



Lou Ann Texeira
 Executive Officer

MEMBERS

- | | |
|---|--|
| Candace Andersen
<i>County Member</i> | Federal Glover
<i>County Member</i> |
| Donald A. Blubaugh
<i>Public Member</i> | Michael R. McGill
<i>Special District Member</i> |
| Tom Butt
<i>City Member</i> | Rob Schroder
<i>City Member</i> |
| Igor Skaredoff
<i>Special District Member</i> | |

ALTERNATE MEMBERS

- | |
|---|
| Diane Burgis
<i>County Member</i> |
| Stanley Caldwell
<i>Special District Member</i> |
| Charles R. Lewis, IV
<i>Public Member</i> |
| Edi Birsan
<i>City Member</i> |

August 11, 2021 (Agenda)

Contra Costa Local Agency Formation Commission (LAFCO)
 40 Muir Road, 1st Floor
 Martinez, CA 94553

**August 11, 2021
 Agenda Item 8**

**2nd Round “Parks & Recreation Services” Municipal Services Review
 Pleasant Hill Recreation & Park District Sphere of Influence Update**

Dear Members of the Commission:

INTRODUCTION

In December 2019, Contra Costa LAFCO initiated its 2nd Round “Parks & Recreation Services” Municipal Services Review (MSR) and Sphere of Influence (SOI) updates. This MSR was delayed due to the COVID pandemic. The 1st Round Parks & Recreation MSR/SOI updates was completed in 2010.

Following public hearings on April 14, 2021 and June 9, 2021, the Commission adopted MSR and SOI determinations and updated the SOIs for the eight County Service Areas and two of the three parks & recreation districts covered in the MSR. The Commission deferred accepting the *Final Parks & Recreation MSR* pending amendments related to city parks and levels of service. A parks table was added to the MSR in response to Commissioner comments. Also, LAFCO formed a subcommittee to meet with representatives of the Pleasant Hill Recreation & Park District’s (PHRPD), City of Lafayette, and Reliez Valley residents to further discuss service boundary issues.

On August 11, 2021, the Commission will be asked to accept the Final 2nd Round “Parks & Recreation Services Municipal Services Review, adopt MSR and SOI determinations for PHRPD, and update the SOI for the PHRPD. The Final 2nd Round “Parks & Recreation Services Municipal Services Review” is available on the Contra Costa LAFCO website at <https://www.contracostalafco.org/agencies/municipal-service-reviews/>.

BACKGROUND/DISCUSSION – PLEASANT HILL RECREATION & PARK DISTRICT (PHRPD)

PHRPD was formed in 1951 and serves the City of Pleasant Hill and unincorporated areas of Lafayette, Walnut Creek, Walden/Contra Costa Centre, and the Reliez Valley, with a population of 41,600. Note: Reliez Valley is a census designated place (unincorporated) located east/northeast of Lafayette and west/southwest of Pleasant Hill. Portions of the Reliez Valley are within the SOIs and boundaries of the cities of Pleasant Hill and Lafayette. There is a disadvantaged community located within the service boundary of PHRPD (i.e., southern portion of Pleasant Hill and adjacent to Walnut Creek).

PHRPD manages 260± acres of active and passive parkland and open space along with several community facilities. The majority of the District's parks and facilities are in "very good" condition, with two parks and one facility rated as "poor". PHRPD offers robust programming in the following areas: preschool, youth, teen, adult classes, senior, sports, and special events. The District's website and seasonal publications of recreational programs and community events inform residents of the myriad of opportunities. PHRPD shares facilities with the Mt. Diablo Unified School District (i.e., softball fields at the middle and high schools, maintenance yard).

District revenues come primarily from taxes, assessments and charges for services, with a modest amount from grants and money/reserves/property. COVID has severely affected PHRPD's ability to offer recreational programming in the traditional sense. As nearly 50% of the District's operating revenues are from charges for service, this creates a financial vulnerability going forward. Also, the District's parcel tax of \$47 per parcel does not include a cost inflator; thus, the value of the annual parcel tax erodes over time.

