

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JANUARY 24, 2018

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 CAMERON ESTATES
COMMUNITY SERVICES DISTRICT (LAFCO PROJECT NO.
2017-07)

RECOMMENDATION

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Cameron Estates Community Services District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the February 28, 2018 meeting to allow sufficient time and opportunity for the public and the Cameron Estates Community Services District Board of Directors to review and comment on the study. Staff will return this item in February for final action and adoption.

REASON FOR RECOMMENDED ACTION

The Cameron Estates 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

The Cameron Estates Community Services District (CECSD or District) was formed in 1969 as a multi-purpose special district to provide road maintenance services and parks and recreation services (trails) for the Cameron Estates subdivision. CECSD is located in the Cameron Park area, on the south side of U.S. Highway 50 and Durock Road, approximately one-quarter mile from Cameron Park Drive.

The District's service area encompasses 291 assessed parcels, covering approximately 1,500 acres. CECSO maintains a total of twenty-three paved roads, totaling approximately 16.5 miles of roadway, three security entrance gates within the District, and approximately 16 miles of horse riding trails, which is considered a parks and recreation service.

Though CECSO is a public district, its roadways have never been formally dedicated to the District and are considered private roads. Government Code §61105(g) specifically authorizes CECSO, along with six other CSDs containing roads not formally dedicated to or kept open for public use, to limit access to and use of roads within the District to landowners and residents of the District. CECSO has exercised this right by installing gates at each of the District's entrances, which require an access code, resident remote-control device, or resident approval through an electronic telephone entry system to allow entry.

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. Overall, the MSR found that the CECSO provides sufficient road maintenance services within its boundaries and the roads are maintained at levels consistent with the residents' expectations, as identified by the CECSO Board of Directors.

MSR Determination 1 – There are currently 291 assessed parcels and 584 registered voters within the District. All but a few of the parcels within CECSO are designated Low Density Residential (LDR) and zoned Residential Estate 5-acre Minimum (RE-5). There are six commercial properties in the northwestern corner of the District. No significant future growth, population increases, or changes in land uses are anticipated, as approximately 270 of the 291 parcels have been developed according to the land uses specified by their zoning in the County's General Plan.

LAFCO is currently processing a landowner petition to annex a single 40-acre parcel (APN 109-010-03, "Deubel Property") into the CECSO. The Deubel Property is currently undeveloped and there is no development proposed at this time. Future growth

associated with the Deubel Property will be limited, per the terms of the Annexation Agreement, which maintains the existing RE-5 zoning of the annexation area and limits development to a maximum of four parcels with two units each for a maximum development potential of eight units.

MSR Determination 2 – 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. The 2015 statewide median household income was \$61,818 (United States Census Bureau 2015), making the median household income for a disadvantaged community as defined by the Water Code \$49,454. According to 2015 income data from the U.S. Census Bureau, the CECSD service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding CECSD or its sphere of influence.

MSR Determination 3 – CECSD is empowered to provide roadway and road maintenance services, as well as parks and recreation services. CECSD maintains approximately 16.5 miles of roadway and three security entrance gates within the District. CECSD is also empowered to provide trails maintenance within the District, which is considered a parks and recreation service.

CECSD provides road maintenance services by contracting out for services. Road maintenance and repairs are prioritized based on need, number of affected residents, and available funding. The District also utilizes community volunteers to perform some minor road maintenance and trails maintenance, as needed. At this time, the District does not actively maintain riding trails due to lack of funding.

Overall, roadway conditions appear to be adequate for the current demand, relative to adopted standards and resident preferences and expectations. There are areas of District-maintained roadways which are in need of maintenance and repair; these areas are prioritized based on need, usage, and availability of funds. The present need for recreation facilities and services (trails) are not being adequately met, due to lack of funding.

MSR Determination 4 – CECSD's main sources of revenue are property taxes and a voter-approved special tax. CECSD is within three separate tax rate areas, with an average property tax increment of 9.6149%. CECSD also collects a district-wide special tax of \$250 per parcel, which was approved by District voters in 1989.

