



Legislation Text

File #: 14-1292, **Version:** 1

Community Development Agency, Administration and Finance Division, recommending the Board adopt the *Policy and Procedure Guidelines for Creation and Administration of Zones of Benefit Within a County Service Area*, as amended. Revisions are necessary so that the *Guidelines* include reference to current State statutes, County Service Area law and County practices. (Est. Time: 10 Min.)

FUNDING: County Service Area zone of benefit assessments and special taxes.

Fiscal Impact/Change to Net County Cost

There is no fiscal impact associated with adopting the *Policy and Procedure Guidelines for Creation and Administration of Zones of Benefit Within a County Service Area (Guidelines)*, as amended.

Background

Purpose

The purpose of the proposed revisions is to incorporate into the *Guidelines* existing County policy, procedure and practice. The *Guidelines* were first developed in 1985 to provide direction to property owners and residents who desired to form road maintenance zones of benefit within the County, and were last updated in 1987. The County's practices and procedures have evolved to incorporate changes in statutes and ordinances, including, but not limited to the passage of Proposition 218 (Article 13D of the California State Constitution), and changes to County Service Area Law, revised in 2009. The minimal impacts of the proposed revisions are described in Attachment I - *Impacts of Proposed Revisions*.

County Service Areas

County Service Area Law was originally adopted in 1953 to provide a mechanism for funding and providing expanded services in the unincorporated areas of California's counties. Property owners within a service area pay special taxes or benefit assessments, which are itemized on their property tax bill and levied for the provision of specific services. The first County Service Areas (CSA) were established in El Dorado County in 1963.

- County Service Area No. 2 (CSA 2) was established February 18, 1963 for the purpose of providing public road improvements and public road drainage improvements, with subsequent land annexations following in 1967 and 1971.
- County Service Area No. 3 (CSA 3) was established January 21, 1963 for "control or destruction of insects injurious to plant life and the eradication of insects which could introduce dangerous, infectious or communicable diseases" (later condensed to Vector Control). CSA 3 was later revised to include ambulance services, snow removal services (the funding of snow removal equipment), and provide for services within the incorporated City of South Lake Tahoe.
- County Service Area No. 5 (CSA 5) was established in 1970 to provide drainage services to the Tahoe Cedars Area.
- County Service Area No. 7 (CSA 7) was established in 1976 for the purpose of providing

ambulance services.

- County Service Area No. 9 (CSA 9) was established in 1983 for the purpose of providing local park, recreation, or parkway facilities and services; extended road improvement maintenance services; extended drainage easement improvement and improvement services; and extended public cemetery services. In subsequent years, street and highway lighting services; extended parking services; landscape improvement and maintenance; and wetland-related services were added to CSA 9.
- County Service Area No. 10 (CSA 10) was established in 1988 to provide for services related to household hazardous waste, solid waste management and liquid waste management within the entire County, including the two incorporated cities in the County, the City of Placerville and City of South Lake Tahoe.

A summary of the CSAs and the zones of benefit within each is attached.

Zones of Benefit and their Administration

Zones of benefit (zones) may be established within the boundaries of a CSA to provide different services or levels of service. El Dorado County's first zones were Zone A (Arrowbee) and Zone B (Hidden Lake) within CSA 2, established pursuant to former Government Code Section 25210.8 in 1979. No additional zones were formed until 1983. Between June 7, 1983 and March 12, 1985, four zones were established in CSA 9, with advisory committees appointed for each.

Through increased interest in forming zones, particularly for road maintenance services, the County recognized the need for a guiding document for applicants desiring to establish zones, and for advisory committees for on-going processes. The *Policy and Procedure Guidelines for Creation and Administration of Zones of Benefit Within a County Service Area (Guidelines)* was adopted March 12, 1985 to provide guidance to applicants desiring to form zones in CSA 9, to provide guidance to the advisory committees appointed to serve as liaisons between the zone residents and property owners and the County, and to provide a guide to County staff responsible for administration of the zone business.

The document was amended June 2, 1987 to include a requirement for Irrevocable Offers of Dedication for road rights of way. From 1987 to 2006, when the most recent zone of benefit formations occurred, the *Guidelines* served as the guiding document mainly for the administration of all zones, with emphasis on those zones for which advisory committees were appointed. The *Guidelines* have not been updated or changed since 1987.

In the early 1990s, the standard conditions of approval for discretionary development projects included the option to form zones to fund drainage facility maintenance in proposed residential subdivision developments, without advisory committees. Zones may also be utilized to provide additional funds for maintenance of streets and roads in Class I subdivisions, where the public streets are included in the County's maintained mileage system.