Since the 2010 Parks & Recreation Services MSR was prepared, the passage of Measure E, a \$28 million general obligation bond, resulted in improvements throughout the PHRPD's service area, including new senior, teen and community centers, and upgrades to Pleasant Oaks Park.

The District's 5-year Capital Improvement Program Plan provides for nearly \$1.5 million in capital improvements, with the most extensive improvements planned for Pleasant Hill Park and the Rodgers Smith Park. The City of Pleasant Hill passes all parkland in-lieu fee revenue for new development to PHRPD for parkland acquisition and park improvements. However, a recent \$63.5 million bond measure (Measure A) did not pass in March 2020 and may affect the District's ability to fully implement its recent Master Plan.

PHRPD was engaged in the recent MSR and responsive to LAFCO staff and the MSR consultants. The District demonstrated accountability and transparency.

LAFCO Subcommittee - At the April 14, 2021 public hearing, LAFCO received a letter from Reliez Valley residents requesting removal from PHRPD's service boundary given they more closely align with Lafayette (incorporated and unincorporated). Further, that the one PHRPD park located in their vicinity is in need of improvements. It should be noted that while LAFCO can modify a local agency's SOI, LAFCO cannot initiate annexation or detachment. Such boundary change requests must be submitted to LAFCO by application from either an affected local agency(ies), affected landowner(s), and/or affected registered voter(s).

In response to the residents' request, on June 9, 2020, the Commission appointed Commissioners Blubaugh and Lewis to a subcommittee to work with the local agencies (PHRPD, City of Lafayette) and interested Reliez Valley residents on boundary and service issues.

Local Agency/Public Input

On July 28th, LAFCO subcommittee members Blubaugh and Lewis and the LAFCO Executive Officer met at Brookwood Park with City of Lafayette Council Member Candell, City Manager and City Park & Recreation Director, and PHRPD Board Member Glover and the District General Manager. The group discussed the residents' concerns, Reliez Valley residents' participation in City of Lafayette and PHRPD programs/activities, property tax/special assessments, status of the City's General Plan update, potential annexation of the subject area to City of Lafayette, potential detachment of the subject area from PHRPD, and related matters. Subsequently, LAFCO staff contacted the Reliez Valley representative and requested a meeting with interested residents. The representative provided a copy of their 2019 letter (Attachment 1) and indicated given PHRPD has no interest in removing their area from the District's boundary, there is no need to meet.

In sum, both the City of Lafayette and PHRPD indicate that, to some extent, Reliez Valley residents participate in City and District park & recreation programs/activities. The PHRPD does not support detachment of the

subject area from the District's service boundary. Further, any detachment of this area from PHRPD would create issues regarding Brookwood Park which is owned and maintained by PHRPD.

The City of Lafayette General Plan (GP) update is underway and expected to be complete in 4-5 years. The GP update will review SOI expansion and annexation of this area. City staff indicates that costs associated with SOI updates and annexations are typically borne by the interested parties/applicants. Further, that costs associated with boundary expansions and extending city services to new areas could entail additional costs/ assessments.

In response to both the 2021 "*Parks & Recreation Services*" MSR and the 2019 "*City Services*" MSR, a group of 40 Reliez Valley residents raised concerns regarding the City of Lafayette, City of Pleasant Hill, and PHRPD SOIs and service boundaries. As indicated in their 2019 letter, these residents are within the Lafayette school district, are served by the Lafayette Parks & Recreation Department and Lafayette Moraga Youth Association, and affiliate with Lafayette. Further, they indicate they pay sizeable taxes to PHRPD for services/facilities that are *lightly, if ever used*. The residents requested that their area be removed from the City of Pleasant Hill's SOI and placed in the City of Lafayette's SOI, and also be removed from the PHRPD SOI. In 2019, in conjunction with the "*City Services*" MSR, LAFCO made no changes to the Lafayette and Pleasant Hill SOIs and reaffirmed the existing SOIs for these cities.

