscal circumstance that affect the provision of service, effects of rapid demographic changes and growth, communities with different and similar service needs, and efforts to enhance service and impediments to doing so.

## II **BACKGROUND**

### A. Legislative Framework

In 1997, the State Legislature established the Commission on Local Governance for the 21<sup>st</sup> Century (CLG). The CLG was tasked with assessing governance issues and making recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the then-57 Local Agency Formation Commissions governed by the Act and citizen participation in local government. CLG members included a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry and elected officials.

The CLG determined that LAFCOs needed more specific information in order to make informed decisions on projects that came before them. It was recommended that LAFCOs be required to collect and review the information necessary to guide decisions before specific proposals were made. The CLG concluded that this information was necessary for LAFCOs to encourage orderly growth and to provide planned, well-ordered, efficient urban development patterns and to advantageously provide for the present and future needs of each county and its communities. Specifically, the CLG recommended that information on public service capacity and issues be gathered through periodic service reviews. These service reviews would ultimately constitute a statewide body of knowledge that could be used to resolve California's growth-related public service issues. Based on these recommendations, the State Legislature enacted Government Code §56430 as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), which became effective on January 1, 2001.

Section 56430 of the CKH Act, in part, and as amended effective January 1, 2012, states as follows:

- (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:
  - (1) Growth and population projections for the affected area.
  - (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
  - (4) Financial ability of agencies to provide services.
  - (5) Status of, and opportunities for, shared facilities.
  - (6) Accountability for community service needs, including governmental structure and operational efficiencies.
  - (7) The potential effect of agency services on agricultural and open space lands.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.
  - (c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence of water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.
  - (d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.
  - (e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

In addition, several sections of CKH empower LAFCOs to obtain information for service reviews:

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- Section 56378 authorizes LAFCOs to initiate and make studies of existing governmental agencies. “In conducting those studies, the commission may ask for land use information, studies, and plans of cities, counties, districts, including school districts, community college districts, and regional agencies and state agencies and departments. (Those agencies) shall comply with the request of the commission for that information...”
- Section 56846 states, “Every officer of any affected county, affected city, or affected district shall make available to a reorganization committee any records, reports, maps, data, or other documents which in any way affect or pertain to the committee’s study, report, and recommendation and shall confer with the committee concerning the problems and affairs of the county, city, or district.”
- Section 56844 authorizes the Commission to undertake a study or report in place of a reorganization committee, thereby transferring those access rights.

**B. Relationship Between Spheres of Influence and Service Reviews**

The CKH Act requires LAFCOs to develop and determine the sphere of influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code §56076 defines a SOI as “a plan for the probable physical boundaries and service area of a local agency.” Service reviews must be completed prior to the establishment or update of SOIs (§56430(a)). Spheres of influence must be reviewed and updated, as necessary, not less than once every five years (§56425). El Dorado LAFCO’s policies already contain the update requirement (Policy 4.2).

The information and determinations contained in a municipal service review are intended to guide and inform SOI decisions. Service reviews enable LAFCO to determine SOI boundaries and to establish the most efficient service provider for areas needing new service. They also function as the basis for other government reorganizations. Section 56430, as noted above, states that LAFCO can conduct these reviews “before, in conjunction with, but no later than the time it is considering an action to establish a SOI.”

In addition to the factors in Government Code §§56425 and 56430, the Commission’s Policies and Guidelines Section 4.4 require that it make the following determinations prior to establishing a sphere of influence:

- (1) The service capacity, level and types of services currently provided by the agency and the areas where these services are provided.
- (2) Financial capabilities and costs of service.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- (3) Topographic factors and social and economic interdependencies.
- (4) Existing and planned land uses, land use plans and policies; consistency with county and city general plans and projected growth in the affected area.
- (5) Potential effects on agricultural and open space lands.
- (6) A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services.
- (7) An analysis of the effects a proposed sphere of influence on other agencies and their service capabilities.

**C. Service Review Guidelines**

The Governor's Office of Planning and Research (OPR) was directed by statute (§56430) to prepare guidelines to assist LAFCOs in complying with the new service review requirements. In that regard, the final *Local Agency Formation Commission Municipal Service Review Guidelines* was released in August 2003. OPR's intent in developing these guidelines was "to provide a structure to assist LAFCOs to carry out their statutory responsibility of promoting orderly growth and development, preserving the state's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all California residents in the most cost effective and efficient manner." These guidelines were utilized in the preparation of this service review document.

The guidelines identify several possible goals and objectives for municipal service reviews to be achieved through written determinations in the six required areas. These goals and objectives are as follows:

- Promote orderly growth and development in appropriate areas with consideration of service feasibility, service costs that affect housing affordability and preservation of open space, important agricultural land and finite natural resources.
- Encourage infill development and direct growth to areas planned for growth in general plans.
- Learn about service issues and needs.
- Plan for provision of high quality infrastructure needed to support healthy growth.
- Provide tools to support regional perspectives or planning that address regional, cross-county or statewide issues and processes.
- Develop a structure for dialogue among agencies that provide services.
- Develop a support network for smaller or ill-funded districts that provide valuable services.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- Provide backbone information for service provider directories or inventory reference documents for counties that do not have them.
- Develop strategies to avoid unnecessary costs, eliminate waste and improve public service provision.
  - Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, or integrated land use planning and service delivery programs.
  - Promote shared resource acquisition, insurance policies, joint funding requests or strategies.

The guidelines emphasize that “LAFCOs may need to modify these recommendations to reflect local conditions, circumstances and types of services that are being reviewed.” To that end, El Dorado LAFCO also utilized its own set of policies for service reviews (Policy 5 et seq.), which incorporate the goals and objectives listed above.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**III AGENCY DESCRIPTION**

**Tahoe Paradise Resort Improvement District**

Contact Information

**Address:** P. O. Box 550575, South Lake Tahoe, CA 96155  
**Phone:** (530) 577-9881  
**Website:** www.tahoeparadisepark.com  
(Agendas also posted on the County of El Dorado's website:  
www.edcgov.us/Government/Parks/Tahoe\_Paradise\_Resort  
\_Improvement\_District.aspx)

Management Information

**Manager:** None  
**Governing Body:** Board of Directors  
**Board Members:** Victor Babbitt 2015-2019  
Peter Nelligan 2015-2017  
Judy Clot 2015-2019  
Joeseoph Cardinale 2015-2017  
Sue Novasel 2014-2018  
**Board Meetings:** Monthly  
**Staffing:** Greg Hall, Maintenance  
William Ross, Maintenance  
Angelyne Hall, Event Coordinator

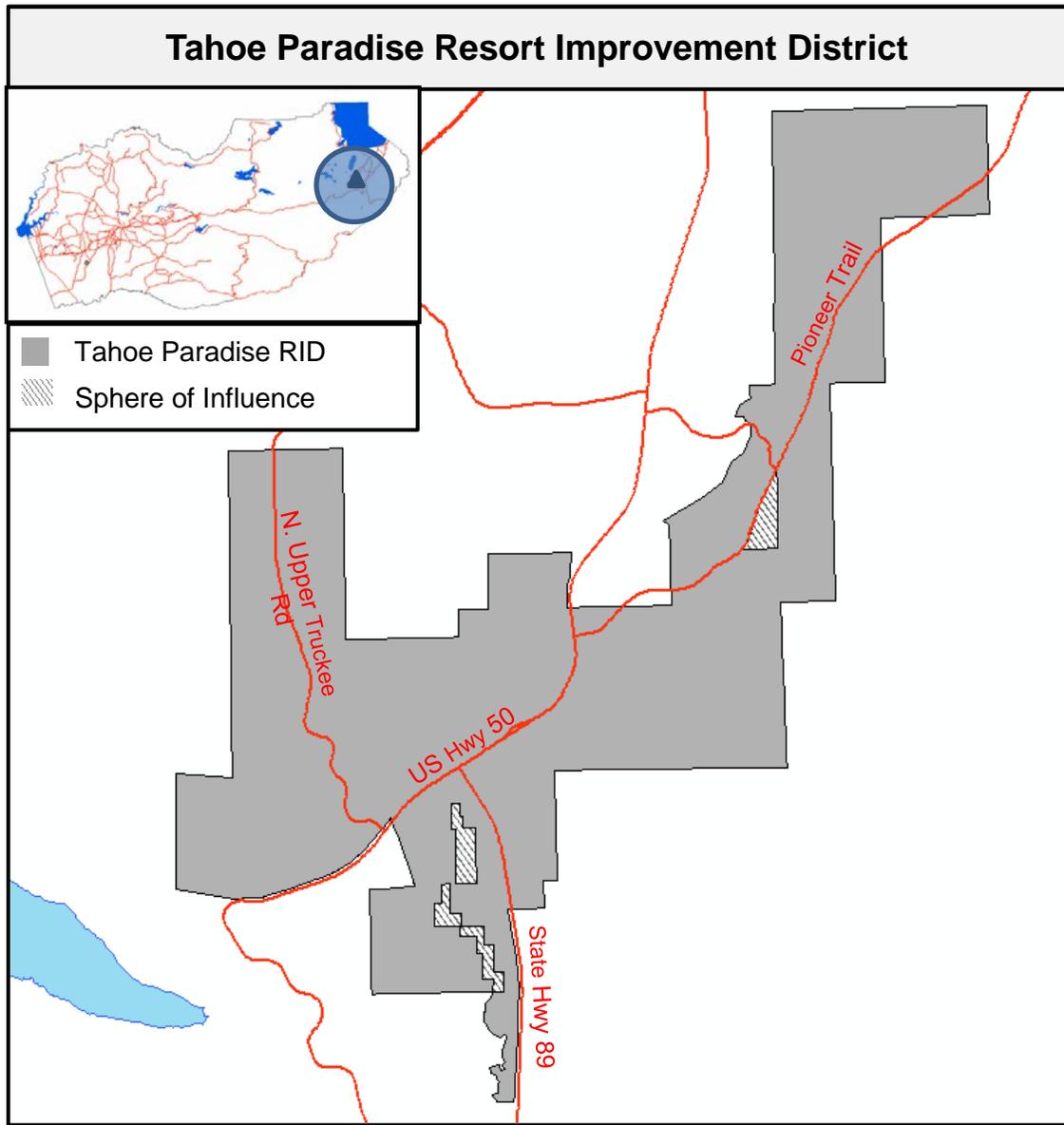
Service Information

**Empowered Services:** Parks and recreation services  
**Services Provided:** Parks and recreation services  
**Latent Powers:** N/A  
**Area Served:** Approximately 10 square miles  
**Population Served:** More than 2,500 residents  
**Major Infrastructure:** Park, tennis courts, recreational facility

