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ACRONYMS

ABAG:	Association of Bay Area Governments
BART:	Bay Area Rapid Transit
CCCA:	Contra Costa Centre Association
CEQA:	California Environmental Quality Act
CFD:	Community Facilities District
CSA:	County Service Area
DA:	Drainage Area
DFA:	Delta Ferry Authority
DUC:	Disadvantaged unincorporated community
GHAD:	Geologic Hazard Abatement District
JPA:	Joint Powers Authority
LAFCO:	Local Agency Formation Commission
MSR:	Municipal Service Review
NP:	Not provided
PWD:	Public Works Department
RD:	Reclamation District
PG&E:	Pacific Gas & Electric
SOI:	Sphere of influence
TDM:	Transportation Demand Management

P R E F A C E

Prepared for the Contra Costa Local Agency Formation Commission (LAFCO), this report is a municipal service review (MSR)—a state-required comprehensive study of services within a designated geographic area. This MSR focuses on local agencies providing miscellaneous services in Contra Costa County.

C O N T E X T

Contra Costa LAFCO is required to prepare this MSR by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR reviews services provided by public agencies—cities and special districts—whose boundaries and governance are subject to LAFCO. In order to provide comprehensive information on service provision, other service providers—private companies and public agencies which are not subject to LAFCO—may be addressed in this MSR, recognizing that LAFCO has no authority over these types of agencies.

C R E D I T S

The authors extend their appreciation to those individuals at many agencies that provided planning and financial information and documents used in this report. The contributors are listed individually at the end of this report.

Contra Costa LAFCO Executive Officer, Lou Ann Texeira, provided project direction and review. Credit for archival review and organization belongs to Lou Ann Texeira and LAFCO staff Kate Sibley. Chris Howard of the Contra Costa County Conservation and Development Department prepared maps and conducted GIS analysis.

This report was prepared by Burr Consulting. Beverly Burr served as principal author.

1. EXECUTIVE SUMMARY

This report is a countywide Municipal Service Review (MSR) of local agencies providing miscellaneous services, prepared for the Contra Costa Local Agency Formation Commission (LAFCO). An MSR is a State-required comprehensive study of services within a designated geographic area, in this case, Contra Costa County. The MSR requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.). Once MSR findings are adopted, the Commission will update the spheres of influence (SOIs) of the agencies. This report identifies and analyzes SOI options for the Commission's consideration.

SERVICE PROVIDERS

This report is the final MSR in LAFCO's inaugural cycle, and focuses on seven county service areas (CSAs) that provide a variety of transportation, maintenance and financing services, as shown in Table 1-1.¹

Table 1-1: Local Agencies Reviewed

CSA Name	Services Provided	Location
CSA D-2 (Walnut Creek Drainage)	Financing for drainage infrastructure	Central portion of the City of Walnut Creek and adjacent unincorporated areas of San Miguel, Walnut Knolls, Wild Oak, and a portion of Shell Ridge
CSA L-100 (Street Lighting)	Street light maintenance	Most of the developed, unincorporated areas in the County
CSA M-1 (Delta Ferry)	Financing for ferry service	Unincorporated Bradford Island and Webb Tract
CSA M-20 (View Pointe)	Parkway tree maintenance services	View Pointe subdivision in unincorporated Rodeo
CSA M-23 (Blackhawk)	Drainage and geologic hazard abatement services	Unincorporated area of Blackhawk
CSA M-31 (Pleasant Hill BART)	Transportation demand management (shuttle, carpool, transit incentives, etc.)	The Pleasant Hill/Contra Costa Centre BART station vicinity in unincorporated Walnut Creek
CSA T-1 (Public Transit)	Planning for transit services (carpool, vanpool)	Alamo Creek, Monterosso, and Ponderosa Colony communities in unincorporated Camino Tassajara

This report is the first comprehensive MSR in this cycle for each of the seven CSAs. LAFCO will update the spheres of influence (SOIs) for the seven CSAs at the completion of this review.

¹ Certain other County Service Areas providing miscellaneous services were reviewed in the *Police Services MSR* (2011) and the *Parks and Cemetery Services MSR* (2010).

GENERAL FINDINGS

Governance

Each of the seven CSAs is a dependent special district and is governed by the Contra Costa County Board of Supervisors.

There are no advisory bodies for the seven CSAs reviewed in this MSR. Affected constituents may provide input directly to County staff or the respective member of the Board of Supervisors.

Financing

The County practices appropriate fund accounting for each CSA, and prepares annual budgets.

For six of the seven CSAs (all except CSA D-2), the annual budget adds the CSA fund balance to budgeted expenditure line items. The County could improve transparency in its budgeting practices by separately identifying fund balances, so that constituents know what budgeted costs are.

Management and Accountability

The miscellaneous CSAs are managed by the Contra Costa County Public Works Department whose staff performs budget, assessment update, and service delivery or oversight functions.

All CSAs demonstrated accountability in the disclosure of information and cooperation with LAFCO.

Constituent outreach activities are minimal for the CSAs.

CSA D-2 (WALNUT CREEK DRAINAGE)

CSA D-2 finances drainage infrastructure in the central portion of the City of Walnut Creek and in the adjacent unincorporated areas of San Miguel, Walnut Knolls and Wild Oak. The CSA's primary revenue source is parcel fees paid when parcels initially develop or add impervious surface. Its revenues are extremely limited (less than \$10,000 annually) because the area is built out. The CSA has minimal activities in most years due to its low revenues, and accumulates a fund balance to finance drainage improvement projects. The CSA prepared a master plan in 1970 to address flooding problems in the area; although some planned improvements have been completed, much is left to be constructed. There are significant unfunded infrastructure needs and ongoing flooding affects some of the properties in the CSA.

The CSA does not have a current capital improvement plan which may be a detriment to its ability to pursue grants and other funding opportunities. LAFCO may wish to recommend that the CSA estimate the extent and costs of needed infrastructure projects, and that CSA staff and the City of Walnut Creek collaborate in identifying funding opportunities in advance of the next MSR cycle.

CSA L-100 (STREET LIGHTING)

CSA L-100 provides street light maintenance services to most of the developed unincorporated areas. The County required developing properties to annex to CSA L-100 until 2010. The CSA bounds are complex and cover 70 percent of unincorporated parcels. Unincorporated areas outside the CSA bounds and service area include portions of Alamo, Bethel Island, Reliez Valley, and the unincorporated islands in the Walnut Creek area. Street light service levels are quite low in portions of the boundary area; there appear to be unserved areas within CSA bounds in the new growth areas of Blackhawk, Camino Tassajara, and Norris Canyon as well as on Bethel Island. Street light densities (lights per road mile) tend to be higher in most of the cities than in the CSA.

The majority of street lights are owned and maintained by PG&E, although the County does own 2,205 street lights. The CSA's response time for replacing street light bulbs and other repairs is a median of 29 days; by comparison, PG&E's median response time is 41 days.

The CSA is financed by property taxes allocated to it by portions of its boundary area and by service charges paid by all parcels in its bounds (about \$15 for a single-family home). Due to a reportedly inadequate funding level and to the plethora of annexation activity (11 annexations in an average year), the County formed a Community Facilities District (CFD) and now annexes development to the CFD rather than the CSA. A typical single-family home in the CFD pays \$64 in annual service charges.

The CSA's annual revenues of \$1.4 million are spent on utility costs and on repair and maintenance of County-owned street lights. The CSA does not have a plan for replacement of defunct street lights (which have an average life expectancy of 50 years), and it is unclear if funds are adequate for capital needs. LAFCO may wish to encourage the CSA to develop a basic capital replacement plan. The CSA has accumulated a \$5.1 million fund balance. The CSA reported that a potential use for the CSA's reserves is to buy out PG&E street lights in the event that the PG&E service level should become problematic.

CSA M-1 (DELTA FERRY)

CSA M-1 provides financing for the Delta Ferry Authority (DFA) to defray a portion of its costs for ferry service to unincorporated Bradford Island and Webb Tract. DFA is a joint powers authority whose members are the County and Reclamation Districts Nos. 2026 (Webb Tract) and 2059 (Bradford Island). There is no road access from the mainland to the vacation homes on Bradford Island or the agricultural operations on Webb Tract. CSA revenues are generated by property taxes, and cover 13 percent of ferry costs, with the remainder of ferry costs funded by the reclamation districts and by ferry fares.

The funding level is minimally adequate. The ferry vessel is in fair condition, and approaching the end of its expected life span, and ferry landings are quite old and in fair condition. Accountability for ferry passengers is provided by ferry captains, the reclamation districts and a passenger hotline.

CSA M-20 (VIEW POINTE)

CSA M-20 provides parkway tree maintenance services to the View Pointe Subdivision in unincorporated Rodeo. Specifically, the CSA fund weekly tree trimming services along the north side of Willow Avenue. Funded by property taxes, the CSA's annual revenues are about \$9,000.

CSA M-23 (BLACKHAWK)

CSA M-23 provides funding for drainage maintenance and geologic hazard abatement services in the unincorporated area of Blackhawk. The service area includes six gated communities, and is located at the base of Mount Diablo. Funded by property taxes, the CSA's annual revenues are \$1.7 million. The CSA spends 97 percent of its budget on the geologic hazard abatement services and the remainder on drainage maintenance services provided by County staff.

The clay soils and slopes in the area are conducive to landslides after heavy rains. The CSA funds the Blackhawk Geologic Hazard Abatement District (GHAD) to prevent and repair landslides. The CSA contributes 100 percent of the GHAD's funding. The GHAD is governed by the Board of Supervisors and managed by a private contractor. Under its current management, the GHAD is implementing a variety of studies and plans, and appears to be managed professionally.

The CSA-funded GHAD has accumulated enough financial reserves to address extraordinary landslide needs in the event of an El Niño or a very heavy rain.

CSA M-31 (PLEASANT HILL BART)

CSA M-31 finances transportation demand management (TDM) services to commercial office properties in Contra Costa Centre. To mitigate traffic impacts, entitlement conditions for each of the properties included a requirement to show that at least 30 percent of full-time employees are using public transit, carpools, vanpools, walking or bicycling as a mode of transportation. Each property was also required to participate in an area-wide TDM program, and to approve an assessment to fund TDM services. There are now 4,000-5,000 employees working at the properties in the CSA, and further growth is anticipated.

The CSA funds services that are provided directly by a non-profit agency, the Contra Costa Centre Association (CCCA), that is governed by the affected property owners. CCCA provides transit subsidies and incentives for employees to use carpools, vanpools, and bicycle or walk to work; about four percent of employees in the CSA use these financial incentive programs. CCCA also provides a mid-day shuttle to nearby malls, and provides employees with access to its fleet of environmentally-friendly vehicles. A 2010 employee survey showed that 30 percent of employees used a transportation mode other than a single-occupant vehicle.

County staff provides budgeting oversight and prepares an annual report on the CSA and its assessment. LAFCO may wish to encourage County staff to provide independent oversight over CCCA's effectiveness and outcomes, and for the CSA to report such information in its annual report.

CSA T-1 (TRANSIT SERVICES)

CSA T-1 was formed in 2006 to provide transportation demand management (TDM) services to the Alamo Creek, Monterosso and Ponderosa Colony communities in unincorporated Camino Tassajara. The subdivisions were challenged on environmental grounds, and the County ultimately required them to fund TDM services to mitigate traffic impacts. The subdivisions are now partially built, with 869 homes completed, 250 in construction, and another 277 units approved. The conditions of approval provided that TDM services begin operation once 400 homes had been completed.

The CSA is funded by assessments (\$369 annually per home). Its annual revenues are about \$325,000. The CSA activities to date are planning, surveying, outreach and analysis of future transportation services to be provided. Due to its limited activities thus far, the CSA has been spending a fraction of its resources, and has accumulated a fund balance of \$1.3 million that it intends to use for future services and purchase of vehicles.

A 2005 study found there is a limited market for public transit services in the area, and developed the original plan for CSA services to include rush-hour commuter service involving vanpools and eventually mini-bus service. The CSA conducted a survey of residents in FY 10-11; that study recommended carpool and vanpool programs, public outreach and bicycle infrastructure improvements. The CSA reports that it intends to develop a multi-year plan of action in 2013, and solicit bids from prospective service providers. LAFCO may wish to require the CSA to report back to LAFCO in one year on its progress in initiating direct services.

SOI UPDATES

This report identifies alternatives for LAFCO to consider as it updates the spheres of influence (SOIs) of the seven county service areas. An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. The SOI essentially defines where and what types of government reorganizations, such as annexation, detachment, dissolution or consolidation, may be initiated. The governing bodies of local agencies and voters may initiate reorganizations so long as they are consistent with the SOIs. An SOI change neither initiates nor approves a government reorganization. If and when a government reorganization is initiated, there are procedural steps required by law, including a protest hearing and/or election by which voters may choose to approve or disapprove a reorganization. The author's SOI recommendations are shown in Table 1-2.

Table 1-2: SOI Update Options

Agency	SOI Options	Author's Recommendation
CSA D-2 (Walnut Creek Drainage)	1) Retain coterminous SOI 2) Zero SOI	Retain coterminous SOI
CSA L-100 (Street Lighting)	1) Coterminous SOI 2) Reduce SOI to exclude territory in cities' SOIs 3) Zero SOI	Reduce SOI to exclude territory in cities' SOIs
CSA M-1 (Delta Ferry)	1) Retain coterminous SOI	Retain coterminous SOI
CSA M-20 (View Pointe)	1) Retain coterminous SOI	Retain coterminous SOI
CSA M-23 (Blackhawk)	1) Retain coterminous SOI 2) Reduce SOI to exclude non-contributing areas	Retain coterminous SOI
CSA M-31 (Pleasant Hill BART)	1) Retain coterminous SOI 2) Increase SOI to include interior roads	Increase SOI to include interior roads
CSA T-1 (Public Transit)	1) Adopt coterminous SOI 2) Adopt annexable SOI containing Wendt Ranch subdivision 3) Adopt provisional SOI 4) Adopt zero SOI	Adopt provisional coterminous SOI and require the CSA to report back to LAFCO on its service provision progress in one year.

2. LAFCO AND MUNICIPAL SERVICE REVIEWS

This report is prepared pursuant to legislation enacted in 2000 that requires LAFCO to conduct a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCO's jurisdiction. This chapter provides an overview of LAFCO's history, powers and responsibilities, discusses the origins and legal requirements for preparation of the municipal service review (MSR), and reviews the processes for MSR approval and SOI updates.

LAFCO OVERVIEW

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures in a given region, and existing agencies often competed for expansion areas. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open-space lands.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of a Local Agency Formation Commission, or LAFCO.

The Contra Costa LAFCO was formed as a countywide agency to discourage urban sprawl and encourage the orderly formation and development of local government agencies. LAFCO is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure. The Commission's efforts are focused on ensuring that services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge, LAFCO conducts service reviews to evaluate the provision of municipal services within the County.

LAFCO regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individuals. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCO is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, establishment of subsidiary districts, formation of a new district or districts, and any reorganization including such actions. Otherwise, LAFCO actions must originate as petitions or resolutions from affected voters, landowners, cities or districts.

Contra Costa LAFCO consists of seven regular members: two members from the Contra Costa County Board of Supervisors, two city council members, two independent special district members, and one public member who is appointed by the other members of the Commission. There is an alternate in each category. All Commissioners are appointed to four-year terms. The Commission members are shown in Table 2-1.

Table 2-1: Commission Members, 2013

Appointing Agency	Members	Alternate Members
Two members from the Board of Supervisors appointed by the Board of Supervisors.	Federal Glover Mary N. Piepho	Candace Andersen
Two members representing the cities in the County. Must be a city officer and appointed by the City Selection Committee.	Don Tatzin, <i>City of Lafayette</i> Rob Schroder, <i>City of Martinez</i>	Tom Butt <i>City of Richmond</i>
Two members representing the independent special districts in the County. Must be a district governing body member and appointed by the independent special district selection committee.	Dwight Meadows, <i>Contra Costa Resource Conservation Dist.</i> Michael R. McGill, <i>Central Contra Costa Sanitary District</i>	George H. Schmidt, <i>West County Wastewater Dist.</i>
One member from the general public appointed by the other six Commissioners.	Donald A. Blubaugh	Sharon Burke

MUNICIPAL SERVICE REVIEW ORIGINS

The MSR requirement was enacted by the Legislature months after the release of two studies recommending that LAFCOs conduct reviews of local agencies. The “Little Hoover Commission” focused on the need for oversight and consolidation of special districts, whereas the “Commission on Local Governance for the 21st Century” focused on the need for regional planning to ensure adequate and efficient local governmental services as the California population continues to grow.