SOI Options and Recommendations

In conjunction with the 2010 *Parks & Recreation Services MSR*, LAFCO expanded the District's SOI to include all areas within the City of Pleasant Hill's SOI, and reduced the SOI to remove cities of Lafayette and Walnut Creek areas with the exception of Lafayette immediately adjacent to Brookwood Park. The rationale was that PHRPD primarily provides recreation and park services to the City of Pleasant Hill and therefore, a more logical boundary for PHRPD would be an SOI that coincides with the City of Pleasant Hill's boundary. Further, there is service duplication in certain parts of the PHRPD where the cities of Lafayette and Walnut Creek also provide recreation and park services.

In conjunction with the 2021 *Parks & Recreation Services MSR*, both the MSR consultants and LAFCO staff recommend retaining the existing SOI for PHRPD.

ENVIRONMENTAL ANALYSIS

The MSR and related SOI updates are statutorily exempt under CEQA Guidelines §15262 and categorically exempt under CEQA Guidelines §15061(b)(3), respectively.

RECOMMENDATIONS

1. Receive staff report and public comments; provide comments as desired.
2. Determine that the MSR project is exempt pursuant to §15262 of the CEQA Guidelines, and that the SOI updates are categorically exempt pursuant to §15061(b)(3) of the CEQA Guidelines.
3. Accept the Final 2nd Round "*Parks & Recreation Services Municipal Services Review*"; and adopt the MSR/SOI determinations for PHRPD by resolutions attached hereto (Attachment 2)

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachment 1 - 2019 Letter from Reliez Valley Residents
Attachment 2 – MSR and SOI Resolution – PHRPD
Exhibit A – Map – PHRPD

March 29, 2019

Contra Costa Local Agency Formation
Commission
651 Pine St, 6th Floor

Attn: Ms. Lou Ann Texeira

Dr. Commission Members and Staff

On behalf of the Lafayette residents of Reliez Valley, we kindly request a review of the district boundaries of the Pleasant Hill Parks and Recreation District a (“the District or PPHRD”) and ultimately the removal of all Lafayette residents (city and county) from the District.

As you know, the District was established in 1951, before incorporation of the cities of Pleasant Hill and Lafayette. Since then, much has changed. Very importantly, with the incorporation of Lafayette, and the change in school district for Reliez Valley residents from the Pleasant Hill to Lafayette schools (~30 years ago), the Lafayette Reliez Valley residents find themselves in a predicament...paying huge sums to the Pleasant Hill Parks and Recreation District for services and facilities they barely, if ever, use. This was significantly exacerbated by the passage of Measure E in 2009, which will cause many of Lafayette’s residents to pay in excess of \$10,000 over the 30-year term of the Measure E bond, the proceeds of which were largely used to build Pleasant Hill’s Senior Center, Pleasant Hill’s Teen Center, the Pleasant Hill community center, significantly upgrade Pleasant Hill’s Pleasant Oaks Park, and upgrade bathroom facilities at various parks primarily serving Pleasant Hill citizens. These facilities are lightly, if ever, used by Lafayette residents.

PHPRD is awesome, and we admire the District and its leaders, but we are served by the Lafayette Parks and Recreation Department and Lafayette Moraga Youth Association and have been for many years. It is simply unfair for our constituents to pay such large sums to PPHRD. We estimate that our Lafayette neighbors pay between \$50,000 and \$100,000 annually for the facilities that we do not use. And since we only represent a small fraction of the constituents of the district (~300 of 16,000 households, <2%), we are totally disenfranchised and kindly need help to separate from the District. It is our view, supported by activities and investments in the District, that the District’s focus is squarely on central and eastern Pleasant Hill, as the use of the Measure E proceeds proves, and as further evidenced by the District’s recent agreement to purchase a \$3 million, 5-acre parcel on Oak Park Boulevard, adjacent to Pleasant Hill Middle School, for future park development.

Separately, our residents are submitting to have the sphere of influence for our area reviewed and changed from Pleasant Hill to Lafayette. We support this effort

wholeheartedly, and also believe this is a change that should have been made many years ago, probably when the school district in this area was changed.