Fiscal Information

**Budget:** \$118,700  
**Sources of Funding:** Grant funds, facility rental fees, Measures S/R parcel tax  
**Assessments:** None

EL DORADO LOCAL AGENCY FORMATION COMMISSION



**Background**

Tahoe Paradise Resort Improvement District (TPRID), was founded in 1965 under the Resort Improvement District Law (Public Resources Code §13000, et seq.). It was formed as a recreation district to take over the maintenance of a resort and to convert it into a recreational area for residents within the District. Because the formation of TPRID predates LAFCO, it was created by a resolution of El Dorado County Board of Supervisors followed by an approval of the voters of the district. In 1968, the Tahoe Paradise Corporation transferred approximately 32 acres and a \$300,000 endowment to the District. The donors intended the park to be a public recreational resource for the residents of the surrounding neighborhoods. It is

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

considered a community park in the South Lake Tahoe Parks, Trails and Recreation Master Plan.

At the time of TPRID's formation, qualified voters were registered voters who resided within the boundaries of TPRID or property owners. In the late 1990s, the law was changed and now only registered voters who reside within TPRID are allowed to vote on TPRID elections.

While TPRID encompasses a *sizable* portion of the Meyers area in the south Tahoe Basin of El Dorado County, it does not contain *all* of the community of Meyers. It is generally located along Highway 50 between the intersection of Highways 50 and 89 and the City of South Lake Tahoe and it includes the neighborhoods of Paradise, North Upper Truckee, portions of Christmas Valley and areas at the west end of Pioneer Trail. TPRID's service area *does not* encompass the northern portions of the neighborhood along North Upper Truckee Road, the Angora Heights neighborhood and those neighborhoods on Christmas Valley south of Reindeer Way.

### **Population and Growth**

According to the South Lake Tahoe Parks, Trails and Recreation Master Plan (prepared jointly by the County of El Dorado and the City of South Lake Tahoe), the estimated population in the Tahoe Basin was approximately 30,336 in 2010. Approximately 70% of those residents live in the City of South Lake Tahoe and approximately 10% live in the community of Meyers. Development in much of the District is composed of already existing residential uses (refer to Map 1 in Section IX).

The District recently adopted a Master Plan, dated April 2016 (herein referred to simply as "the Master Plan"), created to plan around seven objectives. Most of these goals involve program expansion, conservation, financing and governance. It does not discuss or plan for population growth within the District's service area.

Growth in the Tahoe Basin is regulated by the Tahoe Regional Planning Agency (TRPA). As a result, development is at a much lower rate in the Basin than it is in the rest of the County: 0.06% in the Basin between 2000 and 2010 as opposed to 1.76% in the Western Slope of El Dorado County during the same period. The South Tahoe Public Utilities District and TRPA estimate a growth rate of 0.04% between 2015 and 2040. As a result, the District does not anticipate substantial population growth in the near future. TPRID's Board indicates that despite the slow population growth, the District is already experiencing increased usage of Paradise Park. They expect that to continue. The Board states that this is because, "It is better managed, more attractive, and offers activities and programs valued by the community."

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**Services Provided**

The District maintains a park and provides recreational facilities for the use by residents inside and outside the District. The main District facilities (meeting room, tennis courts, trails, playground and picnic tables) are located on the northeastern bank of Lake Baron. Use of the park is not limited to District residents, and some users do not pay for the services provided by the District. The District also permits the use of the park for weddings and other events. The District does not charge entrance or parking fees.

**Personnel, Staffing and Operations**

The District used to have a general manager who was responsible for maintaining all District records, performing routine maintenance and landscaping, overseeing any construction, enforcing local policies and scheduling events. His salary was approximately \$30,000 a year, was allowed to live in an on-site house for free and was also entitled to 30% of collected fees from every booked wedding or group rental.

Turnover in the District's Board of Directors in 2014 resulted in a new operating philosophy for the District and the park. The new directors believed that the existing management/maintenance model was not cost-effective and that the park was far from achieving its potential as a valued recreational resource for the community.

This, coupled with media reports at the time about the District's operations and administration, led to the dismissal of the general manager in May 2015. Various allegations were made about administrative irregularities, reports that the general manager was making money on the side and that records were lost or misplaced. His supporters indicated most of those concerns were unfounded. The Directors' inability to retrieve some critical District records appear to have been the tipping point that led to the District's operational reorganization.

The District's Board appears to have abandoned the option of hiring a new, full-time general manager. Instead, those responsibilities were broken up and assigned to three part-time employees to perform them. The District has hired an events coordinator, park caretaker and park maintenance. In addition, the District reached an agreement with the County of El Dorado for, among other things, the County will make available the personnel and equipment necessary to provide administrative support services, including but not limited to:

- Processing of expense invoices for payment
- Reconciliation and processing of deposits
- Set-up vendor accounts for processing payment of invoices • Coordinate website development with TPRID and establish a process for ongoing updates to website
- Provide legal services

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- Establish purchasing guidelines
- Coordinate with TPRID on the preparation of fiscal year budget and establish procedures for the management of the budget

Since November 2015, the District is currently renting the on-site house to a tenant at market rate.

**Administration and Management**

**Board of Directors**

Tahoe Paradise Improvement District is an independent special district governed by California Government Code Section §1300 et seq. The District is managed by a five-member board of directors, four elected at large and a member of the County board of Supervisors. The latter's membership in the governing board of an independent special district is a quirk of the Resort Improvement Law. The supervisor who is appointed to the TRPID Board is typically the representative from the Tahoe area.

Most Board meetings are held at the Recreation Hall at the park on the last Thursday of every month. Meeting notices are placed on the park bulletin board, published in the local newspaper and in the District's and El Dorado County's website. Meeting noticing is in accordance with the Brown Act.

*Frozen Principal Act*

In 1961 the Legislature passed the Resort Improvement District Law. The specific powers that an RID board of directors may exercise are to organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, "parks and open space, parking, transportation, and other related services that improve the community's quality of life." The board of directors may also establish systems of recreation and recreation facilities, including, but not limited to, parks and open space and may acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

But, by 1965, there were instances of governmental abuse of the RID law and misconduct. After a series of hearings in the Legislature, a ban on the formation of new resort improvement districts was adopted (Public Resources Code § 13003). Despite taking this action, the Legislature did not take action against the districts already in existence. Seven RIDs still remain statewide, including TPRID.

Because of the ban, the RID statute is outdated. The RID law has also been called a "dinosaur" and a dead branch in the California governmental tree. This is because the RID law lacks clear links to the Brown Act, Public Records Act, the Planning and Zoning Law, and Propositions 13, 62, and 218. One example is that the RID Law explains how an RID's board of directors annually sets an RID's property tax rate (Public Resources Code § 13161). However, that practice has been unconstitutional

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

since 1978 when the voters approved Proposition 13. Most special districts' statutes refer instead to the laws that require county officials to allocate shares of property tax revenues (Revenue & Taxation Code §95, et seq.). Outdated laws make it harder for these districts to deliver public services because they lack modern legal procedures.

The District maintains that despite RID law being a legal dead end, it complies with all good government laws in the books, such as those for public disclosure and finance. While no one is alleging that the District is out of compliance with any law, utilizing an outdated law creates problems from an operational standpoint. Principal acts are supposed to provide guidance and cover to directors and staff on how to handle routine and unusual issues and circumstances. Relying on an act that has not been updated in five decades means that the board and staff will have to improvise how it will handle more modern issues, opening the District to charges that it operates in an ad hoc manner. Using LAFCO as an example, the minimum requirement under the Brown Act for any agenda is 72 hours; however, LAFCO's principal act also contains especially longer public noticing requirements for certain actions. There would be legal perils to the agency if LAFCO staff operated exclusively under the Brown Act requirements.