Revisions to the *Guidelines* were drafted in 1993 and again in 2003, but were not adopted. The 1993 revisions were rejected by management over language related to voting rights within zone boundaries. Adoption of the County Charter provision 210(c) as amended in 1995 and the passage of Proposition 218 resolved those questions regarding the approval of funding mechanisms. The 2003 revisions were rejected by management pending a line-by-line reference of the changes over the

1987 version. Both the 1985 and 1987 versions of the *Guidelines* are included for reference (See Attachments H and G, respectively).

On July 21, 2008, Governor Arnold Schwarzenegger signed into law state Senate Bill 1458 (SB 1458), which revised and recast CSA Law by repealing Chapter 2.2 (commencing with Section 25210.1) and adding Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of Government Code, effective January 1, 2009.

Staff was in the process of revising the *Guidelines* to incorporate the changes proposed in 2003 when the adoption of SB 1458 was announced. Just as sweeping revisions to CSA law resulted in the repeal and recasting of certain sections, the same is proposed for sections of the *Guidelines*. Because other County departments have responsibility for activities in CSA 3, CSA 7 and CSA 10, including ambulance services and libraries, revisions have been incorporated to give the *Guidelines* broader application, by deleting specific department references where they need not apply, and limiting reference to advisory committees.

Proposed Revisions

The *Guidelines* submitted for consideration include the following revisions:

- Terminology and Government Code references updated for consistency with 2009 CSA Law.
- Definition of Terms has been added.
- Provision is made for any proceedings associated with a zone of benefit to be initiated either by the Board of Supervisors, or by petition. The section pertaining to changes to a zone is clarified.
- Actual Cost section is added, which differentiates between actual costs associated with the formation or other change proceedings and the fees required by the California Board of Equalization with filing jurisdictional boundary changes, and also requires the applicant to cover the full cost of an action rather than defer the costs to be covered by future revenue collections, as is allowed in the 1987 version, and which amounted to a loan from County funds.
- Financing section is added, which ties zone formation to a revenue stream, consistent with revisions to CSA Law. Detailed discussion of the approval processes for special taxes and benefit assessments are not included, as the proceedings for approval of funding sources are described in state law.
- References to advisory committees, appointments, purpose, responsibilities and activities are consolidated under Part V, Advisory Committee. Reference to recommendations on the amount of the annual assessment is deleted as it is not applicable.
- Functions that apply to all zones of benefit, including Budget and Accounting, and Expenditures of Funds are included in Part VI, Administration of Zones of Benefit.
- References to functions and activities that are performed exclusively by County staff, including placement of direct charge on the tax roll for collection, annual confirmation of benefit assessments and reporting of special taxes are deleted from the *Guidelines*.

To illustrate the iterations and evolution of the *Guidelines*, markup versions are attached for reference, along with the final proposed amendments.

Reason for Recommendation

The *Guidelines* were developed and implemented in 1985, primarily to provide direction to property owners and residents who desired to form road maintenance zones of benefit in the County. Since that time, the County's practices have evolved and zones of benefit are now used to fund a multitude of services, including drainage facility improvement and maintenance, street lighting, landscape maintenance services and wetland-related services, ambulance services, waste management services, snow removal equipment, and library services. In addition, changes in state statute rendered some procedures obsolete as described in the existing *Guidelines*. Revisions are necessary so that the *Guidelines* include reference to current CSA law and County practices. Approval and adoption of the proposed *Policy and Procedure Guidelines for Creation and Administration of Zones of Benefit within a County Service Area* will confirm the County's practices as being consistent with revised CSA Law.

The intent of this document is not to change or state Board policy. Rather, the document is intended to serve as a guide through existing County policy and state statutes that govern the formation and administration of zones within any CSA. It also serves as a guide to applicants desiring to form a zone of benefit, and as a guide for the activities of existing advisory committees appointed to serve as liaisons with their communities.

Clerk of the Board Follow Up Actions

The Clerk of the Board will receive and file the adopted *Policy and Procedure Guidelines for Creation and Administration of Zones of Benefit Within a County Service Area*, as amended.

Next Steps

The Agency will schedule and conduct an educational workshop for all CSA zone of benefit advisory committee appointees and interested persons to review the *Guidelines*, as amended.

The Agency will post the revised *Guidelines* on the County's website to make it available to all interested members of the public, and to other departments of the County with responsibility for administration of CSA functions.

Contact

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Concurrences

County Counsel