LITTLE HOOVER COMMISSION

In May 2000, the Little Hoover Commission released a report entitled *Special Districts: Relics of the Past or Resources for the Future?* This report focused on governance and financial challenges among independent special districts, and the barriers to LAFCO’s pursuit of district consolidation and dissolution. The report raised the concern that “the underlying patchwork of special district governments has become unnecessarily redundant, inefficient and unaccountable.”²

In particular, the report raised concern about a lack of visibility and accountability among some independent special districts. The report indicated that many special districts hold excessive reserve funds and some receive questionable property tax revenue. The report expressed concern about the lack of financial oversight of the districts. It asserted that financial reporting by special districts is inadequate, that districts are not required to submit financial information to local elected officials, and concluded that district financial information is “largely meaningless as a tool to evaluate the effectiveness and efficiency of services provided by districts, or to make comparisons with neighboring districts or services provided through a city or county.”³

The report questioned the accountability and relevance of certain special districts with uncontested elections and without adequate notice of public meetings. In addition to concerns about the accountability and visibility of special districts, the report raised concerns about special districts with outdated boundaries and outdated missions. The report questioned the public benefit provided by health care districts that have sold, leased or closed their hospitals, and asserted that LAFCOs consistently fail to examine whether they should be eliminated. The report pointed to service

² Little Hoover Commission, 2000, p. 12.

³ Little Hoover Commission, 2000, p. 24.

improvements and cost reductions associated with special district consolidations, but asserted that LAFCOs have generally failed to pursue special district reorganizations.

The report called on the Legislature to increase the oversight of special districts by mandating that LAFCOs identify service duplications and study reorganization alternatives when service duplications are identified, when a district appears insolvent, when district reserves are excessive, when rate inequities surface, when a district's mission changes, when a new city incorporates and when service levels are unsatisfactory. To accomplish this, the report recommended that the State strengthen the independence and funding of LAFCOs, require districts to report to their respective LAFCO, and require LAFCOs to study service duplications.

COMMISSION ON LOCAL GOVERNANCE FOR THE 21ST CENTURY

The Legislature formed the Commission on Local Governance for the 21st Century ("21st Century Commission") in 1997 to review statutes on the policies, criteria, procedures and precedents for city, county and special district boundary changes. After conducting extensive research and holding 25 days of public hearings throughout the State at which it heard from over 160 organizations and individuals, the 21st Century Commission released its final report, *Growth Within Bounds: Planning California Governance for the 21st Century*, in January 2000.⁴ The report examines the way that government is organized and operates and establishes a vision of how the State will grow by "making better use of the often invisible LAFCOs in each county."

The report points to the expectation that California's population will double over the first four decades of the 21st Century, and raises concern that our government institutions were designed when our population was much smaller and our society was less complex. The report warns that without a strategy open spaces will be swallowed up, expensive freeway extensions will be needed, job centers will become farther removed from housing, and this will lead to longer commutes, increased pollution and more stressful lives. *Growth Within Bounds* acknowledges that local governments face unprecedented challenges in their ability to finance service delivery since voters cut property tax revenues in 1978 and the Legislature shifted property tax revenues from local government to schools in 1993. The report asserts that these financial strains have created governmental entrepreneurship in which agencies compete for sales tax revenue and market share.

The 21st Century Commission recommended that effective, efficient and easily understandable government be encouraged. In accomplishing this, the 21st Century Commission recommended consolidation of small, inefficient or overlapping providers, transparency of municipal service delivery to the people, and accountability of municipal service providers. The sheer number of special districts, the report asserts, "has provoked controversy, including several legislative attempts to initiate district consolidations,"⁵ but cautions LAFCOs that decisions to consolidate districts should focus on the adequacy of services, not on the number of districts.

Growth Within Bounds stated that LAFCOs cannot achieve their fundamental purposes without a comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Comprehensive knowledge of water and sanitary providers, the report argued, would promote consolidations of water and sanitary districts, reduce water costs and promote a more comprehensive approach to the use of water resources. Further, the report asserted

⁴ The Commission on Local Governance for the 21st Century ceased to exist on July 1, 2000, pursuant to a statutory sunset provision.

⁵ Commission on Local Governance for the 21st Century, 2000, p. 70.

that many LAFCOs lack such knowledge and should be required to conduct such a review to ensure that municipal services are logically extended to meet California's future growth and development.

MSRs would require LAFCO to look broadly at all agencies within a geographic region that provide a particular municipal service and to examine consolidation or reorganization of service providers. The 21st Century Commission recommended that the review include water, wastewater, and other municipal services that LAFCO judges to be important to future growth. The Commission recommended that the service review be followed by consolidation studies and be performed in conjunction with updates of SOIs. The recommendation was that service reviews be designed to make nine determinations, each of which was incorporated verbatim in the subsequently adopted legislation. The legislature since consolidated the determinations into six required findings.

MUNICIPAL SERVICE REVIEW LEGISLATION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO review and update SOIs not less than every five years and to review municipal services before updating SOIs. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Effective January 1, 2008, Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- 1) Growth and population projections for the affected area;
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI;
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;⁶
- 4) Financial ability of agencies to provide services;
- 5) Status of, and opportunities for shared facilities;
- 6) Accountability for community service needs, including governmental structure and operational efficiencies; and
- 7) Any other matter related to effective or efficient service delivery, as required by commission policy.

⁶ Disadvantaged unincorporated community means an inhabited community with an annual median household income that is less than 80 percent of the statewide annual median household income.

SPHERES OF INFLUENCE

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services. Every determination made by a commission must be consistent with the SOIs of local agencies affected by that determination;⁷ for example, territory may not be annexed to a city or district unless it is within that agency's sphere. SOIs should discourage duplication of services by local governmental agencies, guide the Commission's consideration of individual proposals for changes of organization, and identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations.

Contra Costa LAFCO policies are that LAFCO discourages inclusion of land in an agency's SOI if a need for services provided by that agency within a 5-10 year period cannot be demonstrated. SOIs generally will not be amended concurrently with an action on the related change of organization or reorganization. A change of organization or reorganization will not be approved solely because an area falls within the SOI of any agency. In other words, the SOI essentially defines where and what types of government reorganizations (e.g., annexation, detachment, dissolution and consolidation) may be initiated. If and when a government reorganization is initiated, there are a number of procedural steps that must be conducted for a reorganization to be approved. Such steps include more in-depth analysis, LAFCO consideration at a noticed public hearing, and processes by which affected agencies and/or residents may voice their approval or disapproval.

The Cortese-Knox-Hertzberg Act requires LAFCO to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI every five years. LAFCOs are empowered to adopt, update and amend the SOI. They may do so with or without an application and any interested person may submit an application proposing an SOI amendment.

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines and practices of Contra Costa LAFCO as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI:

- 1) Coterminous Sphere: The sphere for a city or special district that is the same as its existing boundaries.
- 2) Annexable Sphere: A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere.
- 3) Detachable Sphere: A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere.
- 4) Zero Sphere: A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

⁷ Government Code §56375.5.

- 5) Consolidated Sphere: A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.
- 6) Limited Service Sphere: A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services.
- 7) Sphere Planning Area: LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.
- 8) Provisional Sphere: LAFCO may designate a provisional sphere that automatically sunsets if certain conditions occur.

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years. In updating the SOI, LAFCO is required to conduct a municipal service review (MSR) and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- Present and planned land uses in the area, including agricultural and open-space lands;
- Present and probable need for public facilities and services in the area;
- Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;
- Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- The present and probable need for public sewer, water, or fire protection facilities and services of any disadvantaged unincorporated communities within the existing SOI.⁸

MSR AND SOI UPDATE PROCESS

The MSR process does not require LAFCO to initiate changes of organization based on service review findings, only that LAFCO identify potential government structure options. However, LAFCO, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. LAFCO may act with respect to a recommended change of organization or reorganization on its own initiative, at the request of any agency, or in response to a petition.

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCO's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

Once LAFCO has adopted the MSR determinations, it must update the SOIs for seven CSAs. This report identifies preliminary SOI policy alternatives and recommends SOI options for each agency. Development of actual SOI updates will involve additional steps, including development of recommendations by LAFCO staff, opportunity for public input at a LAFCO public hearing, and

⁸ The fifth determination relating to disadvantaged communities is required for an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

consideration and changes made by Commissioners. A CEQA determination will then be made on a case-by-case basis once the proposed project characteristics are clearly identified.

The CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided and that LAFCO clearly establish the location, nature and extent of services provided by special districts. Accordingly, each local agency's class of services provided is documented in this MSR. The MSR described the nature, location, and extent of functions or classes of services provided by existing districts, which is a procedural requirement for LAFCO to complete when updating SOIs.

LAFCO must notify affected agencies 21 days before holding a public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

3. COUNTY SERVICE AREAS

This MSR reviews seven County Service Areas (CSAs) in Contra Costa County that serve as financing mechanisms for a variety of miscellaneous services. The CSAs are administered by the Contra Costa County Public Works Department.

CSA OVERVIEW

All Contra Costa CSAs are located entirely within Contra Costa County. Contra Costa is the principal county and Contra Costa LAFCO has jurisdiction.

The principal act that governs CSAs is the County Service Area law.⁹ The principal act authorizes CSAs to provide a wide variety of municipal services, including landscaping, street lighting, geologic hazard abatement, drainage, transportation, parks and recreation, and extended police protection.¹⁰ A CSA may only provide those services authorized in its formation resolution unless the Board of Supervisors adopts a resolution authorizing additional services. CSAs must apply and obtain LAFCO approval to exercise latent powers or, in other words, those services authorized by the principal act but not authorized by LAFCO.¹¹ If LAFCO had approved formation of a CSA with a condition requiring LAFCO approval for new services, the Board of Supervisors must first obtain LAFCO approval before authorizing additional services.

In accordance with changes in State law (SB 1458), in 2009, LAFCO completed an inventory of all CSAs within the County and the services they provide.

GOVERNANCE

All CSAs are dependent special districts governed by the County Board of Supervisors, as shown in Table 3-1.

The County is governed by a five-member governing body, consisting of the County Board of Supervisors. Board members are elected by district to staggered four-year terms. The last contested election for a board seat occurred in 2012.

There are no advisory bodies for the seven CSAs reviewed in this MSR. Affected property owners may provide input directly to the County's Special Districts Manager. With regard to customer service, complaints may be submitted by telephone, mail, or email to the County's Special Districts Manager or the respective member of the Board of Supervisors.

Constituent outreach activities are minimal for the CSAs. CSA T-1, which is in a start-up planning mode, has solicited constituent input on transportation modes and needs for purposes of planning useful services.

⁹ Government Code §25210-25217.4.

¹⁰ Government Code §25213.

¹¹ Government Code §25210.2(g).

Table 3-1: County Governing Body

Contra Costa County				
Governing Body				
	Name	District	Began Serving	Term Expires
<i>Board of Supervisors</i>	John M. Gioia	District I	1999	2014
	Candace Andersen	District II	2012	2016
	Mary N. Piepho	District III, Chair	2005	2016
	Karen Mitchoff	District IV	2010	2014
	Federal D. Glover	District V	2001	2016
<i>Manner of Selection</i>	Elections by district			
<i>Length of Term</i>	Four years			
<i>Meetings</i>	Date: Tuesdays at 9:30 a.m.	Location: 651 Pine St., Room 107 Martinez, CA 94553		
<i>Agenda Distribution</i>	Online and posted			
<i>Minutes Distribution</i>	Video of meetings available online and minutes by request			
Contact				
<i>Contact</i>	Special Districts Manager			
<i>Mailing Address</i>	Contra Costa County Public Works Department, 255 Glacier Drive, Martinez, CA 94553			
<i>Email</i>	special.districts@pw.cccounty.us			

All CSAs demonstrated accountability in the disclosure of information and cooperation with LAFCO. The agencies responded to LAFCO’s written questionnaires and cooperated with LAFCO document requests.

FINANCING

The County practices fund accounting, with separate funds established for each legally separate CSA. Detailed financing information for each CSA can be found in the following CSA-specific sections.

All seven CSAs complied with annual budgeting and annual reports to the State Controller. County staff reports that CSA funds are audited annually.

For six of the seven CSAs reviewed, financial reporting practices in the County’s annual budget was less than transparent due to inclusion of fund balance information with expenditures; as a result, it was not possible to determine what budgeted expenditures were from the County budget. The County could improve transparency by separately identifying fund balance encumbrances so that CSA budgeted expenditures can be identified. The Auditor-Controller’s office reports that it includes the fund balance with budgeted expenditures in the Final Budget to conform to State Controller Office reporting requirements. The County’s recommended budget (prepared by the County Administrator) does not include information on budgeted CSA expenditures.

CSAs are primarily financed through property taxes, assessments and interest. For the various CSA, there was no interest revenue in FY 11-12 in spite of positive fund balances; the County reports this was a one-time anomaly and that it continually invests fund balances.

The County reported that the current financing level for these CSAs is adequate to deliver services, with the exception of CSA D-2.

There is no adopted policy on CSA financial reserves, although certain CSAs (such as CSA T-1) have targets for capital and operating financial reserves. None of the CSAs had long-term debt at the end of FY 11-12, although they are authorized by the principal act to issue bonded debt.

CSAs engage in joint financing arrangements in that the CSAs supplement standard funding sources. No other facility sharing opportunities were identified.

MANAGEMENT

The miscellaneous CSAs are managed by the Contra Costa County Public Works Department. The County staff formulates and monitors budgets, and coordinates and oversees infrastructure improvements and installation specific to each CSA.

The County does not conduct benchmarking related to CSAs. The County annually prepares audited financial statements; however, CSA information is not identifiable in these statements.

The County does not engage in planning efforts specifically oriented toward the CSAs. CSA-specific planning efforts are discussed in the sections specific to each of the CSAs.

MSR DETERMINATIONS

Accountability for community service needs, including governmental structure and operational efficiencies

- 1) The County conducts annual budgeting and financial audits for each of the CSAs.
- 2) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 3) The County could improve transparency by separately identifying fund balance encumbrances so that CSA budgeted expenditures could be identified.

CSA D-2 (WALNUT CREEK DRAINAGE)

CSA D-2 provides funding for drainage infrastructure in the San Ramon Creek watershed which includes a central portion of the City of Walnut Creek and adjacent unincorporated areas of San Miguel, Walnut Knolls, Wild Oak, and a portion of Shell Ridge.

FORMATION AND BOUNDARY

CSA D-2 was formed on December 31, 1968 as a dependent special district of the County.¹² The CSA was formed at the request of residents to create a taxing entity to alleviate drainage basin flood and drainage problems, and to seek federal funds.¹³ The area had been originally developed in the 1940s and 1950s without a storm drainage system or plans, and some of the homes were being inundated and some roads impassable due to frequent flooding.¹⁴ An attempt to form a drainage area with an ad valorem tax had been rejected by residents in the 1960s. The CSA replaced County Storm District No. 8 (which had been formed and dissolved in 1963).¹⁵

The boundary area of the CSA is approximately 1,571 acres, or 2.5 square miles. The SOI for CSA D-2 is coterminous with the boundary of the CSA, and was last updated in 2004.¹⁶

Since formation, there have been no boundary changes.

SERVICE DEMAND AND GROWTH

The CSA boundary area is in the central portion of the City of Walnut Creek and in the adjacent unincorporated areas of San Miguel, Walnut Knolls and Wild Oak.

Land uses within the CSA are primarily low-density residential and open space, but also include medium-density residential, office, hospital, and public uses.¹⁷ The eastern portion of the Shell Ridge Open Space is within the CSA. Major employers in the area include John Muir Memorial Hospital, and other employers are primarily medical offices and local retail. No major residential development projects are proposed or planned in the area.

Figure 3-1: Walnut Creek at Homestead Avenue



¹² Board of Equalization official date.

¹³ Contra Costa LAFCO, Staff Report for the Aug. 7, 1968 Commission Hearing, 1968.