In 2010, the Legislature passed, and the Governor signed, SB 1023 (Wiggins). This legislation, among other things, allowed for an "accelerated reorganization" of TPRID, allowing El Dorado LAFCO to convert the District into a parks and recreation district. While existing law prior to SB 1023 allowed districts to convert to another type of entity, it requires, among other things, a protest hearing and an election should a commission approve such a conversion. The accelerated process allows for the protest hearing and an election to be bypassed. Consequently, the conversion process would occur in one hearing, with minimal costs. As an additional incentive, El Dorado LAFCO has twice indicated to the TPRID Board of Directors that LAFCO would waive its fees.

The legislation was specifically crafted to have no drawbacks and several benefits to TPRID. The legislation specifically states that all rights, responsibilities, powers, revenues and obligations transfer in the conversion. It allows for the new entity, possibly called the Tahoe Paradise Park and Recreation District, to take ownership and possession of the RID's personal and real property. Any TPRID funds are transferred to the new district.

With SB 1023, the Legislature was encouraging RIDs and similar districts called "municipal improvement districts" to convert to a more modern style of public agency with an updated principal act. Of the 12 RIDs and MIDs in existence in 2012, three have converted so far. SB 1023 has a sunset clause of January 1, 2018.

Despite several conversations with various members of the TPRID Board of Directors and presentations at two of its public meetings, the Board has not applied for conversion. Some of it has to do with the misconception that the County of El

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

Dorado would “take over” the District, with one former Board member falsely asserting that “LAFCO said an advantage of a park and recreation district is that it would be easier for the county to take it over.” While this is incorrect, it is unknown how far and wide that misconception has spread in the community.

Finally, there are Board members who are concerned that the District’s main source of revenue under Measure S (explained below) will be forfeited since that bond specifically names TPRID as a recipient. While SB 1023 addresses that concern by indicating that all revenues are transferred to the newly-converted entity, the District faces another challenge if it postpones conversion. When the bond funding ends in 2030, TPRID will need additional sources of revenue. It will not have the ability to follow Proposition 218 properly. Consequently, any actions the district takes will make it vulnerable to charges of not following the law, opening the door to lawsuits.

**Infrastructure**

*Existing Infrastructure Facilities and Conditions*

The District operates a single recreational facility. This is a 58-acre park situated near the Truckee River. The Tahoe Paradise Park has ball fields, tennis courts, picnic and barbeque areas, a recreation center and the nine-acre Lake Baron. The lake is available for boats not using gasoline engines. At the north end of the lake is a recreation hall, surrounded by irrigated lawn, with restrooms and a simple kitchen. Attached to the hall is a large concrete patio overlooking the lake, with panoramic views of Echo Summit and Angora Ridge. In summer the patio is covered with a tent, and is the site of wedding receptions.

*Planned Facilities*

In the 2007 MSR, the then-General Manager indicated that the District was trying to secure grants for infrastructure improvements at the park, namely to fund improvements to the recreation center and the ball fields. Additional infrastructure needs included the need for a building to store equipment.

The TPRID Master Plan recognizes these as ongoing needs. For example, the Master Plan includes these and other facilities. These are listed by Master Plan Goal:

- 1e. The park shall develop and enhance its hiking and biking trails, with connection to other trails and neighborhoods, especially North Upper Truckee, with a goal of safe routes to school.
- 1f. The park shall consider developing an ADA accessible trail around the lake and one or more ADA compliant fishing piers.
- 2c. The park shall develop a community garden.
- 7a. The park shall restore, maintain, or develop those facilities that support the activities and programs identified in Goal #1.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

- 7f. The board shall work toward funding and developing a park recreational/play field.
- 7g. The board shall consider funding and developing a large gazebo with BBQ pit for family and community functions.
- 7h. The board shall consider the development of a sand-based volleyball court.
- 7i. The board shall consider placing rest benches and building a bike path around the lake.
- 7j. The board shall consider converting the #1 tennis court to other uses.
- 7k. The board shall work toward funding and installing permanent restrooms in the lower park.
- 7l. The board shall work toward full ADA compliance for the recreation hall and hall and other park facilities.
- 7p. The board shall investigate and consider an enhanced water catchment system.
- 7q. The board shall work toward independence from STPUD for irrigation and water system repair, and will seek to increase efficiency in water use.
- 7r. The board shall consider establishing an additional park office.

*Planned Activities*

The TPRID Master Plan also recognizes the need for the District to offer additional recreational activities. The following are listed by Master Plan Goal

- 1b. The park shall seek to maintain and enhance Lake Baron as a fishing resource, including year-around fishing.
- 1d. The park shall develop water sports/activities such as kayaking, paddle boarding, swimming, remote controlled boats, etc.
- 1g. The park and park employees shall seek to identify and implement activities and programs for children and youth, such as day camps.
- 1h. The board and park employees shall seek to identify and implement activities and programs that increase use of the recreation center and patio (e.g., weddings, games, classes, community meetings, crafts, performances, events).
- 2b. The park shall develop an educational plan focused on its natural resources.

In addition to these initiatives, TPRID has also been referenced as a key partner in the Meyers Area Plan (calling for the integration of Tahoe Paradise Park's hiking trails to a comprehensive Meyers-area network of trails) and the South Lake Tahoe Parks, Trails And Recreation Master Plan (enhancing Tahoe Paradise Park into a community park). While neither plan contained specifics or timelines, its inclusion

EL DORADO LOCAL AGENCY FORMATION COMMISSION

on these reports indicates that Tahoe Paradise Park is seen as a local asset and TPRID as a partner along with other governmental entities.

**Funding and Budget**

LAFCO retrieved the information from the last five TPRID budgets and the assessed value from the County Auditor-Controller’s website. By way of illustration, the FY 2015-16 budget estimates revenues from only two sources, rentals (\$22,200) and intergovernmental transfers from Measures R/S (\$50,000). The carryover fund balance from the previous fiscal year was \$142,417. Major expenses budgeted include maintenance expenses for grounds and buildings (\$11,000), utilities (\$5,000), building supplies (\$5,600) and insurance (\$6,000), with total expenditures of \$72,900. Financing sources available exceed current year expenditures.

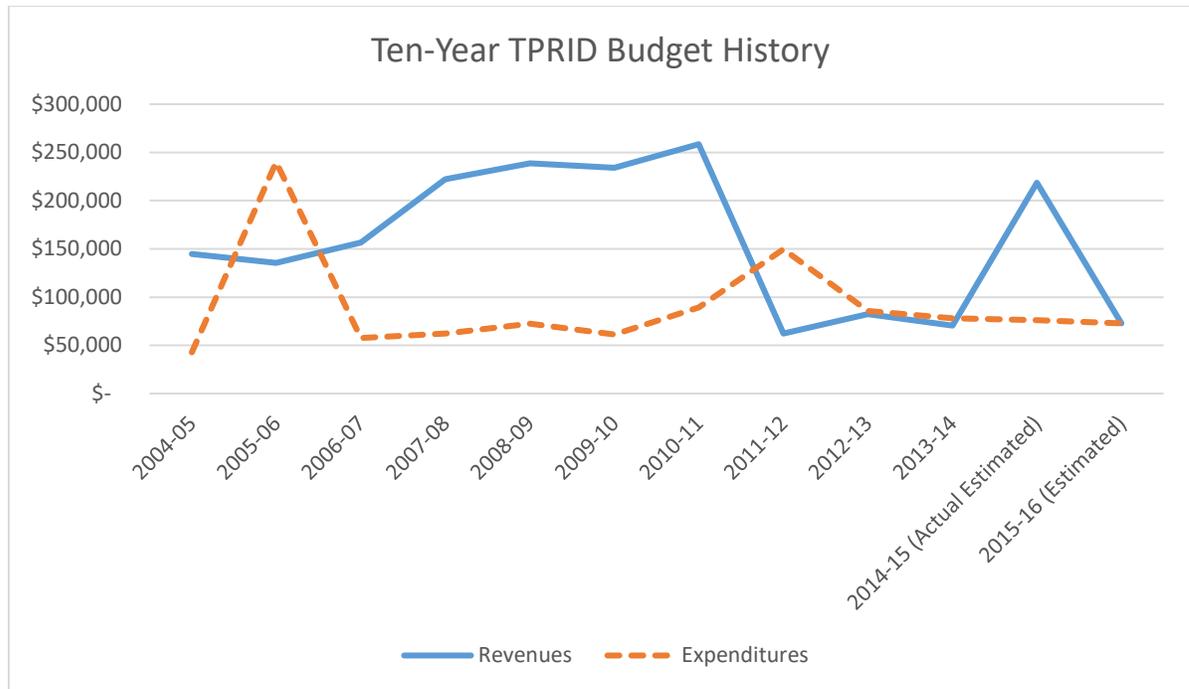
**Table 1: District Revenues, Expenditures and Net Assets in Detail (FY 2011-12 to 2015-16)**