We understand that there is a financial downside to removing our constituents from the District. That said, there may be no better time than now to separate., and keeping us in the district just because provide money, but do not use the facilities, is fundamentally unfair. We note that the District has operated at a significant surplus for 5 years in a row, ending the most recent year with a \$400,000 surplus and an unheard of A+ credit rating from Standard Poor's.

We read the report by Burr Consulting from the last time a district review was undertaken. We noted that the consultant called out "In areas where PHRPD boundaries overlap city boundaries there would appear to be a duplication of services, as both PHRPD and the cities of Lafayette and Walnut Creek provide park and recreation services" and that different boundary options were considered, including the exclusion of Lafayette residents from the district. Based on the report, it appears that the primary reason for not separating Lafayette from the district is the adjacency of Brookwood Park to Lafayette. More than once, the report indicates that "residents in this area visit the park frequently due to the proximity". While the adjacency is undeniable, very few residents use the park. It is aging, with no investment made in over 15 years (with exception of the installation of 2 port-a-potties from Brookwood Park's portion of the Measure E funds), and, most importantly, it is poorly located. The park is at the corner of two very busy streets, Taylor Blvd and Withers Avenue. There are very few sidewalks in proximity to the park, so getting to the park is treacherous. From our observations over the past several years, the park is scantily utilized except for occasional dog walkers from the immediate (< 50 home) neighborhood. There are many options here, but none of them should fairly ask the citizens of Lafayette to pay \$50,000 -\$100,000 per year so a small number of dog walkers can use Brookwood Park. If separated, we would hope to work with the District to find a more equitable funding solution for ongoing maintenance at Brookwood Park.

Again, on behalf of the Lafayette city and county residents of Reliez Valley, we kindly and respectfully ask for separation from the Pleasant Hill Parks and Recreation District. We are simply not connected to the District in vision, strategy, recreational facilities and services and do not share the view that District should be concentrically focused on Pleasant Hill with us as a part of the District. While it might have made sense for our neighborhood to belong to the district in the past, that is simply not the case any longer, and has become, financially, heavily burdensome and fundamentally unfair.

Thank you for you consideration.

Respectfully, Lafayette City & County Residents and District Members,

Electronically signed by:

Shira Abel

Tom Barber

Roger Chelemedos

Yumi Chelemedos

Franca Del Ponte

Dave Dorian

Rachel Dreyer

Tom Dreyer

Brian Dunton

Shawna Dunton

Chris Evans

Lindy Evans

John Hemmenway

Kathy Hemmenway

Leonora Holmes

Neil Holmes

Hayes Hollar

Heidi Keely

Rick Keely

Rosemary Kirbach

Raj Krishna

Rupy Krishna

Lynda Lurie

Cathy McCarthy

Jack McCarthy

Maria Nelson

Matt Nelson

Dan O'Toole

Stephanie O'Toole

Erin Park

April Raffel

Robert Raffel

Ashley Stevens

Mike Stevens

Pete Stevens

Penny Stevens

Deborah Warren

Fred Warren

Jocelyn Werner

Peter Werner

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION
COMMISSION ADOPTING MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE DETERMINATIONS FOR THE
PLEASANT HILL RECREATION & PARK DISTRICT**

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code §56000 et seq.) provides that a Local Agency Formation Commission (LAFCO) shall adopt a Sphere of Influence (SOI) for each local governmental agency within its jurisdiction [§56425(a)] and that it must update each SOI every five years, as necessary (§56425(g)); and

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundary and service area of a local agency as determined by LAFCO; and

WHEREAS, §56430 requires that in order to update SOIs, the Commission shall conduct a Municipal Service Review (MSR) prior to or in conjunction with the SOI update; and

WHEREAS, the Commission has undertaken its 2nd round “*Parks & Recreation Services*” MSR covering all 19 cities, four community services districts (CSDs), three recreation & park districts, one regional park district, and eight county service areas; and