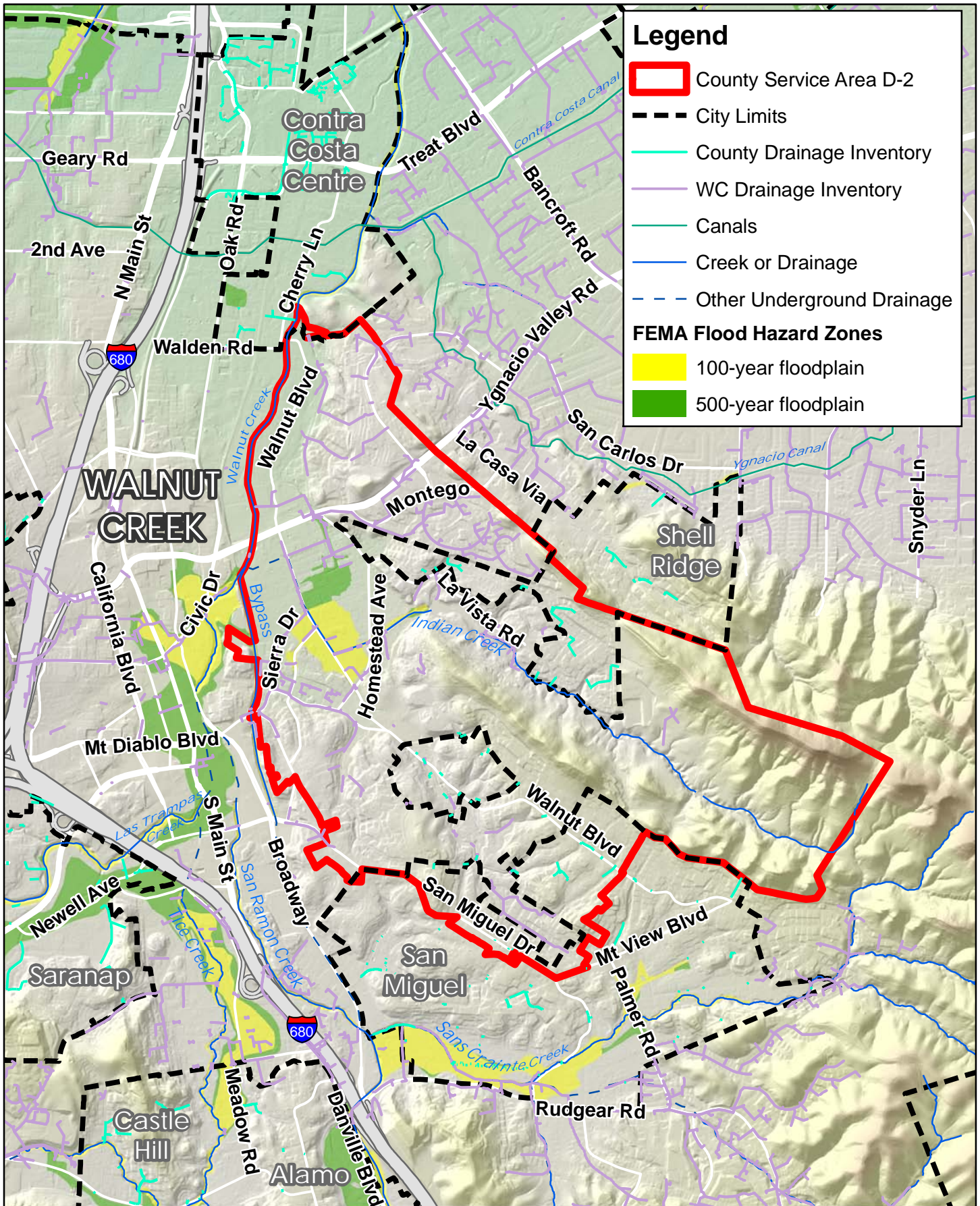
¹⁴ Contra Costa Times, *Walnut Blvd. Group Plans Drainage Fight*, June 21, 1967.

¹⁵ Contra Costa County Public Works Department, *Formation History*, 2001.

¹⁶ Contra Costa LAFCO, *Minutes of the May 12, 2004 LAFCO Meeting*, 2004.

¹⁷ City of Walnut Creek, *General Plan 2025*, April 4, 2006.

Map 3-1: County Service Area D-2 (Walnut Creek Drainage)



Legend

- County Service Area D-2
- City Limits
- County Drainage Inventory
- WC Drainage Inventory
- Canals
- Creek or Drainage
- Other Underground Drainage

FEMA Flood Hazard Zones

- 100-year floodplain
- 500-year floodplain



The area contains a portion of the San Ramon Creek watershed, including Indian Creek and Walnut Creek. Service demand for drainage is driven primarily by rainfall and secondarily by the development of impervious surfaces. The most recent flood event in the CSA occurred in the winter of 2005-6. Previous flooding events occurred in 1982 and 1986. Walnut Creek tends to flood approximately once every 15 years.

There are 4,459 residential units in the CSA bounds, according to Assessor parcel data. The estimated population within the CSA was 8,694 as of 2012.¹⁸ The CSA boundary area is nearly built out, with only modest growth anticipated. Generally in the Walnut Creek area, ABAG projects slow residential growth between 2010 and 2030, anticipating overall growth of 13 percent over the 20-year period.¹⁹ By comparison, the countywide average population growth is projected at 17 percent over the same period. Commercial growth is expected to be limited in the area.

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.²⁰

The CSA is a dependent special district of the County, and is not a land use authority. The County and the City of Walnut Creek are the land use authorities, and are responsible for implementing growth strategies in their respective jurisdictions.

FINANCING

Both the CSA and the City of Walnut Creek reported that funding is not adequate to provide for adequate drainage infrastructure in the CSA bounds.

Table 3-2: CSA D-2 Financial Information

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$291,995	\$295,984	NP
Revenues	7,687	4,206	6,200
Development Fee	6,833	3,550	6,200
Interest	854	656	0
Expenditures	4	217	0
Services and Supplies	0	0	NP
Other Charges	4	4	NP
Transfers / Admin	0	213	NP

The CSA revenues were \$4,206 in FY 11-12. Revenues were composed of parcel fees (84 percent) and interest income (16 percent). The fee of \$2,667 per acre (which amounts to \$0.06 per square foot) is charged only when parcels initially develop or add impervious surface. The fee was most recently updated in 1979; no adjustment for inflation or capital needs has been made in the last 33 years. The County’s adopted policy is for drainage fees to be at least \$0.35 per square foot of impervious surface added.²¹ The CSA reports it has not updated the fees because it believes that the cost of updating the fees would not be recouped by future revenues; the fee update cost was not

¹⁸ The estimated 2012 population is the product of a) the number of housing units in the CSA in 2012 (4,459), the home occupancy rate in the City of Walnut Creek (93.2 percent), and the average household size in the City of Walnut Creek (2.1).

¹⁹ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG’s most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013.

²⁰ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

²¹ Contra Costa County, *Contra Costa County General Plan 2005-2020*, Jan. 18, 2005, p. 7-21.

reported. Revenues are constrained by the limited development activity in the CSA. The CSA receives no share of the one percent property tax.

Other funding sources include federal and State grants, and County and City general funds. The City of Walnut Creek has funded detention basin work out of its general fund resources in the past, but would prefer a local funding source. Another potential source of funding is benefit assessments. The County's policy is to consider creation of benefit assessment districts to pay for drainage maintenance in existing developed areas.²² The City of Walnut Creek reported that informal discussions with residents in the area indicate opposition to an assessment district, particularly among upstream properties. The CSA has no plans to design or submit proposed assessments to the property owners in the area for their approval, as it assumes that property owners outside the flood hazard zones would not approve such funding.

Expenditures were \$217 in FY 11-12. These consisted primarily of transfers to cover the charges for County staff. In the past 10 years, the CSA had significant expenditures only in FY 02-03 and FY 01-02 when it spent \$31,000 and \$15,000 respectively for mapping and design services to gather field information for GIS maps.²³ Budgeted FY 12-13 expenditures could not be identified due to the budgeting practice of posting the fund balance under expenditure line items (e.g., services and supplies, other charges, and transfers) in an effort to encumber the fund balance; the County could improve transparency by posting the encumbered fund balance as a separate line item so that the budget for specific line items can be identified.

Capital projects have been financed in the past with CSA revenues and fund balance, and loans from the City of Walnut Creek and the County. The U.S. Army Corps of Engineers had considered a project for Walnut Creek in the 1970s, but ultimately decided against funding it. At the time of CSA formation, agency staff had anticipated that a HUD grant and a bond election would be potential financing sources, neither of which came to fruition. The City of Walnut Creek has identified at least \$6 million in unfunded capital needs to address flooding on Walker Avenue and Homestead Avenue related to an undersized drainage system.

The CSA has no long-term debt at this time.

The CSA had \$295,984 in fund balances at the end of FY 11-12, which is more than 1,000 times greater than annual expenditures in that year. The CSA reported that it is accumulating a fund balance to address significant unfunded capital needs in the territory.

DRAINAGE SERVICES

Service Context

The Board of Supervisors created the Flood Control District (FCD) in 1956 for the purposes of administering the flood control program and to provide basic research and assistance to the county and the cities. Subsequent to that, many Flood Control District Zones were created for the separate watershed areas. The purposes of the zones are to provide local matching funds for federal flood control projects and to maintain these facilities when the construction is complete. The CSA is included in FCD Zone 3-B which is tasked with designing and delivering regional drainage, such as the Walnut Creek Channel.

²² Contra Costa County, *Contra Costa County General Plan 2005-2020*, Jan. 18, 2005, p. 7-22.

²³ State Controller Office, *Special Districts Annual Reports*, FY 00-01 through FY 10-11.

Unimproved major creeks are not the responsibility of the FCD. The district however, in an emergency, will provide immediate relief to alleviate a problem or to prevent further damage.

The County also created about 70 Drainage Areas which are sub-watersheds within the zones. The Drainage Areas typically collect fees from development to implement capital improvements within the Drainage Area. Since many Drainage Areas cross city limits, it was deemed appropriate for the FCD to be the lead. The improvements, once completed, are transferred to the cities or the county for maintenance and operation. The County only accepts responsibility on drainage facilities that are constructed in accordance with an approved plan and are within dedicated drainage easements. All other drainage facilities are private.

There is no Drainage Area in the CSA D-2 area because local voters rejected the associated tax in the 1960s. To provide similar services that are delivered elsewhere in the County through Drainage Areas, the CSA was formed.

Figure 3-2: Historic Flooding in CSA D-2, 1958



Nature and Extent

The CSA D-2 has historically financed drainage facilities. Once drainage infrastructure was completed, the infrastructure has been maintained by the respective local jurisdiction – the City of Walnut Creek or Contra Costa County.

The CSA performed significant planning and design work in the 1960s and 1970s to engineer a plan to address flooding problems in the area. Portions of this master plan have been installed over the years, but much is left to be constructed. For example, the Walnut Boulevard/Bradley Avenue storm drain project was performed in the early 1980s. The most recent drainage improvements were performed in the early 2000s.

The MSR found no evidence of overlapping responsibilities among service providers. The FCD handles regional flood infrastructure; whereas, the CSA handles local infrastructure. The City conducts planning and design studies, and may choose to fund projects directly.

Location

Drainage improvements are located throughout the CSA, as shown on Map 3-1.

Infrastructure

The CSA has funded certain drainage improvements throughout its history, including pipes, channels, and related costs, but does not directly own those improvements.

The CSA drainage plan (1970) anticipated approximately 9,000 feet of underground storm drain pipe that has not yet been installed due to a lack of funding. The CSA's prioritization of drainage improvements involves using existing ditches wherever possible instead of the planned pipe systems, and installation of pipe systems within road rights of way to save on land costs.²⁴ There is not a current CIP available.

²⁴ Correspondence from Contra Costa County Flood Control & Water Conservation District to City of Walnut Creek, Nov. 23, 1982.

The City of Walnut Creek has prepared plans for a needed Walker-Homestead drainage project to address flooding affecting three properties, two of which have filed a lawsuit against the City. The infrastructure deficiency is an undersized drainage pipe along Walker Avenue. The project involves construction of culverts and storm drains along Walnut Blvd. (from Brasero Lane to Homestead Ave.), and along Homestead Ave. and a portion of Walker Ave.²⁵ The project would provide 10-year flood protection for property owners at the intersection of Walker and Homestead Avenues.²⁶ The estimated cost of the project is \$6 million, and funding has not yet been identified.

Flooding issues remain in this area.

GOVERNANCE ALTERNATIVES

The CSA boundaries are logical and conform to the watershed; no governance alternatives for the CSA involving changes to the boundaries were identified.

One alternative for the CSA is dissolution with the function and services to be assumed by a Drainage Area. Drainage Areas are used throughout the remainder of the County rather than CSAs. Conversion of the CSA to a Drainage Area would involve certain planning and environmental costs, and would not alter the CSA's fundamental problem of a lack of adequate funding to complete needed drainage projects.

Another alternative under the County's jurisdiction rather than LAFCO's jurisdiction would be to create zones in the low-lying areas likely to benefit most from completing additional improvements. Given the extraordinary cost of needed improvements, however, property owners in low-lying areas are not likely to support assessing themselves to finance the improvements.

MSR DETERMINATIONS

Growth and population projections

- 1) The estimated residential population within the CSA D-2 bounds was approximately 8,694 in 2012.
- 2) Projected growth in CSA D-2 is likely to be minimal as the area is built-out.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 3) There are no disadvantaged unincorporated communities within or contiguous to the CSA D-2 SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) There are significant unfunded infrastructure needs in CSA D-2. The CSA drainage plan (1970) anticipated approximately 9,000 feet of underground storm drain pipe that has not yet been installed due to a lack of funding.

²⁵ City of Walnut Creek, *Walnut Blvd/Walker Ave/Homestead Ave. Drainage Improvement Project*, Dec. 11, 2008.

²⁶ Harrison Engineering Inc., *City of Walnut Creek, Walnut Blvd., Walker Ave. and Homestead Ave. Drainage Study: Hydraulic Alternatives Analysis*, March 2009.

- 5) The City of Walnut Creek has identified \$6 million in unfunded infrastructure needs to replace an undersized storm drain at Walker Avenue.
- 6) LAFCO recommends that the CSA D-2 estimate the extent and costs of needed infrastructure projects in advance of the next MSR and SOI update cycle.

Financial ability of agencies to provide services

- 7) The CSA D-2 fund balance is \$0.3 million and annual revenues are less than \$10,000. Locally-generated development fees fund the CSA, and are paid at the time of development. Revenues are extremely limited as there is minimal development activity in this essentially built-out area.
- 8) The current level of financing for the CSA D-2 is inadequate to finance needed facilities.
- 9) Financing opportunities for presently unfunded needs include grants and future revenue sources that would require voter approval.
- 10) LAFCO recommends that the CSA D-2 staff and the City of Walnut Creek collaborate in identifying potential funding opportunities in advance of the next MSR and SOI update cycle.

Status of, and opportunities for, shared facilities

- 11) CSA D-2 does not directly own or operate facilities, but simply contributes funding for design and construction of drainage improvements. Completed projects are owned by the County or the City of Walnut Creek.

Accountability for community service needs, including governmental structure and operational efficiencies

- 12) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 13) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA D-2 is coterminous with its bounds. The SOI for the district was affirmed by LAFCO in 2004.

Agency Proposal

The County Public Works Department has not proposed to change the coterminous SOI.

SOI Options

Given the considerations addressed in the MSR, two options are identified for the CSA D-2 SOI:

SOI Option #1 – Retain existing coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

SOI Option #2– Zero SOI

If LAFCO determines that the CSA should be dissolved and replaced by a Drainage Area (or some other entity), then a zero SOI would be appropriate.

Recommendation

It is recommended that LAFCO retain the existing coterminous SOI for CSA D-2 at this time.

Table 3-3: CSA D-2 SOI Analysis

Issue	Comments
SOI update recommendation	Retain coterminous SOI.
Services provided	CSA D-2 provides additional funding for drainage infrastructure.
Present and planned land uses in the area	Land uses within the CSA are primarily low-density residential and open space, but also include medium-density residential, office, hospital, and public uses.
Projected growth in the District/Recommended SOI	Growth within the CSA is anticipated to minimal
Present and probable need for public facilities and services in the area	There is a present and probable need for drainage funding services provided by the CSA.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	The area has unfunded drainage infrastructure needs.
Social or economic communities of interest	The primary community of interest is Walnut Creek.
Effects on other agencies	A coterminous SOI would have no direct effect on other agencies.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.
Location of facilities, infrastructure and natural features	Drainage improvements are located throughout the CSA.
Willingness to serve	The CSA is willing to continue providing drainage funding.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA L-100 (STREET LIGHTING)

CSA L-100 provides funding for street lighting services for most of the developed, unincorporated areas in the County.