	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Adopted by District)
Revenues – Rent	\$8,497	\$9,379	\$20,038	\$25,085	\$22,200
Revenues – Measure R/S	\$29,117	\$28,667	\$50,000	\$60,000	\$50,000
Revenues – Other	\$2,448	\$715	\$593	\$133,551	\$700
<b>Total Revenues</b>	<b>\$40,063</b>	<b>\$38,760</b>	<b>\$70,630</b>	<b>\$218,636</b>	<b>\$72,900</b>
Expenditures – Salaries and Employee Benefits	\$34,906	\$35,457	\$38,217	\$33,634	\$32,435
Expenditures – Park Maintenance	\$100,549	\$36,124	\$25,193	\$22,159	\$21,450
Expenditures – Administrative	\$631	\$732	\$1,092	\$2,623	\$5,475
Expenditures – Professional Servs	\$110	\$0	\$0	\$4,288	\$1,500
Expenditures – Office/house expenses	\$13,408	\$13,298	\$13,597	\$13,515	\$12,040
<b>Total Expenditures</b>	<b>\$149,604</b>	<b>\$85,611</b>	<b>\$78,099</b>	<b>\$76,219</b>	<b>\$72,900</b>
Net Revenue (Deficit)	\$(87,848)	\$(3,378)	\$(7,469)	\$142,417	\$0
Fund Balance: \$169,105 June 30, 2011	\$(87,348)* June 30, 2012	\$(3,378)* June 30, 2013	\$(7,469)* June 30, 2014	\$142,417* June 30, 2015	\$0* June 30, 2016 (Estimated)

\* Approximate amount estimated by LAFCO staff; County Auditor Special District Final Budget Reports no longer include Fund Balance information beyond FY 2010-11.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

For a longer perspective and to bridge this MSR to the Cycle 1 MSRs, the chart below tracks the ten-year budget history for the District:



**Revenues**

Rather than relying on general revenues, the financing sources for the Tahoe Paradise Resort Improvement District have always been unorthodox. It has not relied on property taxes, benefit assessments or special taxes. According to the Master Plan, at the time of formation, “the operations of the park were funded by interest earned on its trust funds and dues paid by users..... The concept was that the interest on the endowment would support the park in perpetuity. While this may have been true initially, when interest rates declined, income was not sufficient to support park operations. Income was supplemented fees and dues paid by park users. Eventually, district directors spent a portion of the endowment to fund ongoing operations.”

South Tahoe Recreation Facilities Joint Powers Agency - TPRID’s finances were stabilized after the passage of Measure S in 2002. This measure created the South Lake Tahoe Recreation Facilities Joint Powers Authority (JPA), which consists of the City of South Lake Tahoe, the County of El Dorado and TPRID. The purpose of this JPA is to enhance the recreational facilities in the South Lake Tahoe Basin. The JPA is financed by a levy of \$18.00 parcel tax on properties within the JPA area for thirty (30) years. The money would be used within the JPA service area to maintain new bike trails, acquire, construct, and equip athletic fields, upgrade of Paradise Park facilities and construction of an ice rink.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

An agreement was negotiated wherein TPRID would receive a minimum of \$50,000 per year for operations (“to be used for the maintenance of public recreation facilities located on property currently owned by the Improvement District and for no other purpose”) until the year 2030, and an one-time facility improvement lump sum of \$229,630 to fund repairs to the playground equipment and tennis courts; repaving; purchase of a grader; and re-roofing and natural gas to the manager’s home. It also included an additional \$8,550 for repair the Lake Baron drainpipe and \$1,380 in additional tennis court repairs.

According to the District’s website, the JPA has provided other funding as needed. In the 2013-14 fiscal year, TPRID spent \$7,322 more than it received in revenues. The JPA approved providing an additional \$10,000 on a one-time basis. In the following fiscal year, TPRID received the additional \$10,000 from the JPA.

Rental Fees – Another significant revenue source for TPRID has been rental fees for the use of its facilities for special events, most notably weddings. In the past four fiscal years, the development of the special event business has generated at least \$20,000 in revenue. However, as the Master Plan notes, “some residents of the district perceived that the development of the wedding business was at the expense of programs and activities for locals.” The District collects fees for special uses of the park such as large group picnics (\$25-400) and weddings, (\$125-2,500).

Grant Funding – TPRID has also placed an extra emphasis on pursuing grants. So much so that seeking grants appears in two separate goals within the Master Plan. The TPRID Board has good reason for this strategy. Grants provide additional financial resources, usually for a one-time expenditure, that either free up ongoing revenues for other uses or, in the case of grants that requires matching dollars from the recipient, can potentially double the purchase power. For example, in the summer and fall of 2016, the Meyers Community Foundation gave TPRID over \$4,600 for restocking fish on Lake Baron. In another example, the District received grants from the 2002 Resources Bond Act of almost \$250,000 for improvements to the recreation hall, picnic facilities, and to the park landscape and irrigation. According to the Master Plan, TPRID has made it a priority to obtain grants for bank stabilization and erosion control.

*Future Considerations*

While there is more than a decade left in the Measure S/R assessment’s lifespan, the District’s governing board should start laying the groundwork for the replacement for this revenue stream. This includes researching whether it is more financially beneficial to remain within the JPA and seek the passage of a successive measure to S/R or seek its own go-it-alone revenues, which include either a benefit assessment or special tax. If TPRID pursues the latter, the District should also explore extending its boundaries so that it could expand its revenue base. Tahoe Paradise Park is considered a community park, and its use most likely includes

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

Meyers residents who live outside of the service area. The introduction of out-of-area resident fees would also make sense if the District pursues its own revenue sources. In-district residents who pay into the system should be able to get a break or a waiver from these fees.

*Fiscal Administration*

The County handles the District's fiscal administration. All of the District's funds are deposited into the County Treasury. The County Auditor's Office manages the District's receivables and payables. The District submits payment requests or reimbursements to the County, which in turn sends payments to contractors.

The Auditor-Controller confirmed that it would not be a problem to change the name of the District in the County's accounting records should TPRID convert to a recreation and park district.

*Audits*

This section analyzes the financial operations of the District, including financial statements, audits, and other budgetary documents, to assess the long-term financial viability of the District. The District's audit provides a statement of assets and liabilities and a statement of the District's revenues, expenditures and change in net assets across a certain time period. A change in net assets is an indicator of the District's ability to meet its annual expenditures with the funds available. A continual decline in net assets may mean the District will encounter future financial problems.

Because TPRID's most recent financial statements (audits) were from Fiscal Years 1994-95 to 2002-2003, there is no more current audit for this MSR to study. In addition, PMC was not given any financial statements to look over when it prepared the *2008 General Government Services I MSR* for LAFCO. As a result, only the following conclusions can be made:

- 1) According to the Auditor-Controller's Report, this audit was not completed within the statutory time limit.
- 2) Also according to the Auditor-Controller's Report, the District, "has not maintained historical cost records of its fixed assets of the general fixed assets account group as is required by generally accepted accounting principles. Due to the nature of the District's records, we were unable to satisfy ourselves as to the cost of amounts recorded as fixed assets by means of other auditing procedures."
- 3) Five other findings were made detailing the District's lack of operational procedures and controls for the appropriate accounting of monies and assets. There appears to have been also lapses in oversight of the District's operations by the then-Board of Directors
- 4) Numbers 1-3 above are limited to the state of TPRID as of March 2006.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

These findings are not necessarily indicative of the current state of the District. Without a more recent audit, LAFCO is not in the position of being able to determine whether the situation remains the same or whether the conditions have improved since the early 2000s.

*Cost Avoidance Opportunities*

The District's efforts to avoid some costs include working with various local groups. The California Conservation Corps (CCC) has partnered with the District. The CCC has received training for its workers in exchange for performing maintenance to District facilities. Local organizations have been able to hold events at the park in exchange for providing volunteer maintenance to the park. By utilizing only part-time employees and specialized contractors, the District defrays the costs that come with having full-time employees. Further cost reductions were achieved via an agreement with the County of El Dorado for administrative support.

Future opportunities may lie with the implementation of the South Lake Tahoe Parks, Trails And Recreation Master Plan and the Meyers Area Plan.

## **IV MSR DETERMINATIONS**

In January 2008, the Legislature consolidated the nine factors used in the inaugural cycle down to six. These factors are listed in Government Code §56430:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Accountability for community service needs, including governmental structure and operational efficiencies.
- (6) Any other matter related to effective or efficient service delivery, as required by commission policy. On January 30, 2008, the Commission adopted the following determination as the sixth factor to study: "The potential effect of agency services on agricultural and open space lands."

In addition, the Commission's Policies and Guidelines Section 4.4 require that it make the following determinations prior to establishing a sphere of influence:

- (1) The service capacity, level and types of services currently provided by the agency and the areas where these services are provided.
- (2) Financial capabilities and costs of service.
- (3) Topographic factors and social and economic interdependencies.
- (4) Existing and planned land uses, land use plans and policies; consistency with county and city general plans and projected growth in the affected area.
- (5) Potential effects on agricultural and open space lands.
- (6) A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services.
- (7) An analysis of the effects a proposed sphere of influence on other agencies and their service capabilities.

To the extent that is feasible, both sets of determinations will be addressed in this section. In addition, the following sections will detail the meaning of each factor and explain how it applies to Tahoe Paradise Resort Improvement District.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**1. Growth and Population Projections for the Affected Area**

*Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.*

Information in this section addresses #3 and #4 of LAFCO Policy 4.4, which are:

- Topographic factors and areas of social and economic interdependencies.
- Existing and planned land uses, land use plans and policies, consistency with county and city general plans, and projected growth in the affected area.

