

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

January 9, 2019 (Agenda)

January 9, 2019
Agenda Item 10

LAFCO 18-15

Dissolution of County Service Area (CSA) Area M-9

APPLICANT

Contra Costa LAFCO by Resolution adopted December 12, 2018

**ACREAGE &
LOCATION**

CSA M-9 comprises 0.41± acres and includes one parcel (Assessor Parcel Number 365-220-025), which is owned by the East Bay Municipal Utility District (EBMUD). The subject area is located north of the City of Orinda as shown on the attached map (Attachment 1).

SYNOPSIS

CSA M-9 was formed in 1969 as a County funding mechanism for street lighting, street sweeping and parkway maintenance services. According to Contra Costa County records, CSA M-9 has been inactive since 1990. LAFCOs are compelled by the State to dissolve inactive districts, and special provisions are included in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) to facilitate the dissolution process.

BACKGROUND

Upon formation in 1969, CSA M-9 was authorized to provide street lighting facilities, street sweeping and parkway maintenance services to territory that was then unincorporated Orinda. When the City of Orinda incorporated in 1985, the City assumed these services previously provided by CSA M-9. Since the December 2018 LAFCO meeting, we learned that only one parcel remains in CSA M-9, which is outside the City of Orinda and owned by the East Bay Municipal Utility District (EBMUD). This parcel has a County General Plan designation of Watershed (WS).

CSA M-9 has been inactive since 1990, as confirmed by the County. In November 2018, LAFCO received a letter from the State Controller's Office (SCO) which identified CSA M-9 as an "inactive district" and a candidate for dissolution. New law requires LAFCO to dissolve inactive districts following one public hearing.

In September 2017, the Governor signed Senate Bill (SB) 448 which defines "inactive districts" and requires the SCO to publish a list of inactive special districts and notify LAFCOs of inactive districts in their county. The bill requires LAFCO to initiate dissolution of inactive districts within a specified timeframe following notification from the SCO, unless LAFCO determines that the district does not meet the criteria for "inactive district." SB 448 also establishes an expedited process for LAFCOs to dissolve inactive districts. SB 448 became effective January 1, 2018.

On December 12, 2018, the Commission considered the above information and adopted a resolution initiating dissolution of the CSA M-9.

DISCUSSION

Factors for Consideration - Government Code (GC) section 56668 sets forth factors that the Commission is required to consider in evaluating any change of organization (e.g., dissolution). In the Commission's review and evaluation, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal. These factors are analyzed in Attachment 2, and several are discussed below.

Tax Rates, Assessed Value, Assets and Liabilities - The subject area includes one Tax Rate Area (TRA), 83015. The assessed value for the proposal area is \$1,035 based on the 2017-18 roll.

CSA M-9 receives no property tax funding, has no current assessments, no assets and no liabilities.

Designation of Successor Agency and Plan for Service - The CKH provides that should LAFCO dissolve a district, it shall identify the effective date of dissolution, designate a successor agency to wind up the affairs of the extinguished agency, and may apply other terms and conditions with its action pursuant to GC sections 56885 – 56890.

If the territory of a dissolved district is located entirely within the unincorporated territory of a county, the county is deemed the successor agency pursuant to GC section 57451(b). CSA M-9 is located entirely in unincorporated Contra Costa County. However, given CSA M-9 has no assets or liabilities, and the parcel is owned by a public agency, there is no need to designate a successor agency. LAFCO staff will coordinate with the County, if necessary, regarding any final steps to wind up the affairs of CSA M-9.

Commission Proceedings – A dissolution may be initiated by LAFCO pursuant to GC section 56375(a).

In accordance with SB 448 relating to dissolving inactive districts, the following provisions were added to the Government Code:

56042 "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

56879 (a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in section 56042, based upon the financial reports received by the Controller pursuant to section 53891. The Controller shall publish the list of inactive districts on the Controller's Internet Web site. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section no more than 90 days following the adoption of the resolution initiating dissolution. The dissolution of an inactive district shall not be subject to any of the following:

- (1) Chapter 1 (commencing with section 57000) to Chapter 7 (commencing with section 57176), inclusive, of Part 4.
- (2) Determinations pursuant to subdivision (b) of section 56881.
- (3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of section 56375.

Before LAFCO can dissolve CSA M-9, LAFCO must hold a public hearing on the proposed dissolution. In conjunction with today's hearing, LAFCO published a legal notice in the *Contra Costa Times*, and mailed notices to all landowners and registered voters within the subject area, and to all landowners and voters within 300 feet of the subject area. As of this writing, no comments were received.

Given CSA M-9 meets the definition of "inactive district" (GC section 56042), the provisions of GC section 56879 apply and the protest hearing is waived.

Environmental Impact of the Proposal - The LAFCO initiated proposal to dissolve CSA M-9 is a jurisdictional change and has no physical effects on land use or the environment. As Lead Agency, LAFCO

finds the project exempt pursuant to the California Environmental Quality Act (CEQA) pursuant to Class 20 – Changes in Government Organization (section 15320). The LAFCO Environmental Coordinator reviewed the document and finds it adequate for LAFCO purposes.

CONCLUSION

One of the fundamental goals of LAFCOs is to ensure the efficient and effective provision of municipal services in an accountable manner. The proposed dissolution will terminate an inactive district, consistent with LAFCO's mission.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider approving one of the following options:

- Option 1**
1. Approve the dissolution and required findings as proposed pursuant to the following:
 - a. The affected territory is located entirely within an unincorporated area of Contra Costa County.
 - b. The reason for the proposal is to dissolve an inactive district.
 2. Find that the project is Categorical Exempt pursuant to the California Environmental Quality Act (CEQA) Class 20 – Changes to Government Organization.
 3. Find that the subject territory is uninhabited, meets the criteria of an inactive district pursuant to GC section 56042, and that the protest proceedings are hereby waived pursuant to GC section 56879.
 4. Adopt LAFCO Resolution No. 18-15 (Attachment 3) approving dissolution of CSA M-9 and setting forth the Commission's terms, conditions, findings and determinations.

