



## Legislation Text

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**File #:** 16-0491, **Version:** 2

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Community Development Agency, Administration and Finance Division, recommending the Board adopt and authorize the Chair to sign Resolution **132-2016** to Rescind Resolution 117-2016, a Resolution of Intention to Form the Shinn Ranch Zone of Benefit 98616 within County Service Area 9 adopted July 19, 2016.

**FUNDING:** Developer Funds.

### **DEPARTMENT RECOMMENDATION**

Community Development Agency (CDA), Administration and Finance Division, recommending the Board adopt Resolution **132-2016** to Rescind Resolution **117-2016**, a Resolution of Intention to Form the Shinn Ranch Zone of Benefit 98616 within County Service Area 9 adopted July 19, 2016 (Item 27).

### **DISCUSSION / BACKGROUND**

On July 19, 2016 (Item 27), the Board adopted Resolution 117-2016, a Resolution of Intention to Form the Shinn Ranch Zone of Benefit (Resolution of Intention), setting a Public Hearing for August 16, 2016, to consider public comment regarding formation of the Zone. The purpose for forming the Zone was to satisfy Conditions of Approval 43 and 44 for Tentative Map 07-1441-R/Shinn Ranch (TM07-1441-R/Shinn Ranch), both of which require the applicant to join or form an appropriate entity satisfactory to the County to maintain road and drainage facilities.

The Resolution of Intention was initiated through an application submitted by Silverado Homes, Inc., on behalf of property owners Shinn Ranch, Inc., Thomas Edson Shinn, and Linda Lou Fine, to establish a County Service Area Zone of Benefit to provide road and drainage facility maintenance and improvement services. Funding for the provision of these services was originally proposed through a special tax. Roadway and drainage facilities to be maintained with Zone funds would be irrevocably offered to the County, accepted into the County's maintained mileage system, and would be maintained by County work forces.

When processing the application to establish the Zone, the County was not able to confirm the residence of any registered voters within the proposed Zone boundaries. Without any registered voters, who hold the exclusive authority to consider the special tax, the funding mechanism for the proposed Zone shifted to a benefit assessment, which is subject to approval by property owners.

To satisfy the requirements of State Proposition 218, the nexus for the benefit assessment includes a discussion of the general benefits to the public of the Zone facilities, and the special benefits derived by the Zone parcels from the improvements to be maintained with Zone funds. A portion of Kingvale Road, a private road currently serving approximately 120 parcels, was proposed to be within the new Zone. The preliminary nexus recently submitted for maintenance costs of this Zone facility indicates an estimated 57% of maintenance costs will be funded from sources other than the Zone benefit assessments (i.e., County discretionary funds or adjacent properties utilizing Kingvale Road). General Plan Policy TC-1s states that the County shall only add new local roads if maintenance is

funded by a Zone, and since the full maintenance and capital replacement costs for Kingvale Road and associated drainage facilities will not be derived through Zone funding, the Irrevocable Offers of Dedication (IODs) for the facilities will be rejected in their entirety. This outcome differs from the originally proposed special tax, which could legally be set at a rate sufficient to provide for all services necessary on the affected portion of Kingvale Road.

Condition of Approval 72 for TM07-1441R/Shinn Ranch allows that IODs for the roads may be rejected, in which case a homeowners' agreement and association shall be established in order to provide for the long-term maintenance of the roads. A homeowners' association (HOA) is already anticipated to provide funding for other services in the proposed subdivision, including open space management for a pond, Slate Creek, and walking trails, all of which are not included as services a zone of benefit may provide under County Service Area 9.

Given the shift to benefit assessment as the proposed Zone funding mechanism, the lack of full funding for Kingvale Road, and the existing need to establish an HOA for the subdivision, staff recommends including maintenance of the road and drainage facilities in the HOA to satisfy the conditions of approval for the project.

## **ALTERNATIVES**

Adoption of the Resolution to Rescind the Resolution of Intention will terminate formation proceedings for the Shinn Ranch Zone of Benefit. The applicant may then form an HOA to provide maintenance for all of the subdivision facilities. Should the Board choose not to adopt the Resolution to Rescind Resolution 117-2016, the Formation Hearing for the Shinn Ranch Zone of Benefit will be continued to September 13, 2016, to allow for notification required pursuant to Government Code Section 25217.

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel

## **CAO RECOMMENDATION**

Chief Administrative Office concurs with staff's recommendations.

## **FINANCIAL IMPACT**

Costs associated with processing the application to form the Zone of Benefit are funded by the applicant. In this case, any costs incurred following the determination that the proposed special tax funding mechanism was not feasible will be absorbed in the established CDA administration budget as a gesture of good faith.

Should the subdivision's road and drainage facility maintenance be incorporated into an HOA, no further expenses will be borne by the County. If a Zone of Benefit was ultimately formed as currently proposed, the County would be responsible for approximately 57% of maintenance costs associated with the portion of Kingvale Road dedicated to the County and accepted into the maintained mileage system. As no legal entity exists to represent the parcels currently utilizing the private road, there is no mechanism available for the County to obtain partial funding from those property owners receiving the benefit from the proposed improvements and maintenance.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

1) The Clerk of the Board will have the Chair sign the Resolution to Rescind the Resolution of

Intention; and

2) The Clerk of the Board will provide one copy of the Resolution to Rescind to CDA.

## **STRATEGIC PLAN COMPONENT**

Good Governance

## **CONTACT**

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