These revenue streams are currently adequate for high priority maintenance and repairs; however additional funding is necessary for lower priority deferred roadway maintenance and repairs on all roadways, as well as needed trails improvements. The CECSD Board is aware that District residents may need to approve another special tax (with a two-thirds vote) to generate more revenue, and the Board has attempted several times to increase the special tax amount from the current \$250, but previous attempts to increase the assessments were not approved by voters.

Despite this, CECSD appears to be financially stable and is able to recover from periodic large roadway maintenance expenditures. The District does not have outstanding debts. CECSD is able to provide adequate services and the District's budget is balanced. CECSD utilizes a sufficient range of cost avoidance opportunities, including bidding for services and utilizing volunteers from the community for minor roadway maintenance.

MSR Determination 5 – CECSO is partially bordered by the Cameron Park Community Services District to the north and the El Dorado Hills Community Services District to the west; however, neither provide road and road maintenance services, which is CECSO's main function. These CSDs do provide parks and recreation services, but neither provide horse riding trails.

CECSO is also, though to a lesser extent, in somewhat close proximity to several smaller, single-purpose CSDs (Lakeview and Hillwood CSDs) which do provide road maintenance services. While there is a remote possibility that there is an opportunity for shared facilities with CECSO, the likelihood is very slim, due to many factors such as Cameron Estates' gated road status, differing roadway and maintenance standards, lack of connectivity between the road systems, disparate funding, and lack of feasibility in bidding out for shared contracted services.

Since the District does not own any facilities, and is not within close proximity to any other local entity that provides similar services, no significant opportunities for shared facilities were identified in the report.

MSR Determination 6 – CECSO is an independent special district, governed by a five-member Board of Directors. Board meetings are held regularly on the third Thursday of every other month at 7:00 p.m. at Light of the Hills Lutheran Church, located at 3100 Rodeo Drive. Board meetings, notices and agendas appear to be consistent with all Brown Act requirements.

The District currently employs one part-time staff member, a General Manager/Secretary. CECSO hires contractors for roadway maintenance services directly through the Board of Directors. As previously noted, the District also utilizes community volunteers to perform some minor road maintenance and trails maintenance, as needed.

The District distributes a monthly newsletter to District residents and occasionally sends out road work surveys. A volunteer within the District maintains the CECSO website (www.cameronstates.net).

CECSO 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. No significant issues regarding local accountability were noted.

MSR Determination 7 – It is unlikely that CECSO's services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand into agricultural areas, 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

SOI 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. The undeveloped territory proposed for annexation into the District is expected to eventually be developed for low density residential use.

SOI Determination 2 – Present needs for public facilities and services are currently being met. The present need for recreation facilities and services (trails) are not being adequately met, due to lack of funding. 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.

SOI Determination 3 – The present capacity and condition of roadway facilities provided appears to be sufficient for the level of service expected by District residents. Present capacity of trails is considered by the District to be less than adequate; maintenance and improvements are dependent on funding and resources available.

SOI Determination 4 – Nearby communities include the Cameron Park and Shingle Springs areas. CECSO borders the Cameron Park Community Region on the north, though the majority of the District is outside of the Community Region.

SOI Determination 5 – While Cameron Estates 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 Recommendations

The sphere of influence (SOI) recommendation analyzes the appropriateness of the District’s SOI boundaries, relative to services currently provided, capabilities of the service provider, and expected future growth. CECSO’s sphere of influence is currently coterminous with its current service area.

As noted in the MSR/SOI study, the following amendments are recommended for the CECSO SOI:

1) Add to the Sphere of Influence:		
109-010-03	Deubel Parcel	Residential, Undeveloped
2) Remove from the Sphere of Influence:		
109-111-15	4062 Flying C Rd.	Commercial, Cambridge Square
109-111-16	4060 Flying C Rd.	Commercial, Cambridge Square
109-111-17	4058 Flying C Rd.	Commercial, Cambridge Square
109-111-18	4064 Flying C Rd.	Commercial, Cambridge Square
109-111-19	Parking Lot (inactive)	Commercial, Cambridge Square
109-161-01	3100 Rodeo Rd.	LOTH Lutheran Church
109-161-31	3100 Rodeo Rd.	LOTH Lutheran Church (ball field)

- 1) LAFCO is currently processing a pending landowner application to annex the Deubel Property into the CECSD in order to gain access to the property through gated District roads. The Deubel Property is a vacant 40-acre parcel (APN 109-010-03) located adjacent to the southern boundary of the CECSD.