WHEREAS, this MSR, as prepared by Economic & Planning Systems, Inc and Berkson Associates, focuses on: 1) updating profile data including growth and population, finances (expenses, revenues, debt, reserves, rates/fee schedules, other fiscal indicators), and staffing/management; 2) capacity of public services, programs and facilities; service to disadvantaged communities; 3) shared services/facilities and collaboration; 4) accountability, structure and efficiencies; 5) governance structure options; and 6) metrics specific to parks & recreation services; and

WHEREAS, on April 14, 2021, the Commission held a public hearing to receive an overview of the Public Review Draft MSR, receive public comments, and provide input; and

WHEREAS, on June 9, 2021, the Commission held a public hearing to receive the Final Draft MSR and recommended determinations and SOI updates for certain agencies covered in the MSR, including the Pleasant Hill Recreation & Park District (PHRPD); and

WHEREAS, at the public hearings, the Commission heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard with respect to the MSR and SOI updates; and

WHEREAS, at the June 9, 2021 LAFCO meeting, the Commission deferred adopting the MSR/SOI update for PHRPD and formed a subcommittee to meet with City of Lafayette and PHRPD representatives and interested members of the public to further discuss the SOI update; and

WHEREAS, interested parties provided input to the LAFCO subcommittee; and

WHEREAS, the MSR contains the determinations required by §§56425 and 56430 relative to the SOI update and MSR, respectively, for the PHRPD incorporated in this resolution; and

WHEREAS, the proposed action consists of adopting the MSR determinations and updating the SOI for the PHRPD as presented in the 2nd round “*Parks & Recreation Services*” MSR; and

WHEREAS, adoption of the MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA), as MSRs are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded, pursuant to State CEQA Guidelines Section 15262; and

WHEREAS, as set forth in State CEQA Guidelines section 15061(b)(3), approval of the SOI update is not subject to CEQA because it can be seen with certainty that there is no possibility that the SOI update will have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that Contra Costa LAFCO hereby adopts the following MSR determinations for the PHRPD pursuant to §56430.

BE IT FURTHER RESOLVED, that Contra Costa LAFCO retains the existing SOI for PHRPD as depicted in Exhibit A (attached) and makes the following SOI determinations for the PHRPD pursuant to §56425.

MSR DETERMINATIONS

1. Growth and Population Projections

- a) The residential population served by PHRPD is projected to remain relatively stable, growing approximately 6%, between 2020 and 2040, for a total population in 2040 of approximately 43,975.
- b) With expected growth of 0.3% per year, the District's population is projected to grow more slowly than the County's population overall, which is expected to grow at an average of 0.72% per year.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

- a) There is a disadvantaged community located within the PHRPD's SOI in the southern portion of the City of Pleasant Hill, adjacent to the City of Walnut Creek. The community appears to have access to PHRPD parks, including the 11-acre Pleasant Oaks Park which has benefitted from recent investment and is in "very good" condition according to District staff.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- a) PHRPD offers nearly 260 acres of parkland, representing approximately 6.2 acres per 1,000 residents which exceeds the District's stated goals and is substantially greater than most other park and recreation providers in the County.
- b) PHRPD's active parks are well-amenitized with picnic and BBQ areas, tot lots, basketball courts, bocce courts, and restrooms. There are also special feature parks such as the Pleasant Hill Aquatic Park.
- c) The District adopted a Master Plan in February 2020 to guide park planning and investment.
- d) PHRPD performs regular capital improvements that help maintain District parks and facilities in mostly "very good" condition. There are some exceptions, and PHRPD staff noted that the Winslow Center, the School House, and the Chilpancingo Park are in "poor" condition and in need of significant upgrades.
- e) Pre-COVID, PHRPD offered robust recreational programming for all segments of the resident population and sponsors a range of community events each year.

