

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JUNE 28, 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 #4E: OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT
MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE STUDY FOR THE MARBLE MOUNTAIN
HOMEOWNERS COMMUNITY SERVICES DISTRICT (LAFCO
PROJECT NO. 2017-01)

RECOMMENDATION

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Marble Mountain Homeowners Community Services District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the August 23, 2017 meeting to allow sufficient time and opportunity for the public and the Marble Mountain Homeowners Community Services District Board of Directors to review and comment on the study. Staff will return this item in August for final action and adoption.

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. Eighty (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. There is a visible difference in the condition of the roadways between the Upper Road and Lower Road areas, as a result of the imbalance in funding levels between the two areas.

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 should increase the property assessment 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, with exception of the 80-acre portion of land which is also part of the approved East Ridge Village Subdivision in the Valley View Specific Plan. Though the land is currently undeveloped, it will see an increase in density and population growth in the future upon build out of East Ridge Village.

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 assessments.

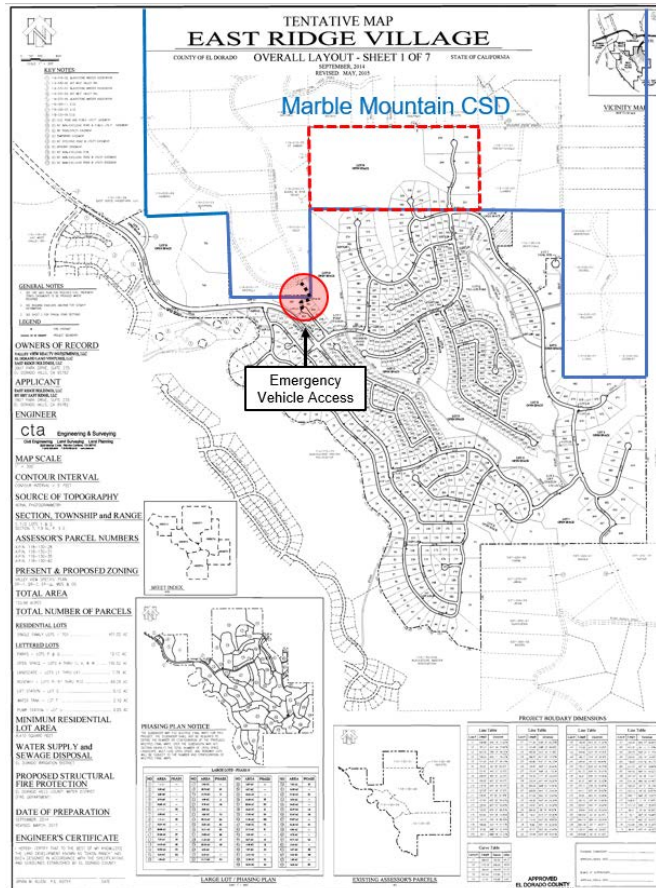
Determination 4 – Nearby communities include the El Dorado Hills area. MMHCSD borders the El Dorado Hills Community Region on the south and west, though the majority of the District is not within the Community Region. The exception is an 80-acre portion of land in the southern part of the District which is also part of the East Ridge Village Development within the Valley View Specific Plan and within 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 Marble Mountain Homeowners CSD sphere of influence (SOI) is coterminous with its service boundaries. The SOI recommendation analyzes the appropriateness of the District’s SOI boundaries, relative to the capabilities of the service provider and future growth.

Currently, MMHCSD’s boundaries include four parcels which also make up the northern portion of the future East Ridge Village development. East Ridge Village, which was approved in 2015 for 701 residential lots at full build-out, is a part of the Valley View Specific Plan. At build-out, the four parcels within MMHCSD will be further subdivided into approximately 16 residential lots and a 50-acre open space lot. Several of the lots will be split by the MMHCSD boundaries and only partially within the District.



There is no current or planned direct access to these parcels through the MMHCSD road system. 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 all responsible for paying the two assessments levied in that area of the District, 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 assessments will be assigned to all 16 new lots as well. (Some of the parcels will be only partially within the District, meaning they may or may not be subject to the assessments.)

Given the lack of access, it does not appear logical to continue to retain these parcels in the MMHCSD SOI. Based upon the information contained in the MSR, it is recommended that the MMHCSD SOI be amended to remove the four parcels in the southern portion of the District which are part of the approved East Ridge Village Tentative Map and do not have access through the District's maintained road system.

The parcels recommended to be removed from the SOI are:

119-390-11 119-390-15 119-390-16 119-390-67

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 an annual assessment 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. The MMHCSD Board, landowner representatives, and the general public will have until the end of the public comment period on August 23, 2017 to submit comments for the Final MSR and SOI Update.

Attachments:

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

Attachment B: Recommended Marble Mountain Homeowners CSD SOI Update Map