FORMATION AND BOUNDARY

CSA L-100 was formed on September 10, 1986 as a dependent special district of the County.²⁷ The CSA L-100 was formed as part of a consolidation of four lighting CSAs. Its stated purpose was to provide more efficient and cost effective street lighting services throughout the County by having one new county service area with a single management structure and operational area throughout the County and in order to more equitably finance the cost of lighting services by a common service charge structure.²⁸

At the time of formation in 1986, the CSA was the successor to former lighting CSAs L-32 (Kensington), L-42 (Central County), L-43 (East County), and L-46 (West County). The following year, the County proposed and LAFCO approved consolidation of CSAs M-3, M-7, M-12, M-13, M-14, M-21, and M22 into CSA L-100, and transfer of street lighting service responsibility from CSAs M-16, M-20 and M-23 into CSA L-100. Over the years, there have been 273 annexations to the CSA, according to BOE records.²⁹ Territory annexed to CSA L-100 was typically the subject of a development proposal or building permit that required the property owner to annex to the CSA. Annexations to CSA L-100 ceased in 2010 when the County Board of Supervisors formed a new street light financing district, Community Facilities District 2010-1, to serve territory in subsequent development proposals.

The current boundary of the CSA is shown on Map 3-2. The boundary area of CSA L-100 is approximately 18,696 acres, or 29.2 square miles. The CSA bounds contain 29 square miles of land area. By comparison, there were 80 square miles of unincorporated land area inside the urban limit line, meaning that 36 percent of unincorporated land inside the urban limit line is within the CSA bounds. As of 2013, the boundary area for CFD 2010-1 encompasses only a handful of parcels.

The adopted SOI for CSA L-100 was established in 1986 (before the urban limit line was adopted) to “automatically self-adjust to remain coterminous with SOI boundaries of agencies that provide sewage disposal service, excepting territory within city boundaries.”³⁰ The rationales for this SOI were that urban conditions that warrant sewage disposal also justify street lighting, that sewer SOIs are adjusted after thorough review, that the SOI is substantially similar to the combined SOIs of the street lighting CSAs that were consolidated to form CSA L-100, and that continually duplicating the SOI process for street lighting CSAs would be a “wasteful exercise in redundancy.”³¹ The SOI was last updated formally in 2003.³² The current SOI for the CSA is shown on Map 3-2.

²⁷ Board of Equalization official date.

²⁸ *Contra Costa LAFCO, Executive Officer's Report, May 9, 1986.*

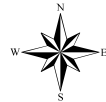
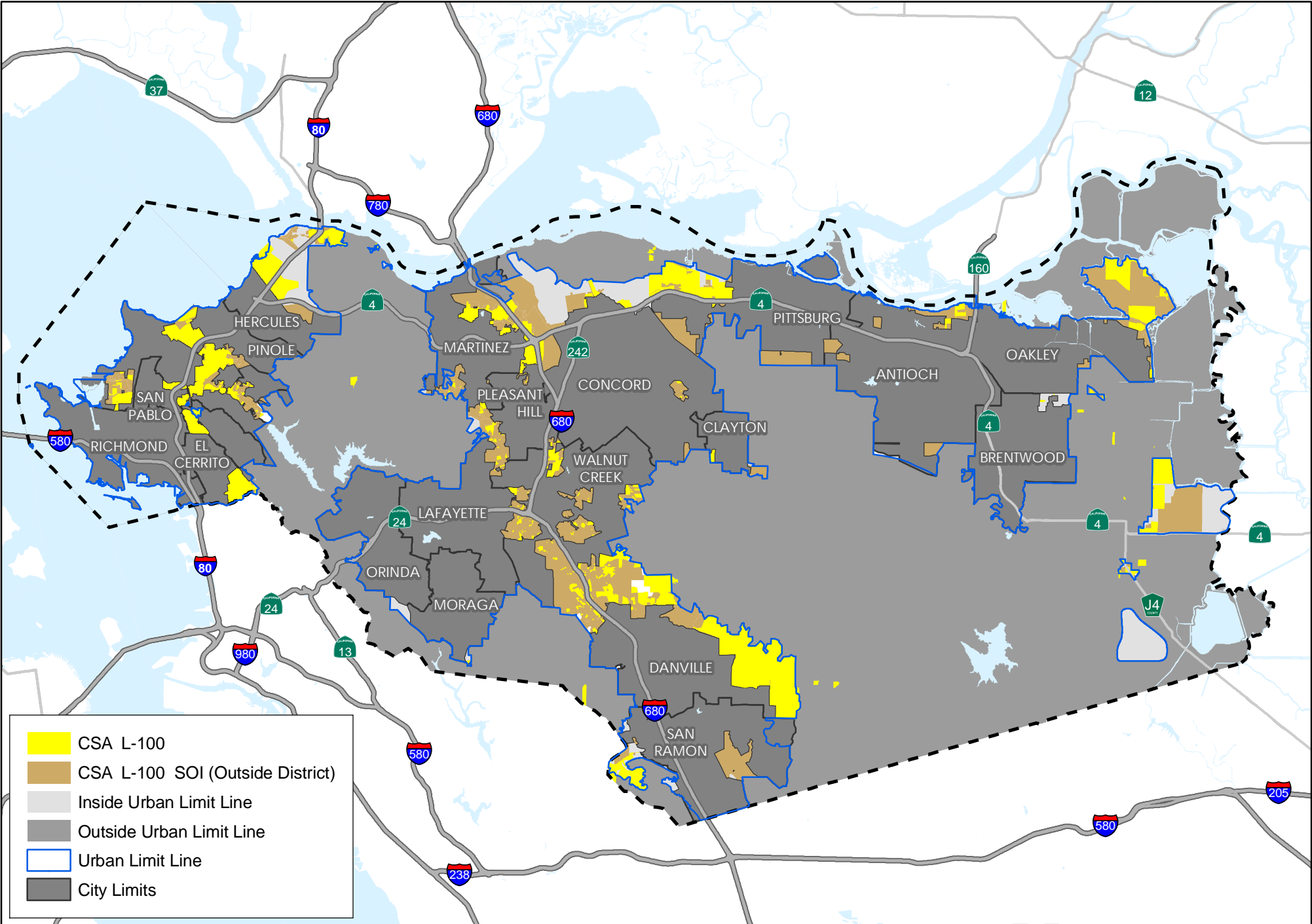
²⁹ California Board of Equalization, *Contra Costa District Book*, Dec. 31, 2012, pp. 203-212.

³⁰ *Contra Costa LAFCO, Resolution Making Determinations and Approving Proposed Consolidation of All Street Lighting “L” County Service Areas (LAFCO 86-10), Thereby Forming County Service Area L-100*, adopted May 14, 1986.

³¹ *Contra Costa LAFCO, Executive Officer's Report, May 9, 1986.*

³² *Contra Costa LAFCO, meeting minutes for Nov. 12, 2003 meeting.*

Map 3-2: County Service Area L-100 (Street Lighting)



SERVICE DEMAND AND GROWTH

The CSA boundary area includes many of the developed unincorporated areas in the County (shown in yellow on Map 3-2) but excludes many others (SOI areas shown in brown on Map 3-2, and those outside both the bounds and SOI shown in white). 70 percent of the parcels in unincorporated areas are within the CSA bounds.

There are 40,524 residential units in the CSA bounds, according to Assessor parcel data. The estimated population within the CSA was 104,114 as of 2012.³³ Generally in the unincorporated areas, ABAG projects relatively modest residential growth between 2010 and 2030, anticipating overall growth of nine percent over the 20-year period.³⁴ By comparison, the countywide average population growth is projected at 17 percent over the same period.

Land uses within the CSA are varied, and include residential, commercial, industrial, and public uses.

Street light service demand is driven primarily by growth and development, street light development conditions, the need for security in an area, the extent of pedestrians in an areas, and community preferences.

Disadvantaged communities within the CSA bounds include Bay Point, Bethel Island, North Richmond, Montalvin Manor and Mountain View.³⁵

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and is responsible for implementing growth strategies.

FINANCING

The CSA funding level appears to be adequate to deliver street light services.

The CSA revenues were \$1.4 million in FY 11-12, as shown in Table 3-4. Revenues were composed of property taxes (53 percent) and service charges (47 percent). There was no interest revenue in FY 11-12 in spite of a positive fund balance; the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

Property tax revenues amounted to \$20 per parcel for the CSA as a whole. Property taxes were allocated to CSA L-100 from 105 of the 574 tax rate areas (TRAs) in unincorporated territory in FY 07-08 (the most recent year when detailed allocations were available). In the TRAs with allocations for CSA L-100, the allocations varied from 0.0 percent to 3.2 percent, with the median TRA allocating one percent of its property tax to the CSA. For the unincorporated areas as a whole, 0.3 percent of property taxes were allocated to CSA L-100. One factor affecting the property tax

³³ The estimated 2012 population is the product of a) the number of housing units in the CSA bounds in 2012 (40,524) based on County Assessor parcel data, the home occupancy rate in the unincorporated areas (92.4 percent) according to California Department of Finance (DOF), and the average household size in the unincorporated areas (2.8) according to DOF. The unincorporated areas extend beyond the CSA bounds; the CSA accounted for 64 percent of the housing units in the unincorporated areas as a whole.

³⁴ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG's most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013.

³⁵ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

allocations was the 1980 cessation of property tax transfers for territory annexed the CSA L-100's predecessor agencies: CSAs L-32, L-42, L-43 and L46.³⁶

Table 3-4: CSA L-100 Financial Information

Each property owner in the CSA pays an annual service charge that is billed on the property tax bill. For example, the annual charge was \$14.94 for a single-family home in FY 12-13.³⁷ Service charges are paid by parcels of all types regardless of whether or not their property taxes are allocated to the CSA. By comparison, the annual charge for a single-family home within the Community Facilities District 2010-1 is \$64.35 in areas with nearby lights, and \$16.09 in areas without nearby lights.

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$5,062,358	\$5,133,851	NP
Revenues	1,370,268	1,408,962	1,338,782
Property Tax	761,948	741,873	716,082
Service Charges	602,286	667,089	610,700
Interest	6,034	0	12,000
Expenditures	1,171,960	1,347,335	1,338,782
Services and Supplies	795,989	853,601	900,582
Other Charges	96,919	261,675	158,000
Transfers / Admin	279,052	232,059	280,200

Expenditures were \$1.3 million in FY 11-12. These consisted primarily of services and supplies (composing 63 percent of CSA costs), including electric utility expenses, vandalism repair expenses, and costs of replacement street lights. Other charges composed 19 percent of expenditures; these include County services associated with replacing street lights. Transfers and other administrative costs (such as tax and assessment fees, and memberships) composed 17 percent of CSA costs. Utility expenses paid by the CSA vary depending on whether the County or PG&E owns the street light or its components.

The CSA has no long-term debt.

The County typically imposes conditions on new development (i.e., new subdivisions and other land use permits) to construct road improvements, including street lights, as part of their entitlements. Upon completion of the street light installation, the developer annexes into a street light maintenance district and the annual assessment begins to fund the maintenance costs. When existing road infrastructure improvements are made, such as road widening or new roadways, the costs of replacing or adding street lights is funded by the project itself. The expected lifespan of a street light is 50 years. County-owned street lights are replaced by the CSA, with associated costs financed by the fund balance.

The CSA had \$5.1 million in fund balances at the end of FY 11-12, which made up 381 percent of expenditures in that year. In other words, the CSA maintained 46 months of working reserves. The CSA's reserves are not designated, and are used for repairs, replacements, cash flow and future service provision. The CSA reported that a potential use for the CSA's reserves is to buy out PG&E street lights in the event that the PG&E service level should become problematic.

³⁶ Contra Costa County Board of Supervisors, *Resolution 80/1464*, 1980.

³⁷ All parcels pay the service charge. Commercial, industrial, and other uses pay charges based on the benefit they receive from lighting relative to a single-family residential parcel, as established in the CSA's annual report.

STREET LIGHTING SERVICES

Nature and Extent

CSA L-100 provides street lighting maintenance services and pays for utility costs. Specifically, the CSA staff route calls regarding street light outages, and coordinates with County Public Works’ Signal Shop staff and PG&E to have lights repaired or replaced. Maintenance services are provided by County General Services staff for County-owned lights and by PG&E staff for PG&E-owned lights.

Location

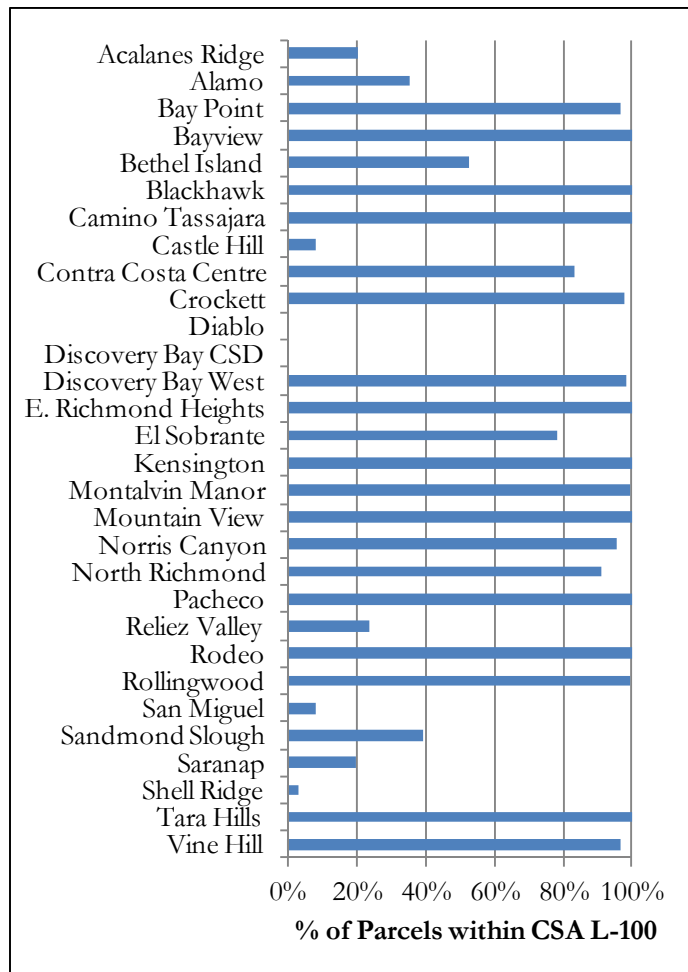
Figure 3-3: Percent of Parcels within CSA L-100 by Unincorporated Community

Street light services are mostly provided to benefit properties within CSA bounds. However, there are areas outside the CSA bounds that receive services. For example, there are portions of the North Richmond, Reliez Valley and Saranap unincorporated areas where there are County-maintained lights in territory outside CSA bounds. See Appendix Map 1 for an unincorporated community locator reference map.

The CSA L-100 bounds are complex, and encompass 70 percent of parcels within the unincorporated areas as a whole. About 36 percent of unincorporated land inside the urban limit line is within the CSA bounds.

None of the parcels within the communities of Diablo and Discovery Bay CSD are within the CSA bounds. Discovery Bay CSD provides street light services, and Diablo CSD is authorized to do so but does not provide street light services to accommodate community preferences.

Most of the Alamo and Reliez Valley areas are outside the CSA, as shown in Figure 3-3. Portions of Bethel Island and El Sobrante are not within the CSA. Most parcels in the unincorporated islands in the Walnut Creek area—Acalanes Ridge, Castle Hill, San Miguel, Saranap, and Shell Ridge—are outside the CSA bounds.



Infrastructure

Figure 3-4: Typical CSA L-100 Street Light

Typical street lights are composed of a 30-foot pole, a base plate, wiring, a luminaire arm, and a luminaire (i.e., lamp). The lamps vary in wattage from 70 watts in residential locations, 100 watts at intersections and on collector roads and in industrial areas, 150 watts on arterial roads, and 200 watts on major roads and at traffic signals.



There are approximately 2,205 County-owned street lights. In addition, the CSA pays for utility costs for PG&E-owned street lights, of which there are approximately 3,065 with a known location and 1,600 others without a known location in the CSA’s street light GIS inventory.

There are other street lights within the unincorporated areas as well: 686 lights are maintained by Discovery Bay CSD, Crockett CSD maintains 30 lights in downtown Crockett, and there are 644 other street lights in Bay Point, Alamo, Rodeo, North Richmond, and other locations. There are additional street lights not counted in the CSA’s GIS inventory that are on private roads or are being maintained directly by homeowners associations or gated communities.

