

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 10, 2022 (Agenda)

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Agenda Item 7

LAFCO Initiation of Dissolution of County Service Area R-9

SYNOPSIS

In June 2021, Contra Costa LAFCO completed its 2nd round *Parks & Recreation Services Municipal Services Review* (MSR) and Sphere of Influence (SOI) updates. The MSR covered all 19 cities, three parks & recreation districts, one regional park district, four community services districts, and eight County Service Areas (CSAs) including CSA R-9. Consistent with the recommendations in the MSR, the Commission adopted a zero SOI for CSA R-9 in June 2021 signalling future dissolution of this district.

In November 2021, the Commission considered initiating dissolution of CSA R-9, but deferred action for 6-9 months at the request of County Supervisor John Gioia and pending an update on the status of R-9. Supervisor Gioia reports that the working group exploring a parcel tax for parks in El Sobrante recently resumed meeting. Supervisor Gioia requests an additional extension of six months to continue these discussions.

DISCUSSION

Background: CSA R-9 was formed in 1974 to provide park and recreation services to the unincorporated El Sobrante community (Exhibit A). Since formation, there were five detachments from and three annexations to R-9. The R-9 service area is approximately 3.1± square miles with an estimated population of 15,639 (2020).

CSA R-9 is almost entirely within the City of Richmond's SOI with a small portion in the north that lies within the City of Pinole's SOI, and an island to the southwest which lies within the City of San Pablo's SOI. There are no disadvantaged communities within CSA R-9.

Within R-9 is the Children's Reading Garden located at the El Sobrante library. The Reading Garden was built with one-time park dedication fees and designed to have minimal maintenance. The Reading Garden is maintained by volunteers and the Library. R-9 has no money and no funding source to fund maintenance of the Children's Reading Garden. Park improvements in El Sobrante have been funded with one time park dedication funds collected on new development. The County reports that reliance on volunteer community members to maintain the Reading Garden is not sustainable due to liability and accountability issues. Further, the Reading Garden is 0.1± acres and does not provide sufficient capacity to meet current or future demands. There are limited opportunities for shared facilities given R-9's lack of resources.

Regarding financial ability of the district to provide services, R-9 lacks a secure source of revenue. Planned expenditures are expected to exceed revenues, which means maintenance and other expenses may need to be partially deferred. Two past attempts to pass assessments in 1985 and 1998 failed.

The MSR identified two SOI options for R-9: 1) retain the existing coterminous SOI, or 2) adopt a zero SOI signaling future dissolution of R-9 whereby the County would be the successor agency. County staff indicates that R-9 park maintenance duties could shift to the County Landscape & Lighting District.

In accordance with the MSR consultant and LAFCO staff recommendations, the Commission adopted a zero SOI as R-9 is not providing services and has no secure revenue source.

Commission Proceedings – A dissolution may be initiated by LAFCO if it is consistent with a recommendation or conclusions of a study prepared pursuant to GC §§56378, 56425, or 56430, and LAFCO makes determinations specified in §56881(b). Sections 56378, 56425, and 56430 require LAFCO to study existing agencies, make determinations regarding SOIs and conduct MSRs.

Section 56881(b) requires LAFCO to make both of the following determinations with regard to the proposed dissolution:

- (1) Public service costs of a proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternate means of providing the service.
- (2) A change of organization or reorganization that is authorized by the commission promotes public access and accountability for community service needs and financial resources.

Before LAFCO can dissolve a district, LAFCO must hold a public hearing. Should the Commission initiate dissolution of CSA R-9 today, a public hearing will be held at the next available LAFCO meeting.

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** Adopt a resolution initiating dissolution of CSA R-9 (Attachment 2) and direct staff to proceed with dissolution proceedings to be considered by the Commission at a future LAFCO meeting.
- Option 2** Defer adopting a resolution initiating dissolution of CSA R-9 and request an update within six months regarding the status of CSA R-9 including future funding options.
- Option 3** Do not adopt a resolution initiating dissolution of CSA R-9.
- Option 4** If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION: Option 2