Tahoe Paradise Improvement District did not indicate the current population served by the District's park. The District receives an allocation determined by the South Lake Tahoe Recreation Facilities JPA (currently \$50,000) from the parcel tax levied by The South Lake Tahoe Recreation Facilities District on all properties in that district. The number of parcels within TPRID is approximately 2,200, but serves a larger area. The south Tahoe Basin is not expected to grow significantly in the coming decades due to Tahoe Regional Planning Agency regulations. While the District has a Master Plan, it does not have population estimates within it and does not have much of a discussion relating to increasing service demands as a result of population growth. Still, the TPRID Board states that slow population growth notwithstanding, TPRID expects, and is already experiencing, increased usage of Paradise Park as it is better managed, more attractive, and offers activities and programs valued by the community.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

*Purpose: To identify underserved areas in or around the district.*

Information in this section addresses #1 and #6 of LAFCO Policy 4.4, which are:

- Service capacity, level and types of services currently provided by the agency, and areas where these services are provided.
- A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services.

Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual median household income, which was \$48,875 as of 2013 (United States Census Bureau 2013). The Department of Water Resources did not designate any communities in the unincorporated area of the South Lake Tahoe Basin as disadvantaged (refer to section IX, map 2). According to the South Lake Tahoe Municipal Services Review and Sphere of Influence Study, there is one area on the southernmost portion of the District that has a median household income below \$48,875 annually. This DUC is in the Rainbow Trail neighborhood. However, pursuant to Government Code Section 56430, disadvantaged

EL DORADO LOCAL AGENCY FORMATION COMMISSION

unincorporated communities also lack water, waste water, and structural fire protection services. TPRID does not provide any of these services. In addition, these areas are already in the service area for the South Tahoe Public Utility District (water and waste water services) and the Lake Valley Fire Protection District (fire protection). As a result, this neighborhood has the same providers as those from more affluent areas.

**3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence**

*Purpose: To evaluate the infrastructure needs and deficiencies of a district in terms of capacity, condition of facilities, service quality, and levels of service and its relationship to existing and planned service users.*

Information in this section addresses #2 of LAFCO Policy 4.4, which is:

- Financial capabilities and costs of service.

Tahoe Paradise Resort Improvement District operates a single recreational facility. This is a 58-acre park situated along the Truckee River. The park has ball fields, tennis courts, picnic and barbeque areas, a recreation center and a nine-acre lake. The lake is available for boats not using gasoline engines. The District's Master Plan indicates the need for some improvements to the park. Improvements will be made to the ball fields, tennis courts and the recreation center. The District will pursue grants to finance these improvements.

**4. Financial Ability of Agencies to Provide Services**

*Purpose: To evaluate factors that affect financing constraints and opportunities, cost avoidance opportunities, and opportunities for rate restructuring.*

Tahoe Paradise Resort Improvement District main source of revenue is a \$50,000 pass through from the South Lake Tahoe Recreation Facilities Joint Powers Authority. The JPA, in turn, is financed through property tax assessments of approximately \$18 per parcel per year. Additional financing for TPRID comes rental fees (the District charges fees for special events, including \$25-400 for large group picnics and \$125-2,500 for use of the park for weddings) and any grants for specific projects, as needed. The District's Master Plan indicates that the current funding is not always adequate to pay for District expenses. It may be necessary to increase the District's funding options, including additional taxes and/or assessment area, in order to maintain the District's infrastructure.

Tahoe Paradise Resort Improvement District avoids some costs by partnering with various local groups, including the California Conservation Corps (CCC). The CCC has received training for its workers in exchange for doing work on District facilities. Local

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

organizations have been able to hold events at the park in exchange for providing volunteer maintenance to the park. Further cost avoidance is achieved through the employment of part-time personnel.

**5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

*Purpose: To consider Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers; an evaluation of management efficiencies; and local accountability and governance.*

Information in this section addresses #7 of LAFCO Policy 4.4, which is:

- An analysis of the effects of a proposed sphere of influence on other agencies and their service capabilities.

Tahoe Paradise Improvement is an independent special district governed by California Public Resources Code §13000, et seq. This section of California Law is a legal dead end. The code has not been updated since the Legislature barred the creation of new resort improvement districts in 1965. As a result, the statute is frozen in time, lacking clear links to subsequent statutes affecting local governments in the State, such as the Brown Act, Public Records Act, the Planning and Zoning Law, and Propositions 13, 62, and 218. The outdated law makes it harder for RIDs to deliver public services because they lack modern legal procedures.

Despite the limitation of operating under an extinct form of government, TPRID's management structure gamely carries on and is able to provide service within its boundaries; albeit, in a legal ad hoc manner. Tahoe Paradise Resort Improvement District is managed by a five-member board of elected directors. Meetings are held at the Tahoe Paradise Park Recreation Hall on the last Thursday of every month. Meeting notices are placed on the park bulletin board, on TPRID's and the County of El Dorado's websites and provided to the local newspapers for publishing. Meeting noticing is in accordance with the Brown Act. The District contracts with the County to provide almost all of its administrative services. TPRID also employs part-time employees to coordinate and plan special events, care for the park and maintain facilities.

When the Measure S/R bond funding ends in 2030, TPRID will need additional sources of revenue. It will not have the ability to follow Proposition 218 properly because of the aforementioned limitation of operating under an extinct law. Consequently, any actions the district takes makes it vulnerable to charges of not following the law, opening the door to lawsuits.

Prior to 2010's SB1023 (Wiggins), converting RIDs to another type of government was complicated and time consuming. To switch from one principal act to another requires an applicant to formally apply to LAFCO for a reorganization that proposes the dissolution of the existing RID or MID and the formation of a new CSD. The five-step LAFCO procedures take about a year to complete. Because these reorganizations propose

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

forming new special districts, they need majority-voter approval [Government Code §57077(b)(1)]. Local officials wanted the Legislature to create a simpler way to convert RIDs.

For just the Tahoe Paradise RID, SB 1023 creates a new boundary change procedure, called an "accelerated reorganization," and allows El Dorado LAFCO to convert the Tahoe Paradise RID into a recreation and park district. The legislation specifically states that all rights, responsibilities, powers, revenues and obligations transfer in the conversion. It allows for the new entity to take ownership and possession of the RID's personal and real property. Any TPRID funds are transferred to the new district. The new district will continue to operate as an independent special district with locally elected representatives to serve on its board.

The accelerated reorganization relies on the existing procedures for applying to El Dorado County LAFCO and for LAFCO's review and approval. If LAFCO approves or conditionally approves the expedited reorganization, there is no protest hearing and no election, cutting the process time down significantly. In addition, El Dorado LAFCO has agreed to waive its own fees to provide incentive to TPRID to undergo conversion. SB 1023 automatically terminates on January 1, 2018.

**6. The potential effect of agency services on agricultural and open space lands.**

*Purpose: The protection of open space and agricultural resources is one of LAFCO's four core missions.*

Information in this section addresses #5 of LAFCO Policy 4.4, which is:

- Potential effects on agricultural and open space lands.

The services provided by the District have no effect on agricultural and open space lands. Park services have no growth inducing effects. Most of the land on Tahoe Paradise Resort Improvement District's periphery is either protected open space or slated for development but at a very low growth rate.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**V SOI DETERMINATIONS**

The Sphere of Influence (SOI) recommendations analyze the appropriateness of the District's SOI boundaries, relative to the capabilities of the service provider and future growth. In determining the sphere of influence for each local agency, Government Code §56425(e) requires the Commission to consider and prepare a written statement of determinations with respect to four factors. Staff recommends the following determinations for amending the sphere for the Tahoe Paradise Resort Improvement District:

**1. The present and planned land uses in the area, including agricultural and open space lands.**

Land uses within the District are primarily residential. Land uses are not anticipated to change.

**2. The present and probable need for public facilities and services in the area.**

The District, along with other recreation providers, currently meets the need for public recreation facilities in the area.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The District provides recreation facilities and facilities are adequate; although, some are in need of repair, replacement or rehabilitation.

The district's ability to continue to function under an outdated law over the long term is problematic. It calls into question whether it should continue to operate in this manner and whether it should convert to a more modern form of independent special district government.

The District is not operating with sufficient funding. Further, the District indicated that residents outside of the District's assessment area utilize the park. Adjusting the District's boundary to increase the assessment area may provide the District with the funds necessary for service provision.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

Tahoe Paradise Resort Improvement District encompasses a substantial portion of the unincorporated community of Meyers. Indeed, based on community feedback the residents of Meyers take pride of the Tahoe Paradise Park and want the park to return to its "glory days" of the 1960s.

Because it has been identified as a community park, the Tahoe Paradise Park is likely being used by people who live in Meyers but reside outside of TPRID's service area. At least two large neighborhoods that comprise Meyers are located outside of the TPRID. The District should explore the possibility of expanding its service area to better match their customers.

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

No other social or economic communities of interest exist outside of Meyers and the City of South Lake Tahoe to the north of the District.

Based upon the information contained in this report, it is recommended that Tahoe Paradise Resort Improvement District should convert to a more modern form of government, preferably before January 2018. It is also recommended that TPRID's current sphere of influence, which was last updated on February 27, 2008, be reaffirmed as shown in Section IX, Map 3. The Board of Directors should start exploring the successor funding source for TPRID, as well as a possible expansion of its boundaries before the next MSR/SOI report.

## VI **ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA, Public Resources Code §21000 et seq.) requires public agencies to evaluate the potential environmental effects of their actions. OPR's Service Review Guidelines Chapter 7, *Integrating Municipal Service Reviews with the California Environmental Quality Act*, advises that "no two municipal service reviews will be exactly alike and each needs to be evaluated on its specific merits and characteristics." The environmental review for El Dorado LAFCO's service review of Tahoe Paradise Resort Improvement District is specific to this study and may differ from the environmental review of other service reviews and other LAFCOs.