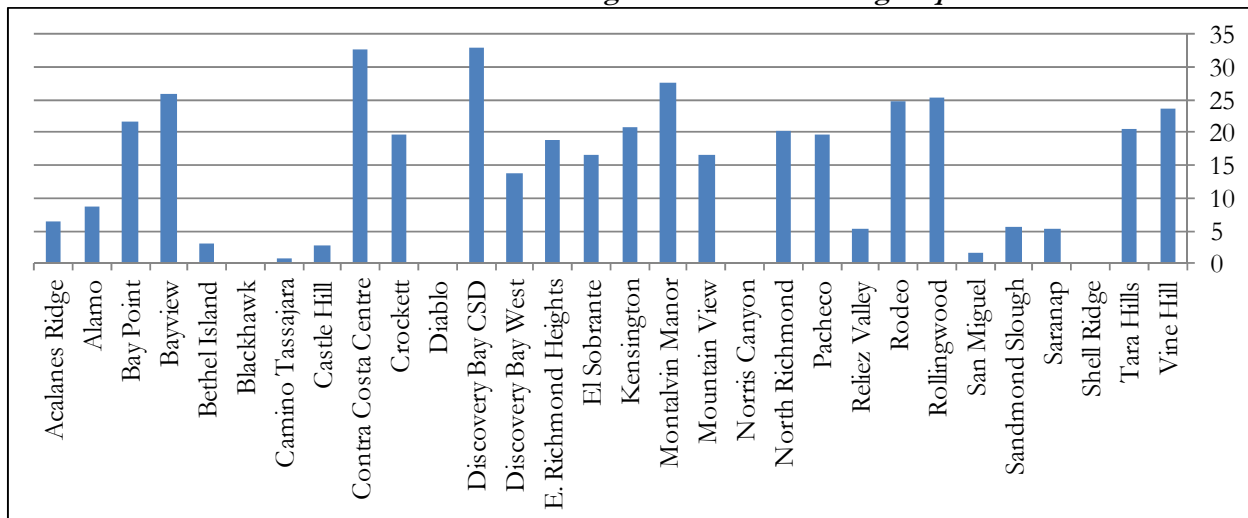
Street Light Service Levels

In 2012, the CSA received 159 service calls, mostly involving street lights out. For County-owned street lights, the median response time for replacing the bulb or otherwise fixing the street light was 29 days. For PG&E-owned lights, the median response time was 41 days.

The County’s street light standards provide that the minimum service level on residential streets is a 0.2 average horizontal foot-candles (maintained) with the ratio of average illumination on the roadway to the minimum illumination at any point on the roadway not to exceed 9:1. The service level on commercial street and major thoroughfares is a 0.7 average horizontal foot-candles (maintained) with the ratio of average to minimum illumination not to exceed 6:1.

On average, there are 18.6 street lights per centerline road mile in the unincorporated areas, but there is a great degree of variability by community as shown in Figure 3-5.

Figure 3-5: Street Lights per Centerline Road Mile

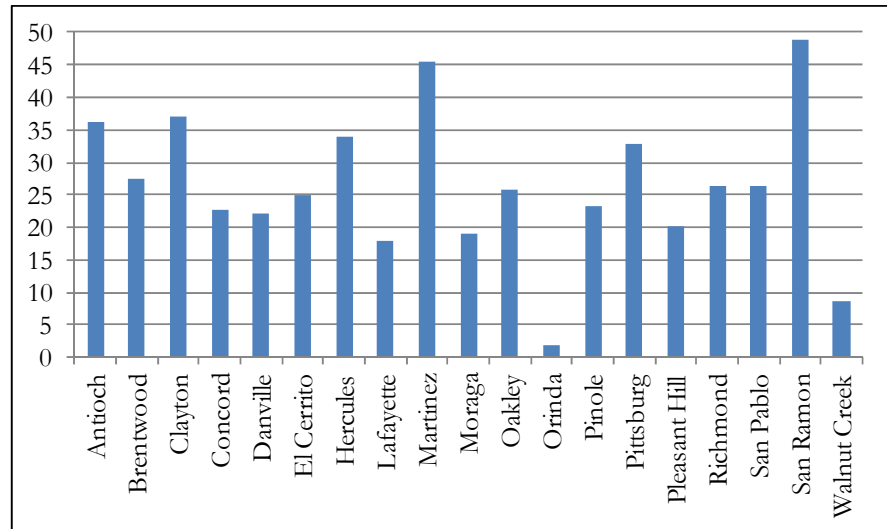


Street light densities (street lights per centerline road mile) are highest in Contra Costa Centre (which is primarily commercial with higher illumination standards) and the portion of Discovery Bay served by the Discovery Bay CSD. Street light densities are very low in the Castle Hill, Reliez Valley, San Miguel, and Shell Ridge communities where very little of the community area is within the CSA L-100 bounds. Street light densities are also very low in the new growth areas with ornamental street lights—Blackhawk, Camino Tassajara, and Norris Canyon—as well as on Bethel Island. The requirements for street light installations in new subdivisions are such that street lights are typically placed 180-220 feet distance from each other.

Figure 3-6: Street Light Densities by City

By comparison, street light densities in the incorporated cities were 26.7, significantly higher than in the 18.6 average in the unincorporated areas.

Reported lighting densities were highest in Antioch, Clayton, Hercules, Martinez, Pittsburg and San Ramon. Street light densities were relatively low in Lafayette, Moraga, Orinda and Walnut Creek. In the remainder of the cities, street light densities were at moderate levels.



GOVERNANCE ALTERNATIVES

Governance alternatives for the CSA include annexation and detachment of territory to better align the CSA bounds with the areas served by the CSA.

Based on the CSA’s street light GIS inventory, there appear to be unserved areas within CSA bounds, particularly in Alamo, Blackhawk, Camino Tassajara, Norris Canyon, and Bethel Island, but also affecting smaller areas in Shell Ridge, Saranap, and north Antioch. Detachment of such areas from the CSA may be appropriate. Due to incomplete coverage of the GIS street light inventory (particularly the 1,600 PG&E street lights without a known location), it appears premature to conclude such areas are unserved. LAFCO may wish to encourage the CSA to refine its street light inventory in advance of the next MSR and SOI update cycle to be better informed about the advisability of detachments. The financial impact of detachment of such areas from the CSA is unknown.

Similarly, there are a few areas served that are not within the CSA bounds; such areas are located in North Richmond, Montalvin Manor, Reliez Valley, Saranap, and Pacheco. Annexation of such areas to the CSA may be an option to better align the boundaries with the areas served. LAFCO may wish to encourage the CSA to consider options for financing of lights in such areas in advance of the next MSR and SOI update cycle. The CSA may wish to rely on its CFD mechanism for financing in such areas, and may be planning to require annexation of such areas to the CFD when parcels apply for building permits. The financial impact of annexation of such areas to the CSA boundaries is unknown at this time; however, annexation would not likely have dramatic impacts on

property tax allocations to the CSA. That said, the County did pursue annexation of the Round Hill community (in unincorporated Alamo) to CSA R-7 to reallocate a portion of the future property taxes (i.e., growth not base) from Round Hill to CSA R-7. The County Administrator's Office developed a master tax sharing agreement; following the annexation, the County Auditor's implemented the Master Tax Sharing Agreement and adjusted the property tax allocation for all agencies within the TRA (except schools) to allow the CSA to receive a small portion of future property tax growth.

While there may be gated communities within CSA bounds where residents pay for both private street lights (via HOA dues) and for CSA L-100 services, the MSR lacked the information to identify such areas. Some gated communities have only minimal, decorative street lights.

MSR DETERMINATIONS

Growth and population projections

- 1) The estimated residential population within the CSA bounds was approximately 104,114 in 2012.
- 2) ABAG projects relatively modest growth in territory within the CSA bounds.
- 3) New growth is required to install street lighting in accordance with County policies, and to annex to a Community Facilities District (rather than the CSA) for financing associated maintenance.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 4) Disadvantaged unincorporated communities within the CSA L-100 SOI include Bay Point, Bethel Island, North Richmond, Montalvin Manor, and Mountain View.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 5) The CSA is providing street light services in most of the territory within its bounds.
- 6) There appear to be unserved areas in Alamo, Blackhawk, Camino Tassajara, Norris Canyon, and Bethel Island territory that is within CSA bounds.
- 7) Street light densities are somewhat lower in CSA L-100 than in the cities of Contra Costa County.
- 8) For County-owned street lights, the median response time for replacing the bulb or otherwise fixing the street light was 29 days. For PG&E-owned lights, the median response time was 41 days.
- 9) The CSA appears to have an ample fund balance available for financing replacement of street lights in poor condition; however, LAFCO did not have enough information to determine the adequacy of funds for capital needs. LAFCO encourages the CSA to disclose such information in its future annual reports, including the purpose and uses for its ample fund balance.
- 10) LAFCO recommends that the CSA L-100 develop a basic capital replacement plan indicating approximate cost for an ongoing program to replace defunct street lights.

Financial ability of agencies to provide services

- 11) The CSA funds maintenance and repair costs for street lighting services. Locally-generated property taxes (in portions of the boundary area) fund about 53 percent of costs. The remainder of the operating costs is funded by service charges paid by property owners throughout the CSA.
- 12) The current level of financing for the CSA appears to be adequate to finance services.
- 13) Financing opportunities for presently unfunded needs include service charge increases.

Status of, and opportunities for, shared facilities

- 14) The CSA coordinates repair and service requests for both County-owned street lights and lights owned by PG&E.
- 15) The CSA does not directly own or operate facilities, but simply contributes funding for street lighting maintenance.

Accountability for community service needs, including governmental structure and operational efficiencies

- 16) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 17) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA L-100 is coterminous with SOI boundaries of agencies that provide sewage disposal service, excepting territory within city boundaries. The SOI was originally adopted in 1986 before the urban limit line was adopted, and before the creation of an alternative funding mechanism in 2010, and is now outdated.

Agency Proposal

The County Public Works Department has not proposed an SOI.

SOI Options

Given the considerations addressed in the MSR, two options were identified for the CSA L-100 SOI:

SOI Option #1 – Reduce SOI to be coterminous with CSA bounds.

If LAFCO determines that the existing bounds are appropriate, then the SOI should be reduced to exclude territory outside CSA bounds. Such excluded territory will be annexed to the CFD if and when it should develop, and not to the CSA.

SOI Option #2 – Reduce SOI to include territory within CSA bounds that is not within any city's SOI.

If LAFCO determines that the existing boundary (less territory in cities' SOIs) is appropriate, then the SOI should be reduced to exclude territory outside CSA bounds or inside cities' SOI. When unincorporated territory is annexed to cities, the territory is detached from CSA L-100 and the respective city becomes responsible for street lighting services. Accordingly, this SOI option would exclude territory that LAFCO has designated for future annexation to cities and thereby future detachment from CSA L-100. If selected, the territory in the CSA's SOI would include only

Rodeo, Crockett, portions of Bethel Island, the western portion of Discovery Bay, and Alamo. Although this option reflects the probable future bounds of the CSA (consistent with LAFCO-adopted SOIs), the drawback of this SOI option is that it would require that future changes to City SOIs be accompanied by the effort to change the CSA’s SOI.

SOI Option #3 – Reduce SOI to include zero territory.

If LAFCO determines that any territory within the CSA is subject to detachment, then the SOI should be reduced to a zero SOI. Although a zero SOI formally signals that the CSA could be dissolved, LAFCO may wish to pursue this option to minimize the effort associated with keeping the SOI up to date (as LAFCO updates the SOIs of cities).

Recommendation

It is recommended that LAFCO reduce the CSA L-100 SOI to exclude territory outside CSA bounds and territory within the SOIs of cities.

Table 3-5: CSA L-100 SOI Analysis

Issue	Comments
SOI update recommendation	Reduce SOI to exclude territory outside CSA bounds and territory within the SOIs of cities.
Services provided	CSA L-100 provides financing for street lighting operations and maintenance.
Present and planned land uses in the area	Present land uses are varied, and include residential, commercial, industrial, and public uses.
Projected growth in the District/Recommended SOI	Growth within in the CSA is anticipated to be modest.
Present and probable need for public facilities and services in the area	There is a present and probable need for funding for street light services provided by the CSA.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	Street light densities are somewhat lower in CSA L-100 than in the cities of Contra Costa County. LAFCO did not have enough information to determine the adequacy of funds for capital needs.
Social or economic communities of interest	The primary communities of interest are the unincorporated communities within the CSA bounds and outside cities’ SOIs.
Effects on other agencies	The recommended SOI reduction would positively affect cities with SOI territory in CSA L-100 by providing a clear signal that such territory should be detached from CSA L-100 when it is annexed to the respective city.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.

Location of facilities, infrastructure and natural features	The CSA is providing street light services in most of the territory within its bounds. There appear to be unserved areas in Alamo, Blackhawk, Camino Tassajara, Norris Canyon, and Bethel Island territory that is within CSA bounds.
Willingness to serve	The CSA is willing to continue providing street light maintenance funding.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA M-1 (DELTA FERRY)

CSA M-1 provides financing for the Delta Ferry Authority (DFA) to defray a portion of its costs for ferry service to unincorporated Bradford Island and Webb Tract.

FORMATION AND BOUNDARY

CSA M-1 was formed on January 5, 1960 as a dependent special district of the County.³⁸ The CSA was formed (pre-LAFCO) to “provide and furnish ferry boat services and facilities therein” to Bradford Island and Webb Tract. Shortly after the CSA was formed, the County entered into a Joint Powers Agreement (JPA) with Reclamation Districts Nos. 2026 (Webb Tract) and 2059 (Bradford Island).³⁹ The JPA established the Delta Ferry Authority (DFA) to provide ferry services and related docking facilities. In 1987, the County extended the JPA agreement and turned over direct operation of the ferry to the reclamation districts.

The boundary area of the CSA is approximately 8,678 acres (or 13.6 square miles). The CSA bounds consist of two non-contiguous (but adjacent) sections – one is composed of Bradford Island and the other is composed of Webb Tract and small adjacent islands and shoals, as shown on Map 3-3. The CSA is located entirely within Contra Costa County and serves an area located outside the urban limit line. Since formation, there have been no changes to the CSA boundary, according to BOE and LAFCO records.

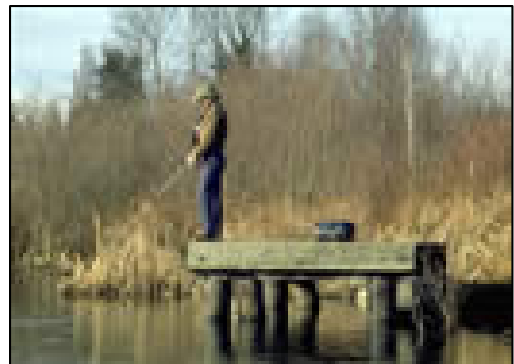
The SOI for CSA M-1 is coterminous with the boundary of the CSA, and was last updated in 2004.⁴⁰

SERVICE DEMAND AND GROWTH

Land uses within the CSA are agricultural, commercial, residential, recreational, and gas extraction.

Present land uses on Bradford Island are agricultural, commercial, residential, recreational, and gas extraction. Local business activity consists primarily of cattle grazing and small commercial operations. The majority of Bradford Island consists of farmland of local importance (approximately 1,610 acres), but also includes prime farmland along the southern portion of the island (approximately 320 acres), and farmland of statewide importance (approximately 80 acres). There are 481 acres under Williamson Act contract on the island. There are 71 landowners on the island. Recreational activities on the island include fishing, boating, bird watching, and swimming. The island has not experienced significant recent growth, and does not anticipate changes in service demand in the future. There are no planned or proposed development projects on Bradford Island.