4. Financial Ability of Agencies to Provide Services

- a) PHRPD has an annual operating budget of more than \$9 million per year, with revenues primarily coming from taxes, assessments, and charges for services, with a modest amount of additional revenue from grants and money/reserves/property. Publicly available budget documents indicate that the District is adequately funded and has the financial ability to provide robust services.
- b) PHRPD publishes a 5-year Capital Improvement Program Plan each year that supports implementation of the 2020 Master Plan priorities. For the period FY 2021 through FY 2024, nearly \$1.5 million of capital improvements is identified.
- c) COVID-19 has severely affected PHRPD's ability to offer recreational programming, creating financial vulnerability to monitor going forward.
- d) The District's parcel tax of \$47 per parcel does not include a cost inflator; as such, the value of the annual parcel tax erodes over time.

5) ***Status of, and Opportunities for, Shared Facilities***

- a) District staff reported that PHRPD shares some facilities with the Mt. Diablo Unified School District, including softball fields at the middle and high schools and the maintenance yard.

6) ***Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies***

- a) PHRPD is accountable to its service population and provides transparent governance and operations information. The District's website provides access to the agendas and minutes for the Board meetings and its various committees, as well as annual budgets and audits. The four standing committees include Budget and Finance, Land and Facilities, Program, and Personnel. There is also a Senior Club Board.
- b) The District fully responded to LAFCO's requests for information in a timely manner.
- c) PHRPD makes efforts to reach out to the community through its catalog of available classes, activities and community events called The Spotlight, which is a print publication sent out three times a year to 68,000 - 72,000 homes in Contra Costa County. Also, PHRPD sends an email news bulletin with current information about the District each month, as well as a monthly Senior Newsletter for PHRPD's Senior Center members.
- d) The 2010 MSR found that while PHRPD meets the legal requirement for establishment of a subsidiary district (of the City of Pleasant Hill) based on land area and registered voters, the District has functioned as an independent agency since 1951 and continues to provide adequate services. While some boundary clean-up may be appropriate, no changes to PHRPD's governance are recommended.

7) ***Any Other Matter Related to Efficient Service Delivery, As Required by Commission Policy***

- a) COVID-19 is having a significant effect on PHRPD's ability to offer recreational programs and sponsor community events. While this has negatively affected the District's revenues, there have been operational savings that have partially off-set the loss in revenue.

SOI DETERMINATIONS

1. ***Present and planned land uses in the area, including agricultural and open-space lands***

PHRPD's service boundary encompass the City of Pleasant Hill, a portion of the City of Lafayette (single family residential), small portions of the City of Walnut Creek (commercial), a portion of the unincorporated community of Waldon/Contra Costa Centre (commercial and multi-family residential), and the Reliez Valley (residential). Land uses within the District are primarily residential, with some light industrial and commercial areas. Land uses in the City of Pleasant Hill SOI area to the north of the City (along Pacheco Boulevard) are residential and light industrial. PHRPD has no land use authority; County and city plans include land uses and population growth that may impact the District's service population. The recommendation to retain the existing SOI will result in no changes in present and planned land uses.

2. ***Present and probable need for public facilities and services in the area***

Population within PHRPD is expected to increase by approximately 0.3% annually. While there will be a continued need for adequate park and recreational services in the District, the recommendation to retain the existing SOI will not result in any changes in public facilities or services provided by PHRPD.

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

PHRPD offers 260± acres of parkland, representing approximately 6.5 acres per 1,000 residents which exceeds the District's stated goals and is substantially greater than most other park and recreation providers in the County. PHRPD offers robust recreational programming for all segments of the resident population and sponsors a range of community events each year. Retaining the existing SOI as proposed will not affect the present capacity of public facilities and adequacy of services provided by PHRPD.

4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

There is a disadvantaged community located within PHRPD's SOI in the southern portion of the City of Pleasant Hill, adjacent to the City of Walnut Creek. The recommendation to retain the existing SOI will not affect the existence of any social or economic communities of interest in the area that are relevant to PHRPD.

5. Nature, location, and extent of any functions or classes of services provided by existing districts.

PHRPD directly provides park maintenance and recreation programming throughout District boundary.

PASSED AND ADOPTED this 11th day of August 2021.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Igor Skaredoff, Chair, Contra Costa LAFCO

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

Lou Ann Texeira, Executive Officer

Pleasant Hill Recreation & Park District and Sphere of Influence