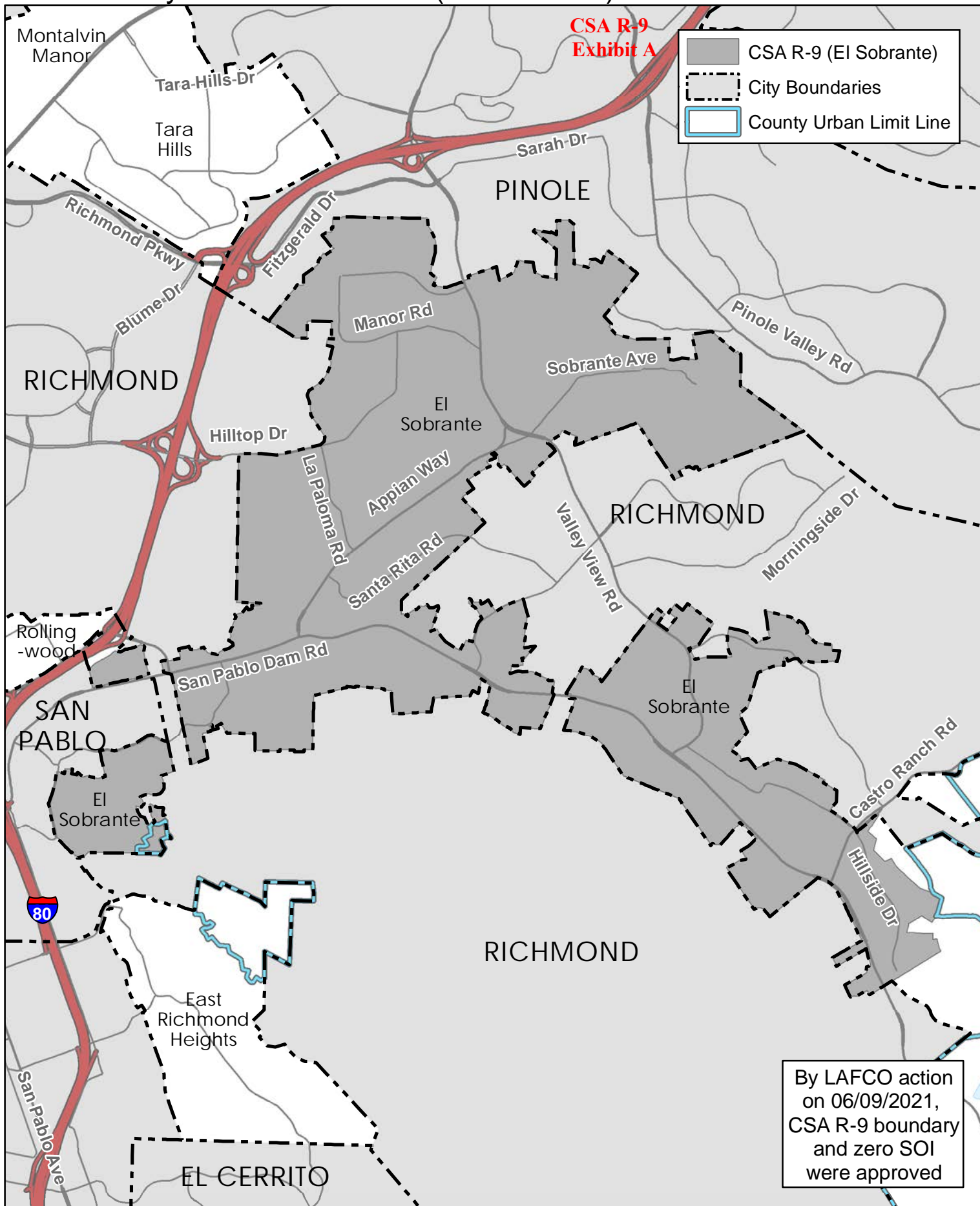
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachment:
LAFCO Draft Resolution Initiating Dissolution of CSA R-9

Exhibit:
LAFCO Map of CSA R-9

c: Distribution

County Service Area R-9 (El Sobrante) and Coterminus SOI



By LAFCO action on 06/09/2021, CSA R-9 boundary and zero SOI were approved

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION
COMMISSION TO INITIATE PROCEEDINGS FOR DISSOLUTION OF
COUNTY SERVICE AREA (CSA) R-9**

WHEREAS, the Commission desires to initiate a proposal pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act), commencing with section 56000 of the California Government Code (GC), to dissolve County Service Area (CSA) R-9 and appoint Contra Costa County as successor agency to wind up the affairs of CSA R-9 pursuant to GC §57451(b); and

WHEREAS, in accordance with GC §56375(a)(3), LAFCO may initiate a dissolution if it is consistent with a recommendation or conclusion of a study prepared pursuant to GC §56378, 56425 or 56430, and LAFCO makes the determinations specified in §56881(b); and

WHEREAS, on June 9, 2021, the Commission adopted determinations contained in the *2nd Round Parks & Recreation Services Municipal Services Review* and adopted a zero sphere of influence (SOI) signaling future dissolution of CSA R-9; and

WHEREAS, dissolution of CSA R-9 is consistent with the findings and recommendations contained in the *2nd Round Parks & Recreation Services Municipal Services Review*; and

WHEREAS, this proposed dissolution is being initiated because the district lacks a secure source of revenue and prior attempts to pass assessments have failed; planned expenditures are expected to exceed revenues; and facility maintenance and other expenses are at risk; and

WHEREAS, pursuant to GC §57451(b), for the purpose of winding up the affairs of a dissolved district, if the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the successor; and

WHEREAS, pursuant to GC §56886, terms and conditions relating to the proposed dissolution and appointment of Contra Costa County as the successor agency to wind up the affairs of the R-9 will be developed as part of LAFCO's proposal; and

WHEREAS a map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein; and

WHEREAS, LAFCO will be the lead agency for purposes of the California Environmental Quality Act (CEQA), and the proposed dissolution will be exempt under §15320 of the CEQA Guidelines as a change in organization of a local agency.

NOW, THEREFORE, this resolution is hereby adopted by Contra Costa LAFCO to: (1) initiate proceedings for dissolution of CSA R-9; (2) appoint Contra Costa County as successor agency to wind up the affairs of R-9 in the manner provided by the CKH Act; and (3) designate the LAFCO Executive Officer as the contact person for this proposal.

PASSED AND ADOPTED this 10th day of August 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

ROB SCHRODER, 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 above.

Dated: August 10, 2022

Lou Ann Texeira, Executive Officer