Figure 3-7: Bradford Island

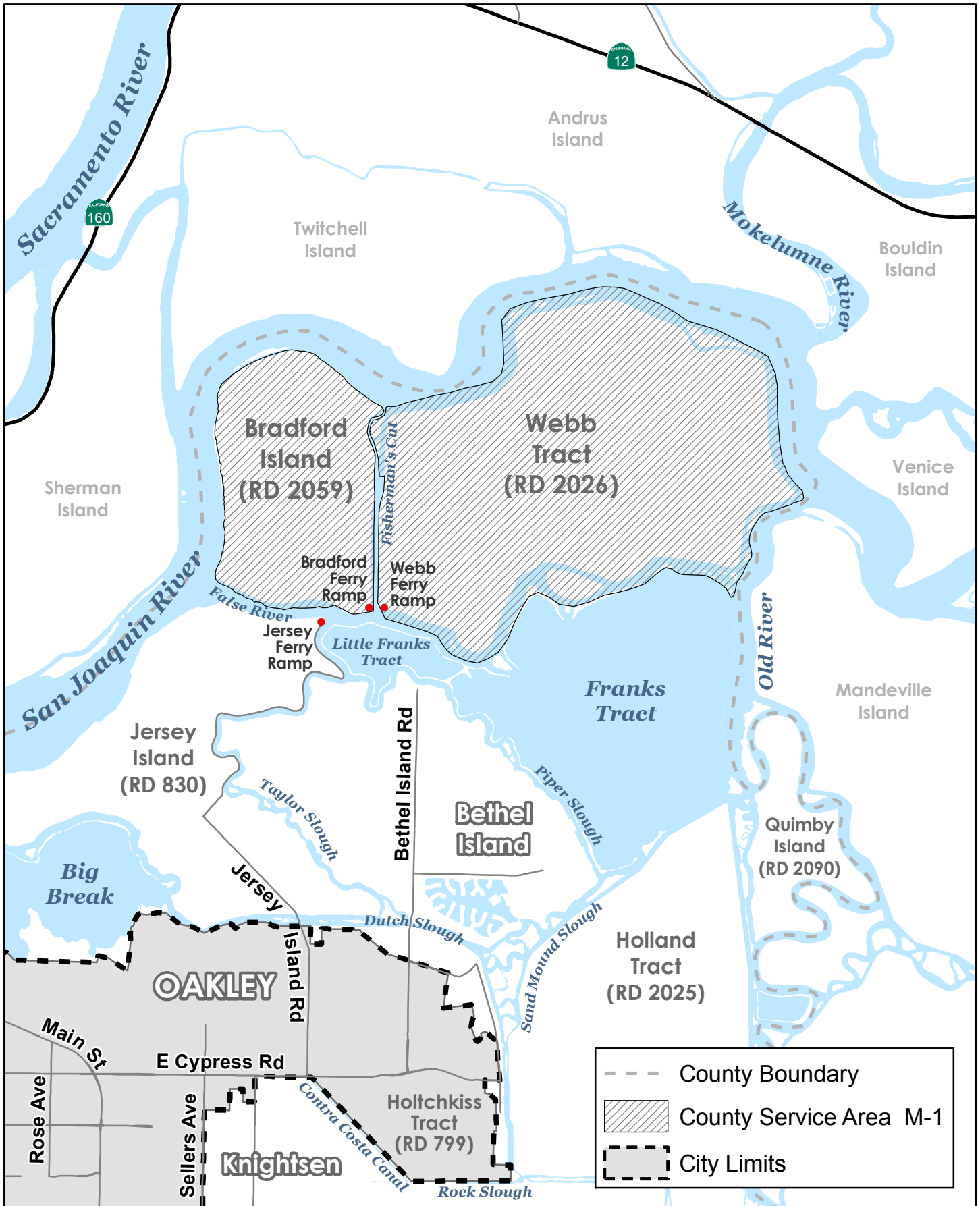


³⁸ Board of Equalization official date.

³⁹ The reclamation districts were reviewed in 2009 by LAFCO. Burr Consulting and Baracco & Associates, *Final Municipal Service Review: Reclamation Services*, Adopted July 8, 2009.

⁴⁰ Contra Costa LAFCO, meeting minutes for Feb. 11, 2004 meeting.

Map 3-3: County Service Area M-1 (Delta Ferry)



Present land uses on the Webb Tract are agricultural. Crops grown on the island include primarily corn and wheat. The majority of the island consists of prime farmland (approximately 4,060 acres), but also includes farmland of statewide importance (approximately 430 acres), unique farmland (approximately 270 acres), and farmland of local importance (approximately 650 acres). Delta Wetlands Properties is the primary landowner on Webb Tract (among other Delta islands). Delta Wetlands’ goal is to convert the island to water storage by diverting high winter runoff flows to Webb Tract for beneficial use later in the year. Conversion is expected in the next 5-10 years. Ferry service to Webb Tract will continue to be needed during and after conversion for water storage construction, maintenance and operation purposes.

There are 15 housing units in the CSA bounds, of which 10 were vacant in April 2010 when the decennial census was conducted. The permanent population is approximately 20 persons. The population varies because most of the homes are vacation homes.

The need for ferry services varies over the course of the year. The peak period on Bradford Island is on holiday weekends when property owners are most likely to come to the island for boating, fishing and hunting activities. The peak period on Webb Tract is during corn harvest (between October and December) when the corn is being shipped to market. During that time, trucks are loaded all day long and the farmer often pays for extra ferry runs at the beginning and end of the day to move the corn to market expeditiously.

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.⁴¹ Bethel Island is located nearby, and is a disadvantaged unincorporated community.

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and holds primary responsibility for implementing growth strategies.

FINANCING

Table 3-6: CSA M-1 Financial Information

The CSA revenues were \$30,554 in FY 11-12, as shown in Table 3-6. Revenues were composed of property taxes, and reflect reimbursements for homeowner exemptions (one percent). There was no interest revenue reported in spite of positive fund balances;⁴² the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

	FY 10-11	FY 11-12	FY 12-13
	Actual	Actual	Budget
Fund Balance	\$3,228	\$3,473	NP
Revenues	30,566	30,554	30,761
Property Tax	30,566	30,554	30,761
Interest	0	0	0
Expenditures	33,665	30,310	30,761
Services and Supplies	0	0	0
Other Charges	32,823	30,306	30,761
Transfers / Admin	842	4	0

⁴¹ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

⁴² Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013.

Expenditures were \$30,310 in FY 11-12. These consisted primarily of service charges (nearly 100.0 percent) and secondarily of transfers for administrative costs (less than one percent). The CSA contributes to Delta Ferry Authority (DFA); CSA contributions composed 13 percent of DFA revenues in FY 11-12.

The CSA has no long-term debt.

The CSA had \$3,0554 in fund balances at the end of FY 11-12, which made up 11 percent of expenditures in that year. In other words, the CSA maintained 1.4 months of working reserves.

Delta Ferry Authority

The Delta Ferry Authority (DFA) reported that financing is minimally adequate to deliver ferry services, and that additional funding would allow for upgrade of ramps and additional hours of operation.

Table 3-7: Delta Ferry Authority Financial Information

DFA revenues were \$223, 655 in FY 11-12, as shown in Table 3-7. DFA revenues are primarily contributions from Reclamation Districts (RD) Nos. 2026 (Webb Tract) and 2059 (Bradford Island). RD contributions composed 83 percent of DFA revenues. These RD contributions to DFA made up 18 percent of RD 2026 expenditures and 28 percent of RD 2059 expenditures.⁴³ Ferry fares paid by passengers to Bradford Island (\$7.75 for a round-trip ticket for a four-wheel vehicle in FY 12-13) are included in RD 2059 contributions to DFA.

Delta Ferry Authority	
	FY 11-12
Fund Balance	\$20,531
Revenues	223,655
Service charges	7,175
Reclamation districts	186,480
CSA M-1/Property taxes	30,000
Expenditures	238,432
Salaries & Emp Benes	155,328
Fuel & Operating Costs	52,248
Administrative	30,856

CSA contributions that were funded by property taxes composed 13 percent of DFA revenues. Service charges paid by property owners for unscheduled ferry runs compose four percent. DFA offers after-hours service at an hourly rate of \$100 for residents and landowners, and a rate of \$150 for non-residents/non-owners. For example, the Webb Tract farmer pays for extra ferry runs after hours to transport harvested corn via truck to market.

DFA expenditures were \$238,432 in FY 11-12. Employee compensation composed 65 percent of annual costs. DFA spent 22 percent of its total expenditures on operating costs—fuel, repairs, maintenance, and utilities—and 13 percent on administrative costs—insurance, professional fees, and office expenses.

DFA’s capital assets were worth \$31,463 at the end of FY 11-12. DFA routinely takes care of major expenses as they arise. DFA replaced lift gates on one end of the vessel and has budgeted replacement of lift gates at the other end for FY 12-13. In FY 13-14, a dry dock is scheduled for the ferry vessel.

DFA’s fund balance was \$20,531 at the end of FY 11-12. DFA will have to rely on debt financing when it comes time to replace the ferry vessel.

⁴³ Burr Consulting and Baracco & Associates, *Contra Costa County Reclamation Services Municipal Service Review: Report to the Contra Costa Local Agency Formation Commission*, adopted July 8, 2009

FERRY SERVICES

Nature and Extent

The Delta Ferry Authority, which in turn is partly funded by CSA M-1, provides ferry services across False River from its terminal on Jersey Island (which is accessible to vehicles by bridge to the mainland) to Bradford Island and Webb Tract. The ferry is the primary means of access to Bradford Island and Webb Tract for vehicles, as both islands lack the bridges for road connections to the mainland.

The ferry has scheduled service 50 times weekly; scheduled trips are hourly between 8 a.m. and 5 p.m. on weekdays, 8 a.m. to noon on Saturdays, and 11 a.m. to 3 p.m. on Sundays.

Location

Vehicles and other passengers destined for Bradford Island or Webb Tract board the ferry at the DFA Jersey Ferry Ramp on the northeast tip of Jersey Island. Jersey Island is accessible to vehicles on the mainland via bridge on Jersey Island Road. The ferry makes stops at the Bradford Ferry Ramp at the southeast tip of Bradford Island and the Webb Ferry Ramp at the southwest tip of Webb Tract.

Infrastructure

DFA capital assets are its ferry vessel, a tender (boat that transports captain and crew), and three ferry landings.

The ferry vessel named the *Victory II* is shown in Figure 3-8. The ferry is in fair condition, and is nearing the end of its expected life-span. *Victory II* was purchased in 1986 for \$255,750. It is depreciated over an estimated 30-year useful life, meaning that it is 88 percent depreciated. The County loaned DFA \$226,000 in 1986 for purchase and rehabilitation of the ferry vessel; the debt has been repaid.

The ferry landings consist of one or two wing walls and a ramp. They are quite old and in fair condition. The landings need ongoing repair and maintenance; DFA does not have plans for their replacement.

DFA Management and Accountability

DFA is managed by two directors who volunteer about 10 hours weekly – one director (who represents Webb Tract) is responsible for managing day-to-day operations and the other (who represents Bradford Island) for accounting and administration. Management practices include annual financial audits, annual budget, life-saving drills, drug testing, and collaboration with the County on hazardous materials relating to bilge water. DFA employs two captains who direct the three deck hands. The port captain is responsible for manpower and scheduling for both captains, a full-time deckhand and two half-time deckhands.

Figure 3-8: DFA Ferry Vessel



The captains deal with the public and hear comments and complaints. Landowners may also complain to the respective reclamation district. Other passengers may complain to a published hotline number. About 2-3 complaints are escalated to the DFA director each year; these typically involve the ferry missing a run or running late (often due to weather or boat traffic), and occasionally involve vehicle damage (such as bumps and scrapes).

GOVERNANCE ALTERNATIVES

No governance alternatives for the CSA were identified. The CSA boundaries are logical and line up precisely with the area served by the DFA ferry. Although the CSA property tax yields only 13 percent of DFA revenues, it is nonetheless an important component of the DFA financing level which is minimally adequate.

MSR DETERMINATIONS

Growth and population projections

- 1) The permanent residential population within the CSA bounds is approximately 20. There are 71 landowners on Bradford Island who visit their vacation homes for recreation.
- 2) Projected growth is likely to be minimal.
- 3) The planned conversion of Webb Tract from agricultural to water storage uses is expected to increase ferry demand temporarily during the conversion process.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 4) There are no disadvantaged unincorporated communities within or contiguous to the SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 5) The Delta Ferry Authority's vessel is in fair condition and approaching the end of its expected useful life.
- 6) DFA's three ferry landings are aged and in fair condition.

Financial ability of agencies to provide services

- 7) CSA M-1 funds 13 percent of Delta Ferry Authority's costs. The current level of financing for DFA is minimally adequate. DFA lacks adequate fund balances to pay for ferry ramp replacement.

Status of, and opportunities for, shared facilities

- 8) DFA is managed by representatives of each of the respective Reclamation Districts Nos. 2059 and 2026. The reclamation districts share their funding to operate the ferry.
- 9) No further opportunities for facility sharing were identified.

Accountability for community service needs, including governmental structure and operational efficiencies

- 10) Accountability for DFA ferry passengers is provided by responsive ferry captains, the respective reclamation districts, and a passenger hotline. CSA accountability for residents in

unincorporated areas is limited because there are presently no advisory bodies in which they might participate.

- 11) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA M-1 is coterminous with its bounds. The SOI for the district was affirmed by LAFCO in 2004.

Agency Proposal

Neither the Delta Ferry Authority nor the County Public Works Department has proposed to change the coterminous SOI.

SOI Options

Given the considerations addressed in the MSR, one option is identified for the CSA M-1 SOI:

SOI Option #1 – Retain existing coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

Recommendation

It is recommended that LAFCO adopt a coterminous SOI for CSA M-1 at this time.

Table 3-8: CSA M-1 SOI Analysis

Issue	Comments
SOI update recommendation	Retain coterminous SOI.
Services provided	CSA M-1 provides funding for the ferry service to Bradford Island and Webb Tract.
Present and planned land uses in the area	Present land uses are primarily agricultural, and secondarily commercial, recreational, residential, and gas extraction. The Webb Tract property owner anticipates converting the island from agricultural to water storage uses within the next 5-10 years.
Projected growth in the District/Recommended SOI	Growth within in the CSA is anticipated to be minimal. The anticipated conversion of Webb Tract to water storage uses may temporarily increase ferry demand during the conversion process.
Present and probable need for public facilities and services in the area	There is a present and probable need for ferry financing services provided by the CSA.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	Ferry services appear to be adequate. Both the CSA and DFA lack the necessary funds for replacement of an aging ferry vessel and ferry landings. DFA will need to borrow funds for these capital replacement projects.

Social or economic communities of interest	The primary community of interest is the Bradford Island and Webb Tract property owners and their employees, vendors and truckers.
Effects on other agencies	A coterminous SOI would have no direct effect on other agencies.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.
Location of facilities, infrastructure and natural features	Vehicles and other passengers destined for Bradford Island or Webb Tract board the ferry at the DFA Jersey Ferry Ramp on the northeast tip of Jersey Island. Jersey Island is accessible to vehicles on the mainland via bridge on Jersey Island Road. The ferry makes stops at the Bradford Ferry Ramp at the southeast tip of Bradford Island and the Webb Ferry Ramp at the southwest tip of Webb Tract.
Willingness to serve	The CSA is willing to continue providing funding for ferry services.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified. The Webb Tract is used for agricultural purposes, and anticipates conversion to water storage uses. This conversion is not affected by LAFCO retaining the existing coterminous SOI
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA M-20 (VIEW POINTE)

CSA M-20 provides parkway tree maintenance services to the View Pointe subdivision in unincorporated Rodeo.

FORMATION AND BOUNDARY

CSA M-20 was formed on April 8, 1973 as a dependent special district of the County.⁴⁴ Its stated purpose was to provide street lighting, street sweeping and parkway maintenance services to the View Pointe subdivision. At the time of formation, the subdivision was being developed. The homes there were built between 1973 and 1978.

The boundary area of the CSA is approximately 381 acres (or 0.6 square miles). The CSA bounds line up with the subdivision. The area is bounded by I-80 on the northwest and Willow Avenue on the southwest (the centerline of which is also the boundary of the City of Hercules). The northern and eastern boundary follows the subdivision bounds, extending to the northeast to include Viewpoint Blvd.; the subdivision is bounded on the north and east by the Contra Costa Carbon Plant, a petroleum coke calcining facility owned by ConocoPhillips Co.

The SOI for CSA M-20 is coterminous with the boundary of the CSA, and was last updated in 2004.⁴⁵

Boundary History

Table 3-9: CSA M-20 Boundary History

Since formation, there has been one reorganization to the CSA according to BOE and LAFCO records. On April 16, 1987, the CSA’s street lighting function was eliminated and that responsibility was transferred to CSA L-100.⁴⁶ This reorganization was part of a larger reorganization involving a number of former CSAs that were consolidated into CSA L-100 (street lighting).⁴⁷

Project Name	LAFCO Reso/Date	Change Type	Recording Agency ¹
Formation	4/8/1973	Formation	Both
Annex to L-100	86-24	Reorganization	Both
Note: 1) Recording agency indicates whether Contra Costa LAFCO or the Board of Equalization (BOE) maintains records of the particular boundary change.			