Service reviews are intended to support sphere of influence updates, including the creation and amendment of SOI boundaries, as well as other government reorganization proposals. Such activities could influence future growth patterns, and as such are considered discretionary projects under CEQA. LAFCO has the principal responsibility for carrying out and approving this service review and therefore the principal responsibility for preparing CEQA documents as lead agency.

### **Exemption**

This service review and accompanying sphere of influence determinations qualify for a statutory exemption as outlined in Public Resources Code §15061(b)(3). These activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The MSR and sphere of influence update have no possibility for causing a significant effect on the environment. Any future projects that make use of this service review and the information contained herein will be subject to separate environmental review under CEQA.

## VII ENVIRONMENTAL JUSTICE

State law defines environmental justice as “the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies” (Government Code §65040.12(e)). OPR explains that “as the primary agency with responsibility for approving changes in boundaries, LAFCOs play an important role in coordinating growth and ensuring that proposed changes are consistent with environmental justice obligations.” Changes of organization must be consistent with spheres of influence, and the information contained in this service review will guide future updates to agency spheres of influence.

OPR identifies several uses for data obtained in the service review process:

1. Improving the community participation process.
2. Identifying low-income/minority neighborhoods under-served by public facilities and services that enhance the quality of life.
3. Considering the equitable distribution of public facilities and services.
4. Considering infrastructure and housing needs.
5. Identifying low-income/minority neighborhoods where facilities and uses that pose a significant hazard to human health and safety may be over-concentrated.
6. Screening of issues for potential environmental justice implications.

Consideration of the issues listed above will assist LAFCO and other public agencies in identifying, preventing, and reversing historical problems of procedural and geographic inequity. In undertaking this service review and making the six determinations, LAFCO used an open public participation process to screen for and identify environmental justice issues.

Demographic data for the County as a whole is limited. Typically analysts rely on Census data, specifically information gleaned from the Census’ American Community Survey since that data tends to be more recent even if the pool or respondents is not as large as the pool for the decennial Census. It must be acknowledged, however, that information from the ACS is at the tract level, which is the smallest level in which ACS information can be aggregated. In a rural county, with a dispersed population and few concentrated communities, this means that tracts cover large geographic areas.

Specific to Tahoe Paradise RID, we can only approximate, as the District boundaries do not conform to any demographic area in the Census. As it can be seen on Map 4 in Section IX, TPRID lies across five census tracts. For the sake of simplicity, the data below will be obtained from Census Tracts 305.02, 304.04 and 305.05 only. These are the three tracts that contain the most of the TPRID service area. The other two tracts will be ignored since they contain a very small portion of TPRID and

EL DORADO LOCAL AGENCY FORMATION COMMISSION

are likely not to yield a significantly relevant data for the District. Having said that, it must be noted that Census Tracts 305.02, 305.04 and 305.05 will contain demographic data from other neighborhoods and areas outside of Tahoe Paradise RID. As a result, the information summarized in the table below from the 2010-14 ACS should not be interpreted as solely representing Tahoe Paradise RID. For comparative purposes, information from the 2010-14 ACS on El Dorado County is also included. For the racial population data, it was possible to cull information by “Block Group,” a smaller area within the Census Tract. As a result, it was possible to pull data on racial categories that was closer to TPRID’s service area. These Block Group data were chosen because they seemed to contain a significant number of households within TPRID. Unfortunately, the same cannot be said for ethnic data; consequently, the numbers for Latinos are aggregated to the Census Tract level only:

**Table 1: Study Area Population by Race**

Area		Total	RACE						Hispanic or Latino (Of Any Race)	
			White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race		Two or More Races
El Dorado County		181,465	158,367 (87.3%)	1,781 (1.0%)	1,629 (1.0%)	6,885 (3.8%)	191 (0.1%)	6,368 (3.5%)	6,244 (3.4%)	22,411 (12.4%)
Census Tract 305.02	Block Group 1	542	542 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	Data Not Available
	Block Group 2	908	898 (99%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	10 (1%)	Data Not Available
Census Tract 305.02 (all block groups)		2,340	2,316 (99%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	24 (1%)	140 (6%)
Census Tract 305.04 Block Group 3		728	705 (97%)	0 (0%)	2 (0.2%)	6 (0.8%)	2 (0.2%)	0 (0%)	13 (1.8%)	Data Not Available
Census Tract 305.04 (all block groups)		2,535	2,199 (87%)	0 (0%)	47 (2%)	121 (5%)	2 (0%)	82 (3%)	84 (3%)	366 (14%)

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Table 1: Study Area Population by Race (cont'd)**

Area		Total	RACE							Hispanic or Latino (Of Any Race)
			White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	
Census Tract 305.05	Block Group 1	753	746 (99%)	0 (0%)	0 (0%)	7 (1%)	0 (0%)	0 (0%)	0 (0%)	Data Not Available
	Block Group 2	789	711 (90%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	43 (5%)	35 (5%)	Data Not Available
	Block Group 3	746	671 (90%)	23 (3%)	0 (0%)	0 (0%)	0 (0%)	46 (6%)	6 (1%)	Data Not Available
Census Tract 305.05 (all block groups)		2,288	2,128 (93%)	23 (1%)	0 (0%)	7 (0.3%)	0 (0%)	89 (4%)	41 (1.7%)	248 (11%)

Sources: 2010-2014 American Community Survey by the U.S. Census  
Percentages may not add due to rounding

It can be seen that Whites comprise the largest racial group, by far, at the Block Group level for all Block Groups that are within TPRID's service area. Pulling poverty numbers on any other racial group would not yield much of an insight. Across all three Census tracts, the only statistically significant ethnic populations are those of Whites and Latinos.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

**Table 2: Poverty Status in the Past 12 Months by Sex and Ethnicity by Census Tract**

	<b>White, not Latino</b>					
	<b>Total Population</b>	<b>Total Under Poverty</b>	<b>Total Male</b>	<b>Total Male Under Poverty</b>	<b>Total Female</b>	<b>Total Female Under Poverty</b>
Census Tract 305.02	2,198	118 (5.4%)	1,138	97 (8.5%)	1,060	21 (2%)
Census Tract 305.04	1,932	150 (8%)	983	95 (10%)	949	55 (6%)
Census Tract 305.05	2,004	119 (6%)	837	16 (2%)	1,167	103 (9%)

	<b>Latino</b>					
	<b>Total Population</b>	<b>Total Under Poverty</b>	<b>Total Male</b>	<b>Total Male Under Poverty</b>	<b>Total Female</b>	<b>Total Female Under Poverty</b>
Census Tract 305.02	140	0 (0%)	66	0 (0%)	74	0 (0%)
Census Tract 305.04	366	146 (40%)	173	51 (29.5%)	193	95 (49%)
Census Tract 305.05	248	34 (13.7%)	167	21 (12.6%)	81	13 (16%)

Sources: 2010-2014 American Community Survey by the U.S. Census

Table 2 tells us that you are poor in Census Tract 305.02, you are likely to be a White male. In the same hypothetical for Census Tract 305.04, you are likely to be White if male but a Latina if female; although, as a proportion of the respective populations, the results are vastly different. A poor White male is only 10% of all White males within that Census Tract; whereas, a poor Latina is almost half of all Latinas. For Census Tract 305.05, you are likely to be female if White but could be of either sex if Latino; although, again the proportions are different. Table 3-6 will drill down a little more by adding age groups to the data. The percentages below will be the number of people who live under poverty in proportion of the total population within the Census Tract.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Table 3: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – White Males**

White, male, not Latino	Total	Total Under Poverty	Under 18		18-34		35-64		65+	
			Total	Under Poverty	Total	Under Poverty	Total	Under Poverty	Total	Under Poverty
Census Tract 305.02	1,138	97 (8%)	305	8 (0.7%)	184	17 (1.5%)	601	56 (5%)	116	0 (0%)
Census Tract 305.04	983	95 (9.7%)	128	0 (0%)	219	77 (7.8%)	526	18 (1.8%)	125	0 (0%)
Census Tract 305.05	837	16 (2%)	115	0 (0%)	154	0 (0%)	434	16 (2%)	151	0 (0%)

Sources: 2010-2014 American Community Survey by the U.S. Census

A poor White male is likely to be an adult 18-64 in Census Tract 305.2. The data also indicate that all of these are between the ages 25-34. In Census Tract 305.04, he is extremely likely to be a young adult, with the data indicating he will most likely to be 18-24 (71 living in the age group as opposed to only 6 who are 25-34 years old. Whereas in Census tract 305.05, he is an older adult.