Option 2 DENY the proposal to dissolve CSA M-9.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTIONS:

Approve Option 1 to dissolve CSA M-9

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

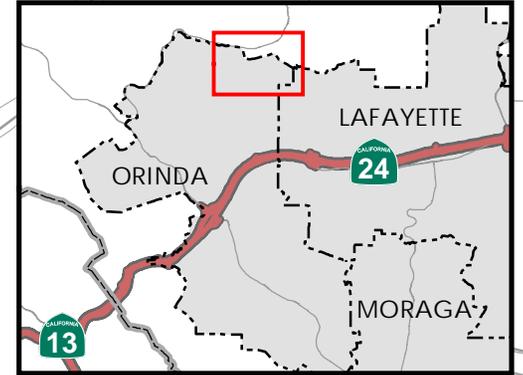
Attachments:

1. Map of CSA M-9
2. Factors for Consideration (GC section 56668)
3. Draft LAFCO Resolution No. 18-15

c: Contra Costa County Auditor-Controller
Contra Costa County Assessor
Contra Costa County Public Works Director
Andrew Lee, EBMUD

County Service Area M-9

- County Service Area M-9
- City Boundaries
- Parcels



DISSOLUTION OF COUNTY SERVICE AREA M-9
Factors for Consideration (California Government Code §56668)

FACTOR	COMMENTS
(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	The subject area comprises 0.41+ acres and includes one parcel located in the unincorporated Orinda area, north of the City of Orinda. The parcel has a County General Plan designation of Watershed (WS). The subject area is uninhabited.
(b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	N/A
(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	It is not anticipated that dissolution of CSA M-9 would affect adjacent areas or the local government structure of the County.
(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377. <i>(Note: Section 56377 encourages preservation of agricultural and open space lands)</i>	The subject area is designated for watershed uses. The dissolution would have no effect the current use, or on development or on policies and priorities in Section 56377.
(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	The subject area will have no effect on agricultural lands.
(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	The parcel that comprises the subject territory has specific boundary lines that are certain and identifiable.
(g) A regional transportation plan adopted pursuant to Section 65080.	N/A

FACTOR	COMMENTS
(h) The proposal's consistency with city or county general and specific plans.	The dissolution will have no effect on the County General Plan.
(i) The sphere of influence (SOI) of any local agency which may be applicable to the proposal being reviewed.	The dissolution will have no effect on the SOIs of any local agency.
(j) The comments of any affected local agency or other public agency.	As of this writing, no agency comments were received.
(k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	N/A
(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	N/A
(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	N/A
(n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.	As of this writing, no comments were received.
(o) Any information relating to existing land use designations.	The County's General Plan designation for the area is Watershed (WSL). No changes to the existing land uses will result from this change of organization.
(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	The dissolution will have no effect on environmental justice or to the fair treatment of people of all races, cultures and incomes.
56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.	Dissolution of CSA M-9 will not affect or be affected by Plan Bay Area, in that the Plan focuses on Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs); and the affected territory is neither.

RESOLUTION NO. 18-15

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DISSOLUTION OF
COUNTY SERVICE AREA M-9**

WHEREAS, on December 12, 2018, the Contra Costa Local Agency Formation Commission (LAFCO) adopted a resolution initiating dissolution of County Service Area (CSA) M-9 pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, the Executive Officer has issued a certificate of filing deeming the application complete; and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence (SOIs) and related information; and

WHEREAS, CSA M-9 comprises 0.41± acres and includes one parcel (APN 365-220-025) and is located north of the City of Orinda; and

WHEREAS, CSA M-9 was formed in 1969 and was authorized to provide street lighting facilities, street sweeping and parkway maintenance services to territory that was then unincorporated Orinda; and

WHEREAS, when the City of Orinda incorporated in 1985, the City assumed these services previously provided by CSA M-9; and

WHEREAS, CSA M-9 is an inactive district as defined in Government Code section 56042; and

WHEREAS, CSA M-9 has no assets or liabilities and can be dissolved pursuant to Government Code section 56879; and

WHEREAS, because CSA M-9 has no assets or liabilities, there is no need for the Commission to identify a successor under Government Code section 57451.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The subject proposal is assigned the distinctive short-form designation:

DISSOLUTION OF COUNTY SERVICE AREA M-9

2. CSA M-9 is located entirely within unincorporated Contra Costa County. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment 1, attached hereto and made a part hereof.
3. The proposal was initiated by LAFCO, the subject territory is uninhabited, and the protest proceedings are hereby waived pursuant to Government Code section 56879.

4. Notice of the Commission's hearing regarding this proposal was advertised in the *Contra Costa Times*, and notices were mailed to all landowners and registered voters within the subject area, as well as landowners and voters within 300 feet of the subject area and affected and interested agencies and individuals.
5. In reviewing this proposal, the Commission has considered the factors required by Government Code section 56668.
6. The Commission finds that dissolution of CSA M-9 is Categorically Exempt pursuant to the California Environmental Quality Act Class 20 – Changes to Government Organization (section 15320).
7. The effective date of the dissolution shall be the date of filing the certificate of completion of the proposal.

* * * * *

PASSED AND ADOPTED THIS 9th day of January 2019, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

Dated: January 9, 2019

Lou Ann Texeira, Executive Officer