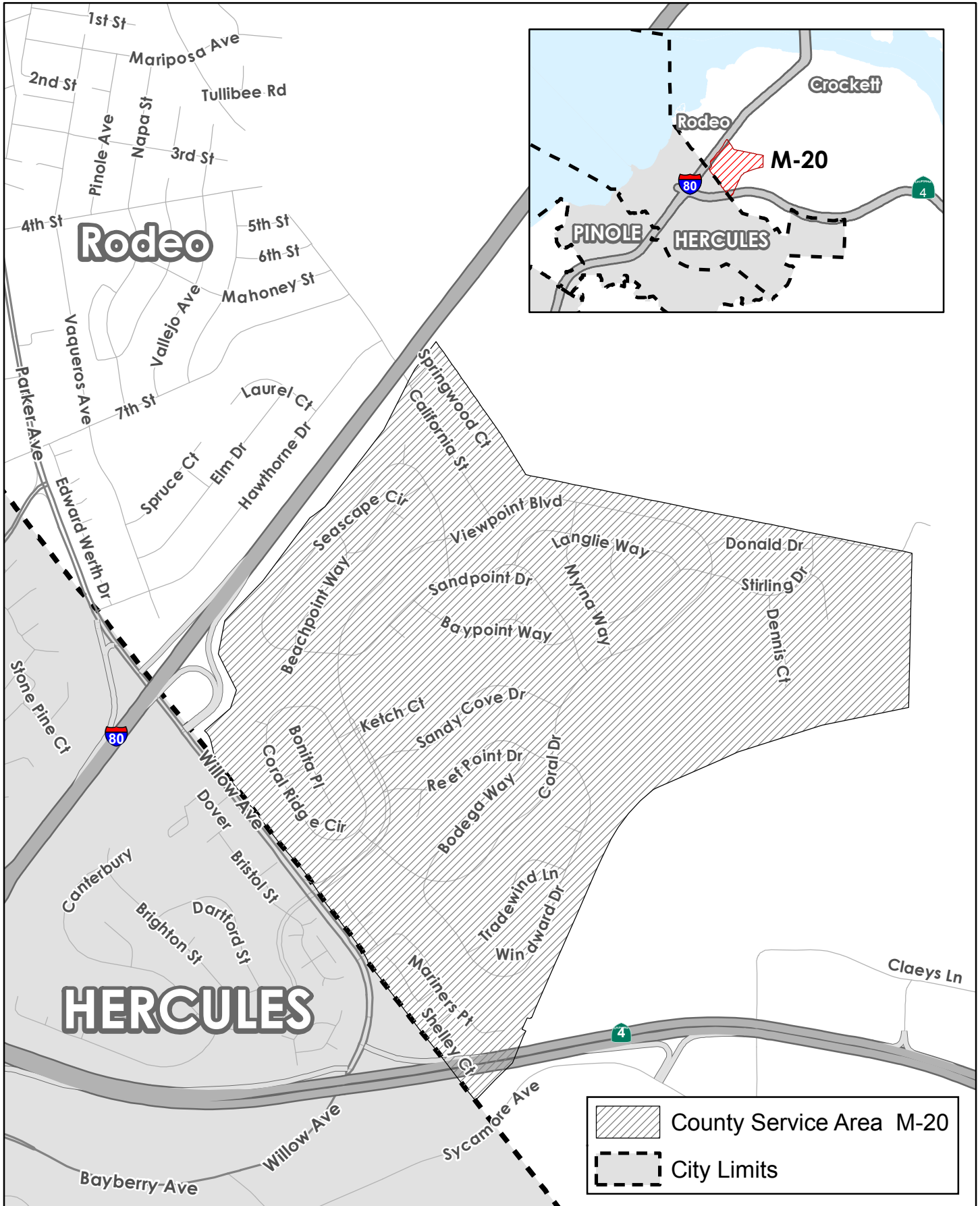
⁴⁴ Board of Equalization official date.

⁴⁵ Contra Costa LAFCO, meeting minutes for Feb. 11, 2004 meeting.

⁴⁶ California Board of Equalization, *Contra Costa County District Book*, Dec. 31, 2012.

⁴⁷ The reorganization consolidated CSAs M-3, M-7, M-12, M-13, M-14, M-16, M-21, and M22 into CSA L-100, and “annexed” CSAs M-20 and M-23 into CSA L-100.

Map 3-4: County Service Area M-20 (View Pointe)



SERVICE DEMAND AND GROWTH

The CSA M-20 bounds encompass the View Pointe subdivision in the unincorporated area of Rodeo. The CSA boundary area is adjacent to the City of Hercules, but is not within the Hercules SOI.

Figure 3-9: View Pointe Subdivision

Land uses within the CSA are residential, parkway and park uses. There are 1,122 residential units in the CSA bounds, according to Assessor parcel data. The homes were built between 1973 and 1978. In the center of the subdivision, there is a tree-lined trail area, as shown in Figure 3-9. On the eastern side of the subdivision, there is a playground and a park. On the northern side of the subdivision, there is an undeveloped parcel owned by East Bay Municipal Utility District.



The estimated population within the CSA was 3,088 as of April 2010.⁴⁸ The CSA boundary area is built out, and no growth is anticipated. Generally in the Rodeo-Crockett area, ABAG projects slow residential growth between 2010 and 2030, anticipating overall growth of three percent over the 20-year period.⁴⁹ By comparison, the countywide average population growth is projected at 17 percent over the same period.

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.⁵⁰

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and holds primary responsibility for implementing growth strategies.

⁴⁸ U.S. Census Bureau, *2010 Census Summary File 1*, 2010. The estimated 2010 population is the product of a) the number of housing units in the subdivision (1,122), the home occupancy rate in the Rodeo CDP (93.1 percent), and the average household size in the Rodeo CDP (2.96). The Rodeo CDP extends beyond the subdivision; the View Pointe subdivision accounted for 36 percent of the housing units in the Rodeo CDP.

⁴⁹ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG's most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013. Draft 2013 projections were not available for the unincorporated Rodeo area.

⁵⁰ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

FINANCING

Table 3-10: CSA M-20 Financial Information

The CSA revenues were \$9,216 in FY 11-12. Revenues were composed of property taxes. There was no interest revenue reported in spite of positive fund balances;⁵¹ the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$2,154	\$4,412	NP
Revenues	9,342	9,216	9,250
Property Taxes	9,342	9,216	9,250
Expenditures	7,347	6,958	9,250
Services and Supplies	0	0	750
Other Charges	6,856	6,793	8,000
Transfers	491	165	500

Expenditures were \$6,958 in FY 11-12. These consisted primarily of service charges (98 percent) and secondarily of transfers for administrative costs (two percent).

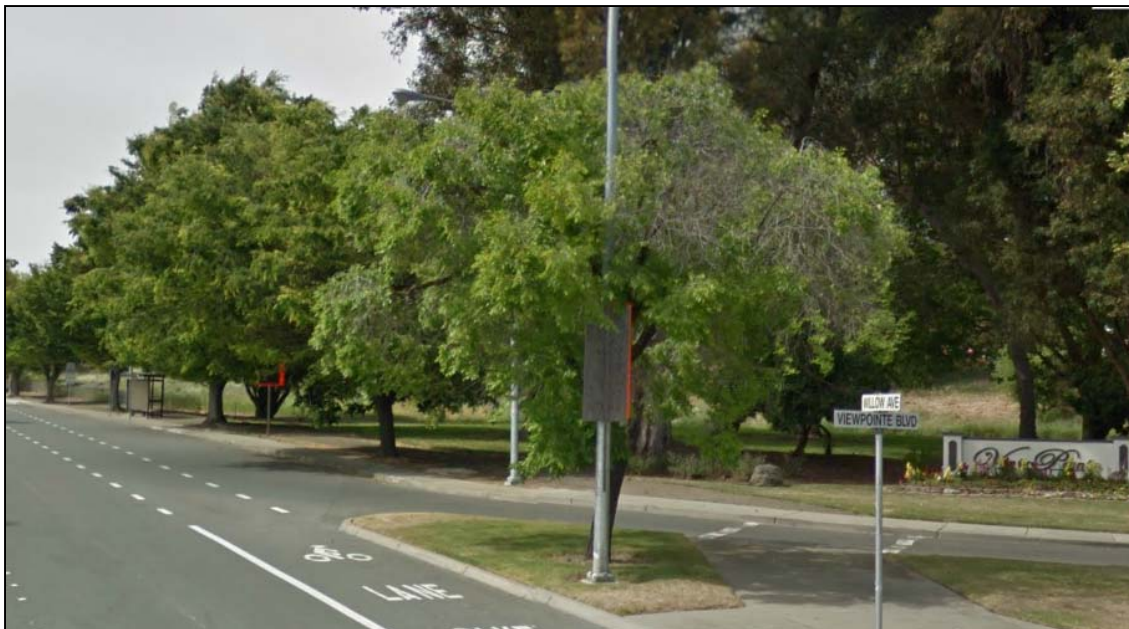
The CSA has no long-term debt.

The CSA had \$4,412 in fund balances at the end of FY 11-12, which made up 63 percent of expenditures in that year. In other words, the CSA maintained 7.6 months of working reserves.

PARKWAY MAINTENANCE

CSA M-20 provides weekly tree trimming services for parkway trees along the north side of Willow Avenue between Mariner’s Point and the I-80 on-ramp. On average, two crew members from the County Public Works Department spend about one hour weekly trimming the trees, as part of their maintenance route. The trees along the north side of Willow Avenue just west of Viewpointe Blvd. are shown in Figure 3-2.

Figure 3-10: Willow Avenue Trees



⁵¹ Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013.

Infrastructure

CSA capital assets involve only the trees along the north side of Willow Avenue. The CSA funds tree replacement, as needed, through its fund balance. The CSA is not responsible for trees in the interior of the subdivision; those trees are maintained by the Viewpointe Homeowners Association.

GOVERNANCE ALTERNATIVES

No governance alternatives for the CSA were identified. The CSA boundaries are logical and line up precisely with the subdivision. Although the CSA property tax yields minimal revenues, it does support the costs of tree trimming along the north side of Willow Avenue; hence, dissolution is not a desirable policy option.

MSR DETERMINATIONSGrowth and population projections

- 1) The estimated residential population within the CSA bounds is approximately 3,088.
- 2) Projected growth is likely to be minimal as the area is built-out.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 3) There are no disadvantaged unincorporated communities within or contiguous to the SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) The only CSA capital assets are the trees along the north side of Willow Avenue. Tree replacement is performed as needed and funded by the CSA fund balance.

Financial ability of agencies to provide services

- 5) The CSA funds the cost of tree trimming. The current level of financing for the CSA is adequate to finance weekly services.

Status of, and opportunities for, shared facilities

- 6) The CSA is staffed by County Public Works staff, and shares administrative costs and staffing with other CSAs.
- 7) No opportunities for facility sharing were identified.

Accountability for community service needs, including governmental structure and operational efficiencies

- 8) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 9) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA M-20 is coterminous with its bounds. The SOI for the district was affirmed by LAFCO in 2004.

Agency Proposal

The County Public Works Department has not proposed to change the coterminous SOI.

SOI Options

Given the considerations addressed in the MSR, one option is identified for the CSA M-20 SOI:

SOI Option #1 – Retain existing coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

Recommendation

It is recommended that LAFCO adopt a coterminous SOI for CSA M-20 at this time.

Table 3-11: CSA M-20 SOI Analysis

Issue	Comments
SOI update recommendation	Retain coterminous SOI.
Services provided	CSA M-20 provides funding for tree trimming.
Present and planned land uses in the area	Present land uses are primarily residential, and also include parkway, trail and park uses.
Projected growth in the District/Recommended SOI	Growth within in the CSA is anticipated to be minimal.
Present and probable need for public facilities and services in the area	There is a present and probable need for tree trimming services provided by the CSA.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	Tree trimming services appear to be adequate.
Social or economic communities of interest	The primary community of interest is the View Pointe subdivision in unincorporated Rodeo.
Effects on other agencies	A coterminous SOI would have no direct effect on other agencies.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.

Location of facilities, infrastructure and natural features	The trimmed trees are located on the north side of Willow Avenue. The CSA is not responsible for tree trimming inside the subdivision; the Homeowners Association trims trees along the trail areas.
Willingness to serve	The CSA is willing to continue providing tree trimming.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA M-23 (BLACKHAWK)

CSA M-23 provides financing for drainage and geologic hazard abatement services to the unincorporated area of Blackhawk. Drainage services are provided by County Public Works staff. Geologic hazard abatement services are provided by private contractors.

FORMATION AND BOUNDARY

CSA M-23 was formed on June 20, 1977 as a dependent special district of the County.⁵² At the time of formation, the CSA’s purpose was to provide maintenance of certain flood control facilities as required by the County in its condition for approval for the 2,800-acre Blackhawk Ranch project, other services authorized in the formation resolution included parkway maintenance, street lighting, open space maintenance, and parks and recreation services.⁵³ The CSA was adopted shortly before Proposition 13 capped the property tax rate. The CSA provided only drainage maintenance and street lighting services in its early years.

During the rainy winter of 1982-83, there were landslides in open space areas of the Blackhawk project. The developer, Blackhawk Corp., studied and repaired those land failures, and sought reimbursement from the County for those costs. In response, the CSA’s powers were expanded in 1986 to include geologic hazard abatement.⁵⁴ On the same day, the Blackhawk Geologic Hazard Abatement District (GHAD) was formed,⁵⁵ and the County and the Blackhawk GHAD entered into an agreement for the transfer of surplus CSA M-23 revenues to the GHAD.

Table 3-12: CSA M-23 Boundary History

Project Name	LAFCO Reso/Date	Change Type	Recording Agency ¹
Formation	6/20/1977	Formation	Both
Blackhawk Reorg.	85-21	Reorganization	Both
Annex to L-100	86-24	Service Transfer	Both
Blackhills Reorg.	90-29	Annexation	Both
Note: 1) Recording agency indicates whether Contra Costa LAFCO or the Board of Equalization (BOE) maintains records of the particular boundary change.			

Since formation, there have been three reorganizations to the CSA, as shown in Table 3-12. In 1985, five parcels were detached from the CSA and nine parcels were annexed to the CSA.

On April 16, 1987, the CSA’s street lighting function was eliminated and that responsibility was transferred to CSA L-100.⁵⁶

This reorganization was part of a larger reorganization involving a number of former CSAs that were consolidated into CSA L-100 (street lighting).⁵⁷

In 1990, the “Canyons” area was annexed to the CSA without an associated property tax allocation to the CSA.

⁵² Board of Equalization official date.

⁵³ Contra Costa LAFCO, *Resolution of the Local Agency Formation Commission of the County of Contra Costa Making Determinations and Approving Proposed Blackhawk Boundary Reorganization No. 2*, adopted April 20, 1977.

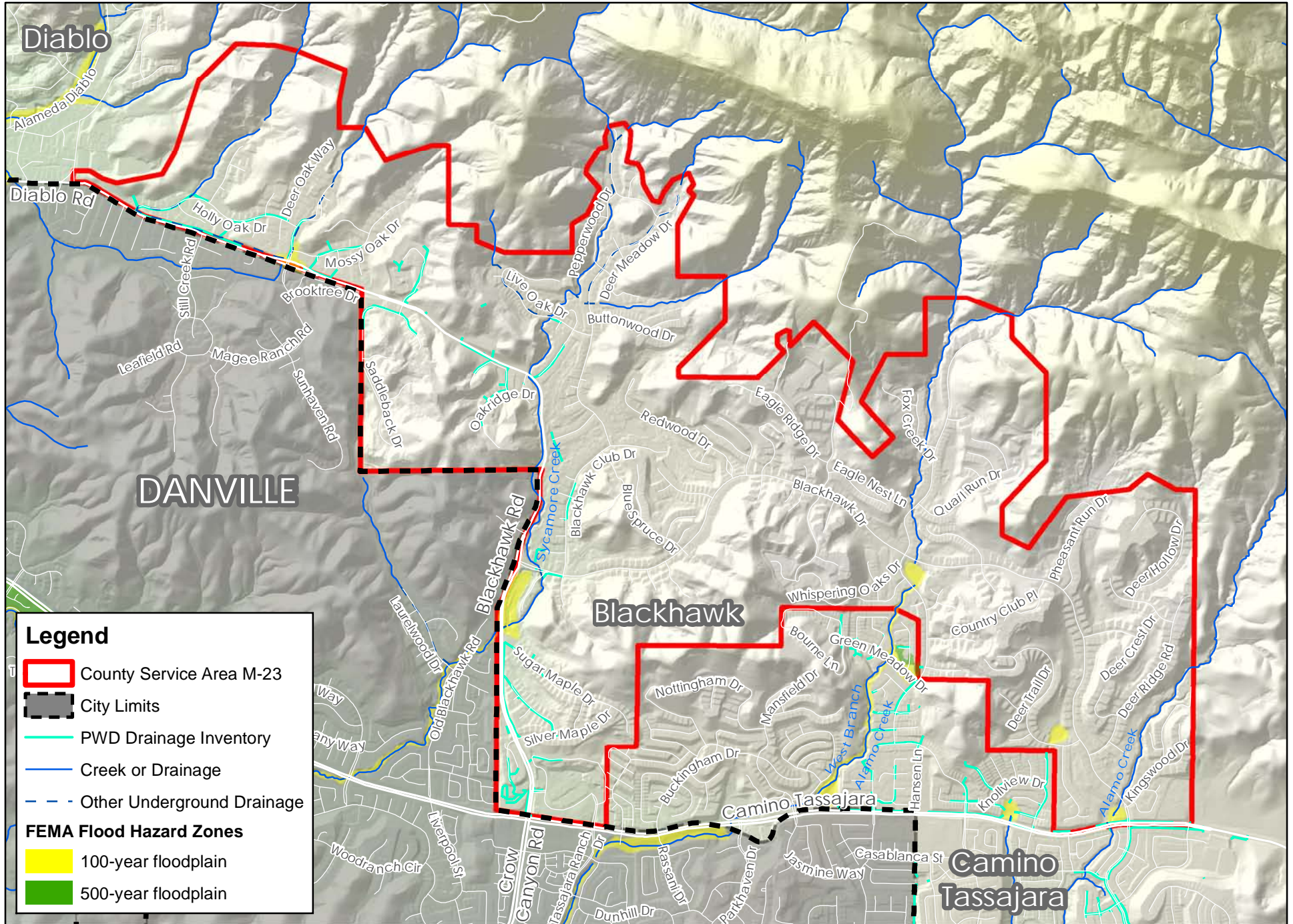
⁵⁴ Contra Costa County Board of Supervisors, *Resolution No. 86/209*, adopted April 22, 1986.