**Table 4: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – White Females**

White, female, not Latino	Total	Total Under Poverty	Under 18		18-34		35-64		65+	
			Total	Under Poverty	Total	Under Poverty	Total	Under Poverty	Total	Under Poverty
Census Tract 305.02	1,060	21 (2%)	203	0 (0%)	139	12 (1.1%)	624	9 (0.8%)	94	0 (0%)
Census Tract 305.04	949	55 (5.7%)	161	18 (1.9%)	168	0 (0%)	443	37 (3.9%)	177	0 (0%)
Census Tract 305.05	1,167	103 (8.8%)	323	38 (3.3%)	188	11 (0.9%)	562	46 (3.9%)	94	8 (0.7%)

Sources: 2010-2014 American Community Survey by the U.S. Census

A poor White female is very likely to be a young adult in Census Tract 305.02 or a middle-aged older adult in Census Tract 305.04. Interestingly enough, in Census Tract 305.05 she has a roughly equal chance of being either a minor or a middle-aged adult.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Table 5: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – Latino Males**

Male, Latino	Total	Total Under Poverty	Under 18		18-34		35-64		65+	
			Total	Under Poverty	Total	Under Poverty	Total	Under Poverty	Total	Under Poverty
Census Tract 305.02	66	0 (0%)	14	0 (0%)	0	0 (0%)	45	0 (0%)	7	0 (0%)
Census Tract 305.04	173	51 (29.5%)	45	0 (0%)	28	26 (15%)	91	25 (14.5%)	9	0 (0%)
Census Tract 305.05	167	21 (12.6%)	61	0 (0%)	50	21 (12.6%)	56	0 (0%)	0	0 (0%)

Sources: 2010-2014 American Community Survey by the U.S. Census

According to these data, the story for Census Tracts 305.04 and 305.05 are the young Latino males. Of the 28 young men who live in CT 305.04, 26 of them lived in poverty in the past 12 months. The data also indicates that all 26 were between 25-34 years of age. That is a startling statistic in any way that can be measured: 95% of young men within this cohort live in poverty. That translates to 15% of the total male Latino population of CT 305.04 is comprised of poor young adults. From a broader standpoint, it also means that 40% of all adult Latinos live in poverty in this area. The statistics for young Latinos are similar in CT305.05: All of the Latino men who lived in poverty were young men, comprised of 12.6% of the total male population in this area.

**Table 6: Poverty Status in the Past 12 Months by Sex, Age and Ethnicity by Census Tract – Latina Females**

Female, Latino	Total	Total Under Poverty	Under 18		18-34		35-64		65+	
			Total	Under Poverty	Total	Under Poverty	Total	Under Poverty	Total	Under Poverty
Census Tract 305.02	74	0 (0%)	50	0 (0%)	12	0 (0%)	12	0 (0%)	0	0 (0%)
Census Tract 305.04	193	95 (49%)	58	14 (7.3%)	74	39 (20%)	36	29 (15%)	25	13 (6.7%)
Census Tract 305.05	81	13 (16%)	30	0 (0%)	21	7 (8.6%)	30	6 (7.4%)	0	0 (0%)

Sources: 2010-2014 American Community Survey by the U.S. Census

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

---

In Census Tract 305.04, the story is that almost half of the Latinas living in the area lived in poverty. Of the 39 poor young Latinas, 18 were in the 18-24 age range and 21 were in 25-34 year olds. The 29 older Latina adults were evenly split between the 35-44 year old cohort and 55-64 year old cohort.

From these data, it can be concluded that across these three Census Tracts, any given person living in poverty is likely to be a young adult, aged from 18-35, regardless of ethnicity or gender. In general, adult women tend to be more likely to be in poverty than men in the same age group. There is a significantly smaller number of people aged 65+ who live in poverty. The same can be said, roughly, about minors under 18. How this translates into environmental justice issues is more complicated given the correlation between poverty and age breakdown. Given these, perhaps the issue before decision makers is how to encourage economic opportunities for people in the prime of their earning years.

The 2004 County General Plan does not address environmental justice directly. Although the Environmentally Constrained Alternative did contain related land use and housing policies, the 1996 Alternative and the 2004 General Plan do not contain those sections. The 2004 General Plan Housing Element includes Goal HO: "To provide housing that meets the needs of existing and future residents in all income categories." The housing element also discusses the following special needs groups: people with disabilities, seniors, agricultural employees, female heads of households, homeless persons, and large families and households. Consequently, the extent that the County's planning documents address environmental justice is in its discussion of these special needs groups. Further, the discussion is mostly general to the county as a whole, with some discussion on specific areas.

Nothing on the record indicates that TPRID's services have benefited one group over another in terms of race, ethnicity or income.

## VIII REFERENCES AND SOURCES

### **General Background Information:**

2004 El Dorado County General Plan: A Plan for Managed Growth and Open Roads; a Plan for Quality Neighborhoods and Traffic Relief, adopted July 2004

California State Department of Parks and Recreation “Procedural Guide for the 2002 Resources Bond Act Per Capita Program”

California State Resources Agency State Proposition 40 Detailed Report of All Awards, November 2004

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, prepared by Assembly Committee on Local Government, last updated November 2008

Lake Tahoe Bicycle Coalition’s “History and Major Features of Measure R”

Local Agency Formation Commission Municipal Service Review Guidelines, Governor’s Office of Planning and Research, August 2003

LAFCO Procedures Guide, 2013 Edition, San Diego County LAFCO

Meyers Area Plan (Fourth Draft, June 2015)

Senate Bill 1023 (Wiggins)

Senate Local Government Committee Analysis of SB1023, July 2010

South Lake Tahoe Parks, Trails And Recreation Master Plan (Final Plan, November 2014)

### **Governing and Defining Legislation:**

Public Resources Code §13000 et seq.

### **Agency:**

County of El Dorado. Independent Special Districts Final Budgets for the Fiscal Years 2005-2016.

Master Plan For Tahoe Paradise Resort Improvement District And Tahoe Paradise Park (Final April 2016)

Memorandum Of Understanding (Between the County of El Dorado and Tahoe Paradise Resort Improvement District) #241-M1511 (Draft #3)

### **Media Articles**

Clark, Michael, “Opinion: TPRID needs to be wary of county,” Lake Tahoe News December 11, 2014

---

EL DORADO LOCAL AGENCY FORMATION COMMISSION

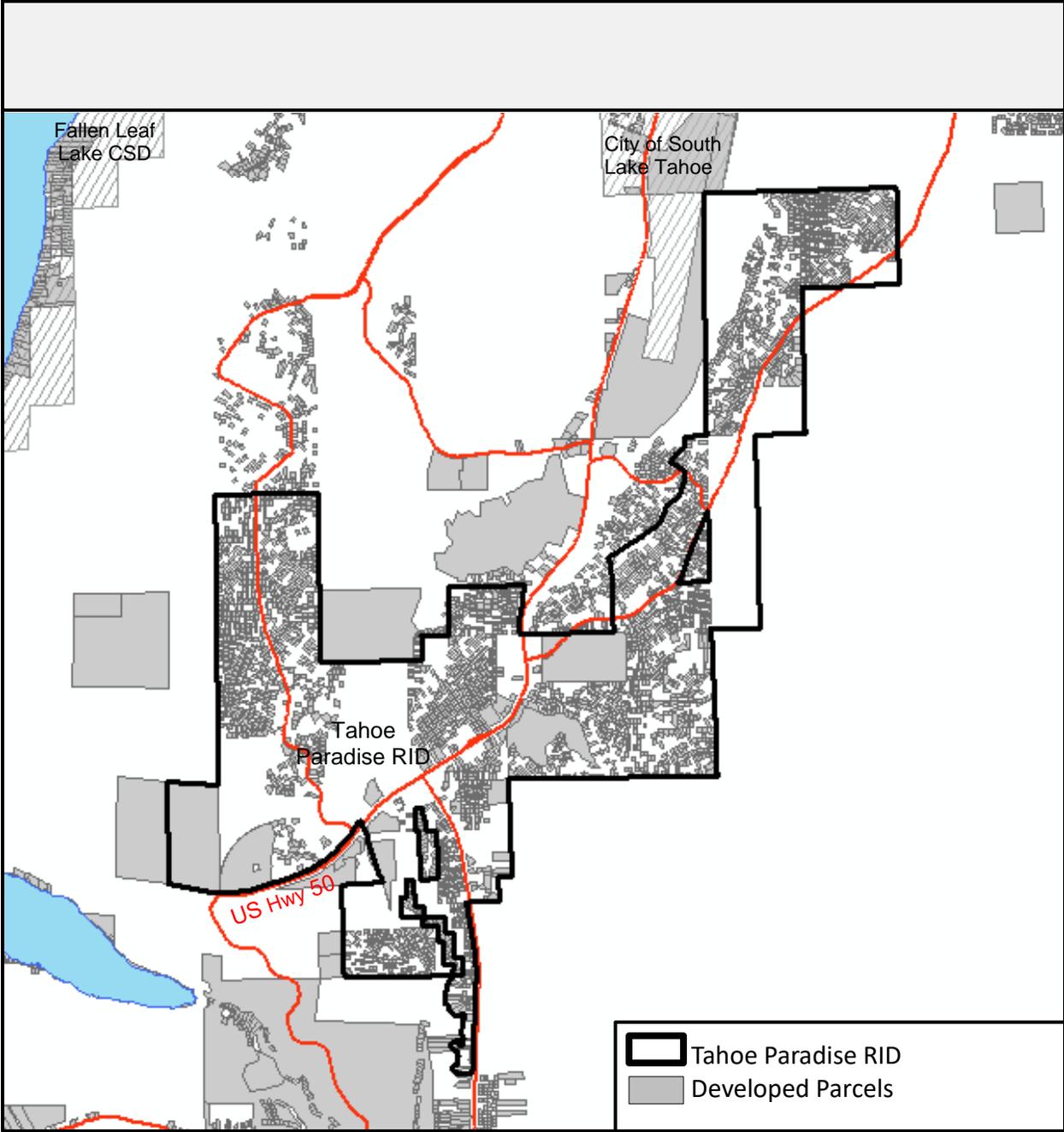
---

- Chandler, Rick, "Tahoe Paradise one man's dream," Tahoe Daily Tribune December 19, 2001
- Cudahy, Claire, "Meyers Community Foundation seeking grant proposals for local projects, events," Tahoe Daily Tribune July 31, 2016
- Marchesseau, Jessie, "TPRID on path to continue major changes" Lake Tahoe News June 27, 2015
- Marchesseau, Jessie, "Tahoe Paradise Park's future being finalized" Lake Tahoe News March 7, 2016
- Reed, Kathryn, "Tahoe Paradise park fights to stay independent" Lake Tahoe News June 30, 2014
- Reed, Kathryn, "Distrust keeps TPRID from moving forward" Lake Tahoe News January 23, 2015
- Reed, Kathryn, "Tahoe Paradise Park turns to EDC for help" Lake Tahoe News February 6, 2015
- Reed, Kathryn, "Tahoe Paradise Park on unsure footing" Lake Tahoe News February 6, 2015

