

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF DECEMBER 7, 2011

REGULAR MEETING

TO: Ron Briggs, 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 #5: PUBLIC HEARING TO CONSIDER THE DESIGNATION OF A
ZERO SPHERE OF INFLUENCE FOR THE GRASSY RUN
COMMUNITY SERVICES DISTRICT

RECOMMENDATION

Staff recommends that the Commission:

1. Receive and discuss the information related to the sphere of influence update for the Grassy Run Community Services District;
2. Open the public hearing on this matter;
3. Accept statutory exemption §15061(b)(3) from environmental review as the appropriate environmental review;
4. Adopt Resolution L-2011-12, designating a “zero” sphere of influence for the Grassy Run Community Services District; and
5. Direct staff to complete the necessary filings and transmittals as required by law.

REASON FOR RECOMMENDED ACTION

Government Code §56375.5 requires Commission determinations regarding changes of organization, including dissolution, to be consistent with the affected district’s sphere of influence. Currently, the Grassy Run Community Services District (GRCS D) sphere of influence is concurrent with its service area; staff recommends the Commission designate a “zero” sphere of influence, as a precursor to the dissolution proceedings in Agenda Item #6 of this Agenda.

A sphere of influence is defined by statute as a “plan for the probable physical boundary and service area of a local government agency as determined by the commission” (§56076). A zero sphere of influence is a determination by LAFCO, after consideration of all factors in Government Code §56425, that the public service responsibilities and functions of an agency should be re-allocated to either another unit of local government

or to another entity through consolidation, dissolution or establishment as a subsidiary district. A zero sphere designation indicates LAFCO's determination that an agency should cease to exist and is a necessary step towards dissolution of a special district.

BACKGROUND

GRCSO is located in the Shingle Springs area, immediately north of U.S. Highway 50, adjacent to the Shingle Springs Rancheria. The District was formed in 1982 with the sole authorized power to provide road maintenance and improvements to the Grassy Run road system, which includes 89 parcels (approximately 447 acres). The GRCSO Board of Directors is requesting dissolution of the District, which has not exercised its corporate powers since 1997 (please refer to Agenda Item #6).

In 1996, GRCSO was sued over the use of its roads, but the U.S. District Court found no evidence that the Grassy Run roads were ever dedicated as public roads. The 1997 judgment was that GRCSO roads were, in fact, private and not part of the public road system.

As a result, in June 1997, the GRCSO Board adopted Resolution 97-2 stating that no further GRCSO funds would be spent on the Grassy Run roads for any purpose. GRCSO became inactive immediately following the adoption of the resolution and has conducted no District business since then.

GRCSO's SOI has not been affirmed or changed in decades. The District was last studied in the 2007 Streets and Highways Municipal Services Review. The MSR found that since 1997, all costs and expenditures incurred in connection with the repair, maintenance and improvements of the Grassy Run roads have been made by the Grassy Run Homeowners' Association (GRHA) and private landowners, not GRCSO. GRCSO is still technically in existence and has a board of directors, but they have not held public meetings or conducted District business since the 1997 ruling. The County still collects property taxes on behalf of Grassy Run CSD; however, the accumulating funds have only been used for District insurance premiums.

In December 2007, LAFCO staff recommended that GRCSO's sphere of influence be reduced to a zero sphere in anticipation of a dissolution application. However, at the District's request, the Commission postponed action on GRCSO's sphere of influence at the time until the litigation between the District and the Tribe was resolved. The Tribe, GRHA and GRCSO settled their lawsuit in 2008.

Commission's Policies and Guidelines

LAFCO Policy 4.4 requires the Commission to review the following topics before making sphere of influence determinations. The Commission's 2007 review of road and road maintenance services addressed these requirements as noted below. All citations are from the Final Streets and Highway Services Municipal Services Review, adopted by the Commission in December 5, 2007. Since little has changed since the adoption of the MSR, staff does not recommend another review. Instead, the recommendation is for the Commission to consider the Final Streets and Highway Services MSR as the most recent review of services.

1. *Service capacity, level and types of services currently provided by the agency, and areas where these services are provided*

The Grassy Run CSD's Board of Directors voted in 1997 to suspend maintenance of the District's roadways. The District has conducted no business whatsoever after that point. All costs and expenditures incurred in connection with the repair, maintenance and improvements of the Grassy Run roads are being made by the GRHA and private landowners, and not the District. As a private non-profit entity, LAFCO has no jurisdiction to review and analyze the Association's costs, capacity and levels of service.

2. *Financial capabilities and costs of service*

According to the Auditor's Office, Grassy Run CSD's property tax increment is 10%. The District is still collecting its share of the property taxes. In addition, the CSD's residents approved a special tax to supplement the agency's property tax revenues; however, the Auditor's Office stopped collecting those funds when the District suspended operations.

3. *Topographic factors and areas of social and economic interdependencies*

The terrain is generally hilly with moderate slopes. There are no areas of social or economic interdependence. The Grassy Run subdivision is a neighborhood of five-acre, low density residential parcels that have little contact with the Tribal neighbors to the west.

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*

The Grassy Run subdivision is developed as low density residential, consistent with the County General Plan designation. Most residents utilize well water and septic systems, although the area is within the El Dorado Irrigation District's service boundaries.

5. *Potential effects on agricultural and open space lands*

Present land uses within the District include low density residential uses. The GRCSO boundaries are surrounded on three sides by low density residential five-acre parcels that are mostly built-out, the Shingle Springs Rancheria and Red Hawk Casino to the west, and U.S. Highway 50 to the south. Present and planned land uses within and around the District are anticipated to remain the same as current land uses. However, the adjacent Shingle Springs Rancheria parcel is owned by the Shingle Springs Band of Miwok Indians, a federally-recognized Indian Tribe, which is a sovereign entity that is not subject to the El Dorado County General Plan for planned uses or development.

The provision of road maintenance services, whether by a public or private entity, does not induce urban growth or the premature conversion of agricultural land to urban uses. No impacts to agriculture can be ascertained from the potential dissolution of the District.

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

Little to no services are being provided by a public entity in the area. Since Grassy Run CSD has chosen to be in a state of suspension, the District should have a zero sphere of influence, the first step towards dissolution.

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

No immediate effects of dissolution would be experienced by other public entities or by residents. Upon dissolution, road maintenance would continue to be provided by the GRHA and private landowners.

DETERMINATIONS

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 Grassy Run CSD:

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

Present land uses within the District are primarily rural residential. Planned land uses are anticipated to remain the same as current land uses.

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

Present needs for public facilities and services are currently being met by private providers; the GRHA and private landowners. 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. GRHA and private landowners are expected to remain the roadway service providers.

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

The District does not provide any services it has been authorized to provide.

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.

Social or economic communities of interest, if any, in the area do not extend beyond the subdivision and the GRHA. A nearby community of interest includes the Tribal land and the communities of El Dorado, Diamond Springs, Rescue, and Shingle Springs.

Based upon the information contained in this document, it is recommended that the Grassy Run CSD Sphere of Influence be updated so that the District has a zero sphere of influence, the first step towards dissolution.

Attachments:

Attachment A: 2007 Streets and Highways Municipal Services Review (GRCSD Section)

Attachment B: LAFCO Draft Resolution L-2011-12

Attachment B, Exhibit A: GRCSD SOI Map