The CECSD Board has entered into an Annexation Agreement with the landowner stipulating the terms of the annexation, and is in support of the annexation. If annexed, the District will receive a portion of the property taxes collected from the Deubel Property (9.6149%) and the \$250 annual special tax for road maintenance will be levied on the parcel. When and if the Deubel Property is eventually split into the agreed upon four parcels, the \$250 special tax will be assigned to any newly created parcels as well. Adding the Deubel Property to the District's SOI is a necessary precursor required prior to annexation.

Staff recommends that the Deubel Parcel be added to the CECSD SOI in anticipation of annexation.

- 2) There are seven parcels on the outer edges of the CECSD service area, located outside of the CECSD gates, that are not accessed through District-maintained roads, but are instead accessed through County-maintained portions of Flying C Road and Rodeo Road. These include:
 - Five commercial parcels within the Cambridge Square retail center ("*Cambridge Square Parcels*"), which are located outside of the northern entrance gate on Flying C Road ("*Mini Storage Gate*"). The Cambridge Square Parcels are only accessible through a County-maintained portion of Flying C Road.
 - The Light of the Hills Lutheran Church and ball field, which comprise two parcels ("*LOTH Church Parcels*") located on the eastern side of the District. These parcels are not within the CECSD gates and are not accessed through District-maintained roads, but rather are accessed from Rodeo Road, which is a County-maintained road.

A portion of the property taxes collected from these parcels, along with \$250 per parcel in special taxes, goes to the CECSD and is primarily used to fund District road improvements. (The two LOTH Lutheran Church parcels are exempt from property taxes, but they are assessed the \$250 special tax. One parcel within the Cambridge Square Retail Center is a parking lot and considered inactive; no property taxes or special taxes are collected from this parcel).

It doesn't appear that the property owners for the Cambridge Square retail parcels and the Light of the Hills Lutheran Church receive an advantage or benefit from being within the CECSD service area, as they are not accessed through District-maintained roads, nor do they have access to these roads through the entrance gates, which are typically closed. Given that, it's difficult to make the case that it is equitable for these property owners to pay property taxes and an annual assessment to maintain the gated CECSD roads.

Staff recommends the Cambridge Square Parcels and the LOTH Church Parcels be removed from the CECSD SOI.

It is important to note that removing these parcels from CECSD's SOI will not remove them from the District, nor will it have any effect on the property taxes or

special taxes currently collected from these parcels. Rather, removal from the CECSO's sphere is recommended in order to reflect the appropriateness of the District's SOI, acknowledging portions of the CECSO service area that do not receive services from the District. Removal from the SOI also sets the stage for possible detachment from the District in the future. It's also important to note that LAFCO cannot initiate a detachment. The parcels will continue to remain in the District unless a landowner or the District itself petitions LAFCO for detachment. If that were to occur, the request would be subject to the LAFCO change of organization process, which requires a full analysis and LAFCO approval.

Staff Outreach and Public Comment Period

Both the CECSO Board and the affected landowners of the Cambridge Square and LOTH Lutheran Church parcels were contacted regarding the MSR/SOI study and staff's recommendation to remove these parcels from the CECSO sphere of influence. Staff explained the reasoning behind the recommendation and clarified that removing the parcels from the SOI would not initiate detachment from the District.

The CECSO Board, affected landowners, and the general public will have until the end of the public comment period on February 28, 2018 to submit comments for the Final MSR and SOI Update.

Attachments:

Attachment A: Draft Cameron Estates CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-07)

Attachment B: Recommended Cameron Estates CSD SOI Update Map