EL DORADO LOCAL AGENCY FORMATION COMMISSION

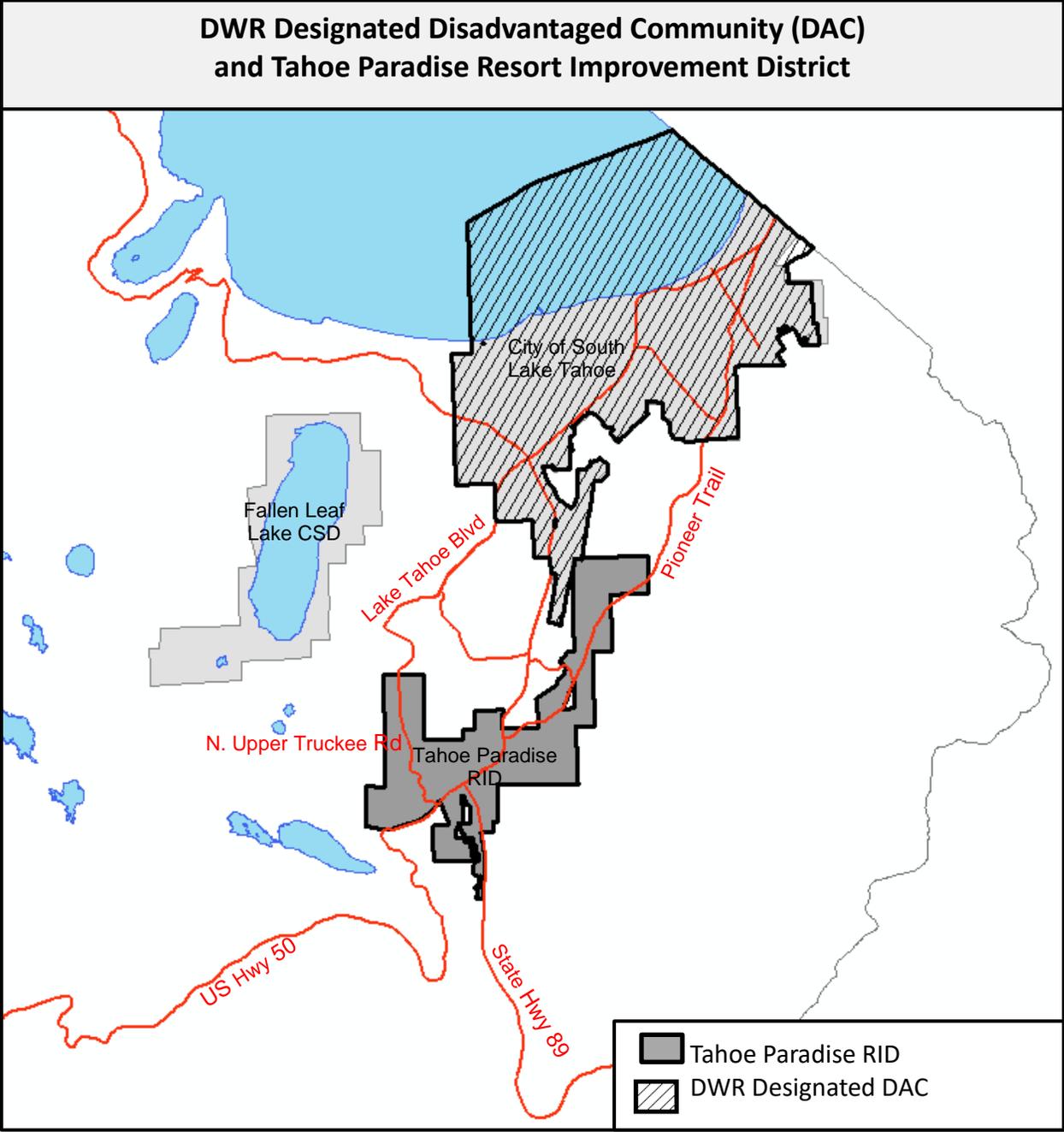
**IX MAPS**

**Map 1 – Developed Parcels in and around Tahoe Paradise Resort Improvement District**



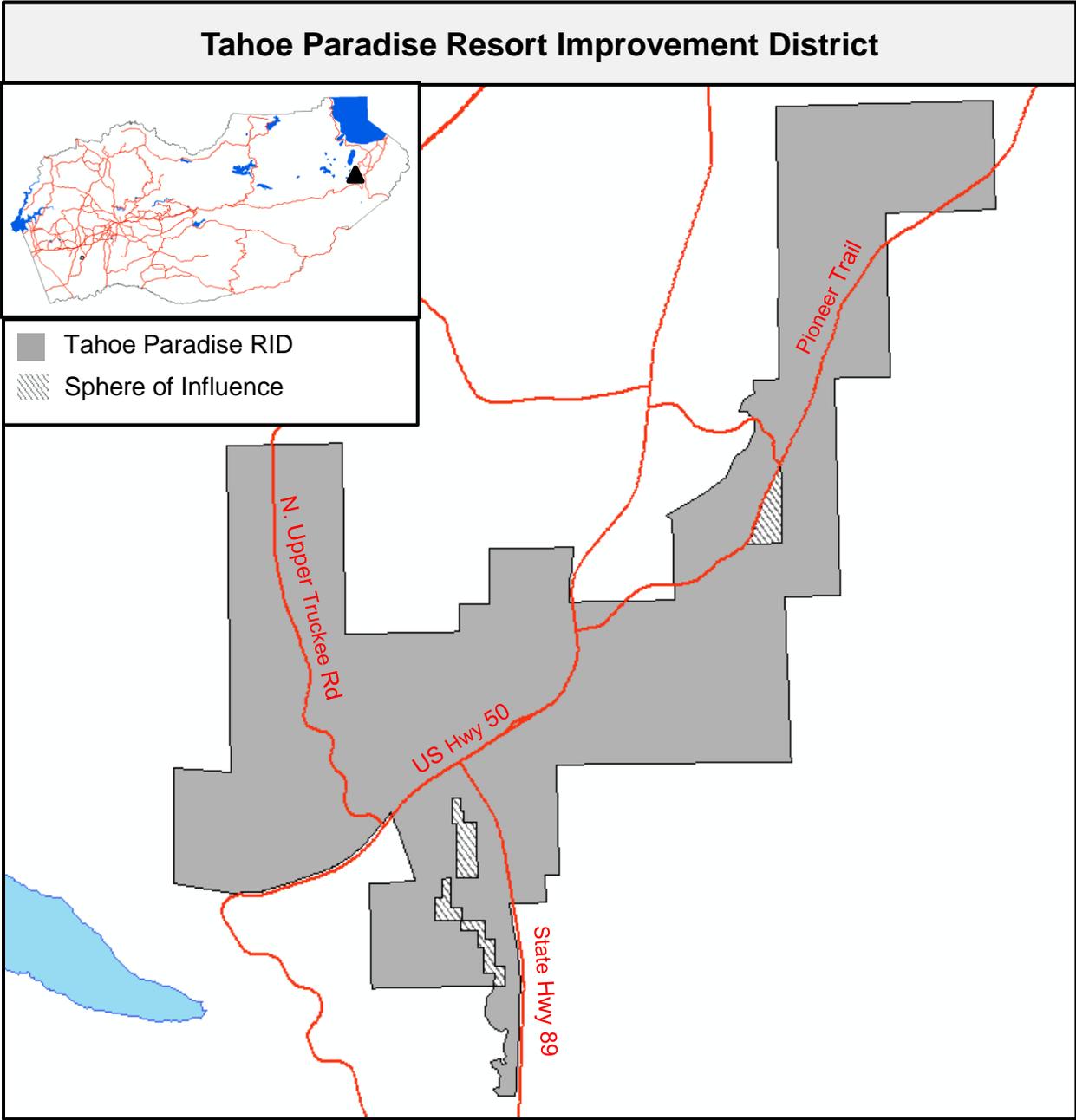
EL DORADO LOCAL AGENCY FORMATION COMMISSION

Map 2 – State Designated Disadvantaged Community



EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Map 3 – Recommended Sphere of Influence for Tahoe Paradise Resort Improvement District**



EL DORADO LOCAL AGENCY FORMATION COMMISSION

Map 4 – United States Census Tracts and Block Groups in and Around Tahoe Paradise Resort Improvement District