⁵⁵ Contra Costa County Board of Supervisors, *Resolution No. 86/210*, adopted April 22, 1986.

⁵⁶ California Board of Equalization, *Contra Costa County District Book*, Dec. 31, 2012.

⁵⁷ The reorganization consolidated CSAs M-3, M-7, M-12, M-13, M-14, M-16, M-21, and M22 into CSA L-100, and “annexed” CSAs M-20 and M-23 into CSA L-100.

Map 3-5: County Service Area M-23 (Blackhawk)



Legend

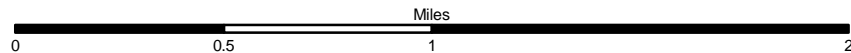
- County Service Area M-23
- City Limits
- PWD Drainage Inventory
- Creek or Drainage
- Other Underground Drainage

FEMA Flood Hazard Zones

- 100-year floodplain
- 500-year floodplain

Map created 01/31/2013
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
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This map or dataset was created by the Contra Costa County Conservation and Development Department with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



The CSA boundary is shown on Map 3-5. The present boundary area of the CSA is approximately 2,781 acres, or 4.3 square miles.

The SOI for CSA M-23 is coterminous with the boundary of the CSA, and was last updated in 2004.⁵⁸

SERVICE DEMAND AND GROWTH

The CSA boundary area is in the unincorporated area of Blackhawk.

Figure 3-11: Homes at Blackhawk Country Club

Land uses within the CSA are primarily residential, and also include office buildings, a retail shopping center, a theater, two museums, and two golf courses. There are 2,399 residential units in the CSA bounds, according to Assessor parcel data. Homes are located in six gated communities. No major residential development projects are proposed or planned in the Blackhawk area.⁵⁹



The area is located at the base of Mt. Diablo (elevation 3,864 feet). Soils in this upland area contain clay, and tend to swell in the winter; expandable soils are susceptible to downhill soil creep on slopes. Landslide activity tends to peak after heavy rain events. Service demand for both drainage and geologic hazard abatement is driven primarily by rainfall and secondarily by the development of impervious surfaces.

The estimated population within the CSA was 6,454 as of 2012.⁶⁰ The CSA boundary area is nearly built out, with only modest growth anticipated. Generally in the Blackhawk area, ABAG projects slow residential growth between 2010 and 2030, anticipating overall growth of five percent over the 20-year period.⁶¹ By comparison, the countywide average population growth is projected at 17 percent over the same period. Commercial growth is expected to be limited. The County General Plan policy for this area is that large-scale commercial uses and regional shopping centers in this area are inappropriate.⁶²

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.⁶³

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and is responsible for implementing growth strategies.

⁵⁸ Contra Costa LAFCO, meeting minutes for Feb. 11, 2004 meeting.

⁵⁹ Contra Costa County, *Contra Costa County Housing Element*, 2009, Table 6-37.

⁶⁰ U.S. Census Bureau, *2010 Census Summary File 1*, 2010. The estimated 2012 population is the product of a) the number of housing units in the CSA in 2012 (2,399), the home occupancy rate in the Blackhawk CDP (96.2 percent), and the average household size in the Blackhawk CDP (2.8). The Blackhawk CDP extends beyond the CSA bounds; the CSA accounted for 69 percent of the housing units in the Blackhawk CDP.

⁶¹ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG's most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013. Draft 2013 projections were not available for the unincorporated Blackhawk area.

⁶² Contra Costa County, *General Plan 2005-2020*, 2005, pp. 3-54 and 3-55.

⁶³ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

FINANCING

Table 3-13: CSA M-23 Financial Information

The CSA revenues were \$1.7 million in FY 11-12. Revenues were composed of property taxes (99 percent) and reimbursements for homeowner exemptions (one percent). Property taxes paid by most CSA properties are allocated partly to CSA M-23; however, a tax rate area (66343) in the Canyons does not presently contribute. There was no interest revenue in spite of positive fund balances; the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$169,832	\$142,855	NP
Revenues	1,732,272	1,675,248	1,669,740
Property Tax	1,732,272	1,675,248	1,669,740
Interest	53	0	0
Expenditures	187,276	1,702,224	1,812,595
Services and Supplies	0	101	40,500
Other Charges	2,292,453	1,682,892	1,760,095
Transfers / Admin	11,734	19,231	12,000

Expenditures were \$1.7 million in FY 11-12. These consisted primarily of charges by the GHAD (97 percent of CSA expenditures), and secondarily of charges for drainage services performed by County staff (two percent) and administrative costs (one percent). Under the funding agreement between the County and the GHAD, the County may budget and retain as-needed costs for drainage maintenance, incidental administrative expenses, and a \$40,000 holdback for contingencies; the remainder of CSA M-23 funds are made available to the GHAD.⁶⁴

The CSA has no long-term debt.

The CSA had \$142,855 in fund balances at the end of FY 11-12, which made up eight percent of expenditures in that year. In other words, the CSA maintained one month of working reserves.

Table 3-14: Blackhawk GHAD Financial Information

The Blackhawk GHAD is funded by CSA M-23. GHAD revenues were \$1.6 million in FY 11-12.⁶⁵ CSA property taxes composed 99 percent of GHAD revenues, and interest income composed one percent, as shown in Table 3-14.

In FY 12-13, major projects compose 47 percent of budgeted expenditures, GHAD operations

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$3,758,557	\$4,140,650	\$4,365,650
Revenues		1,658,589	1,670,000
Property Tax		1,642,857	1,650,000
Interest		15,732	20,000
Expenditures		926,439	1,445,000
Major Projects		453,672	685,000
Operations		157,287	397,500
Special Studies		50,475	92,500
Administration		265,005	270,000

⁶⁴ Agreement for Funding for the Blackhawk Geologic Hazard Abatement District, originally August 14, 2007, as amended April 11, 2011.

⁶⁵ Blackhawk Geologic Hazard Abatement District, *Annual Report Fiscal Year 2011-2012*, June 2012.

(preventive maintenance and monitoring) compose 28 percent, special studies 6 percent, and administration 19 percent.⁶⁶ GHAD expenditures in FY 11-12 were relatively low compared with its revenues and FY 12-13 budgeted expenditures. This was due to delays in procuring agreements from property owners affected by the Silver Oaks Townhomes landslide repair project, which is being performed in FY 12-13.

The GHAD had no long-term debt at the end of FY 11-12.

The GHAD carried a fund balance of \$4.1 million at the end of FY 11-12, which made up 447 percent of expenditures in that year. In other words, the GHAD maintained 54 months of working reserves. GHAD reserves are primarily maintained in preparation for major rain events (that cause higher numbers of landslides). The GHAD's reserve study estimates that \$3.0 million in reserves is needed for wet years (that occur every 12.5 years) and \$0.5 million is needed for heavy rain days (that occur once every 25 years).⁶⁷

DRAINAGE SERVICES

Nature and Extent

From its inception, the CSA M-23 purpose was to provide maintenance of certain flood control facilities as required by the County in its condition for approval for the 2,800-acre Blackhawk Ranch project. The CSA is responsible for maintaining storm drain pipe systems generally 30 inches or more in diameter, detention, debris and silt basins, man-made channel improvements, and natural channels in the service area except those upstream of the retention basins. The CSA is responsible for maintaining drainage facilities located in easements dedicated to the County, and is not responsible for certain ravines, swales, interceptor ditches or private facilities on private or open space property.⁶⁸

The County Public Works Department provides drainage maintenance services to the CSA. The Department annually inspects facilities, clears earthen channels of excess vegetation and debris, clears silt and debris from culverts, mows channel banks and rights of ways, and applies herbicides to control broadleaf weeds. County staff also inspect the facilities after major storms and remove log and debris jams. As needed, the channels, culverts, and safety fences are repaired, and silt deposits are removed. The Department contracts with the County Agriculture Department to control rodents to prevent their burrows in the earthen dams for the detention basins.

Location

CSA-maintained drainage facilities are located throughout the CSA bounds. The County was providing services at the time this report was drafted to all areas except the Canyons subdivision.

Infrastructure

The County, not the CSA, is the direct owner of the infrastructure that it maintains. The inventory and condition of the infrastructure were not provided.

⁶⁶ Blackhawk Geologic Hazard Abatement District, *Program Budget Fiscal Year 2012-2013*, April 2012.

⁶⁷ Blackhawk Geologic Hazard Abatement District, *Reserve Study*, Dec. 5, 2003, p. 7.

⁶⁸ *Agreement between Blackhawk GHAD and Contra Costa County*, 1986, Exhibit A.

GEOLOGIC HAZARD ABATEMENT SERVICES

Nature and Extent

CSA M-23 funds the Blackhawk GHAD which, in turn, provides geologic hazard abatement services to the CSA. The GHAD's services involve the prevention, mitigation, abatement, or control of actual or threatened landslides.

GHAD activities include major projects, preventive maintenance, monitoring and special studies. Major projects involve evaluation and repair of landslides and slope stabilization features, such as structural walls. For example, the GHAD is conducting a slope stabilization project at Silver Oak Townhomes in FY 12-13 after discovering a landslide below a four-unit residential building. Another major project being conducted in FY 12-13 involves replacing a damaged interceptor ditch and repair of a damaged earth retention structure on Deer Oak Lane. In heavy rain years, unexpected repairs are necessary to avert or control landslides that threaten property in the CSA.

Figure 3-12: Geologic Hazard Abatement Services Photo

The GHAD responds to 30-50 incidents annually, typically during the winter rainy season. Emergency response involves potential or active landslides as well as drainage issues involving potential property damage. The incidents typically involve mud or debris flows, plugged storm drains, and flood properties. Severe cases often require temporary slope stabilization measure in preparation for a major project.



Preventive maintenance includes maintenance of storm drain facilities, drain systems, and retention basins.

Monitoring involves the maintenance and monitoring of piezometers (measuring ground water elevations), inclinometers, horizontal drains, subdrains, and settlement monitors. Data collected from the instruments is analyzed to establish trends and to attempt to identify slope movement in advance of a landslide or other slope failure.

Special studies include preparation and update of the GHAD's Plan of Control, reserve fund study, and targeted studies in the areas of fiscal policy and geologic risk.

Location

The GHAD provides geologic hazard abatement services to most areas within the CSA bounds. The GHAD boundaries are nearly identical to the CSA M-23 bounds, with the exception that the GHAD contains additional (undeveloped) territory in the northeast portion (west and north of Pheasant Run Drive).⁶⁹

Beginning in December 2012, the GHAD became aware that zero property tax revenues are being paid by a recent subdivision called the Canyons. The Canyons area was annexed to the CSA in 1990. The GHAD, County and affected homeowners are discussing potential financing solutions for the Canyons, such as payment of an assessment, so that the Canyons may be included in the GHAD's service area in the future.

⁶⁹ Blackhawk Geologic Hazard Abatement District, *Second Amended Plan of Control*, Aug. 30, 2006.

The GHAD does not provide services for slope failures affecting only one parcel (of one acre or less in size) if the slope failure is caused by improvements made on that property that alter drainage or slope stability (unless the damage threatens other properties).

Infrastructure

GHAD-maintained capital assets include storm drain systems, 200 catch basins, 12 miles of concrete-lined drainage ditches (“B-58 drains”), six retention basins, 267 horizontal drains, a subdrain pump, 75 piezometers, other monitoring instruments, and debris benches.⁷⁰ Debris benches are installed at the bottom of steep sloped to provide a buffer zone for erosion deposits before they flow onto private property. Neither CSA M-23 nor the GHAD owns these assets.

GHAD Management and Governance

The GHAD (consulting) staff includes a general manager, construction services manager, administration manager and other support staff. The GHAD also hires private contractors for certain landslide abatement services. The Blackhawk GHAD is managed by a private firm that also manages another GHAD; its employees are shared and the respective GHAD’s pay their share of employee work time. GHAD management practices include annual budgets, annual financial reports, and occasional updates to the Plan of Control (last updated 2006) and reserve study (last updated 2003). The GHAD reported that it plans to update both the Plan of Control and the reserve study in FY 12-13.

The Blackhawk GHAD is governed by a Board of Directors that is comprised of the Contra Costa County Board of Supervisors. The Board meets at least once annually, and usually a few times each year. Complaints may be directed to the GHAD general manager, respective homeowners association or the Board. No complaints were received by the GHAD in 2012. A lawsuit was filed against the GHAD in 2009 by multiple homeowners in Silver Oak Townhomes related to land subsidence; the GHAD is defending the lawsuit and associated financial risk is not yet determined.⁷¹

GOVERNANCE ALTERNATIVES

Detachment of non-contributing territory from the CSA is a governance alternative. In 1990, the “Canyons” area was annexed to the CSA without an associated property tax allocation to the CSA. Detachment appears to be premature at this time. The GHAD, the County and affected property owners are actively attempting to identify an alternative funding source, such as assessments, to ensure that the Canyons receives geologic hazard abatement services in the future.

MSR DETERMINATIONS

Growth and population projections

- 1) The estimated residential population within the CSA bounds is approximately 6,454.
- 2) Growth in the CSA is projected to be relatively slow, as the planned development in the area has largely been completed.

⁷⁰ Blackhawk Geologic Hazard Abatement District, *Reserve Study*, Dec. 5, 2003.

⁷¹ Blackhawk Geologic Hazard Abatement District, *Annual Report Fiscal Year 2011-2012*, June 2012, p. 16.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 3) There are no disadvantaged unincorporated communities within or contiguous to the SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) Drainage and geologic hazard abatement services appear to be adequate. The GHAD conducts preventive maintenance and extensive planning efforts.
- 5) The CSA and the CSA-funded GHAD provide routine maintenance and address infrastructure needs on an as-needed basis.

Financial ability of agencies to provide services

- 6) The CSA funds drainage and geologic hazard abatement services.
- 7) The current level of financing for drainage and geologic hazard abatement services appears to be adequate in most of the CSA boundary area. Territory annexed in 1990 is not presently contributing property taxes or other funding to the CSA.
- 8) The CSA-funded GHAD has accumulated adequate financial reserves to address extraordinary needs in the event of an El Niño or heavy rain day.

Status of, and opportunities for, shared facilities

- 9) The CSA does not directly own or operate facilities, but simply contributes funding for drainage and geologic hazard abatement operations and facilities.
- 10) The CSA relies on County and private sector staffing for its operations and administration.
- 11) No facility sharing opportunities were identified.

Accountability for community service needs, including governmental structure and operational efficiencies

- 12) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 13) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA M-23 is coterminous with its bounds. The SOI for the CSA was affirmed by LAFCO in 2004.

Agency Proposal

Neither the County Public Works Department nor the Blackhawk GHAD has proposed to change the coterminous SOI.

SOI Options

Given the considerations addressed in the MSR, two options are identified for the CSA M-23 SOI:

SOI Option #1 – Retain existing coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

SOI Option #2 – Reduce SOI to exclude non-contributing areas

If LAFCO determines that territory not contributing property taxes to the CSA should be detached, then the SOI for the CSA should be reduced to exclude the Canyons area annexed in 1990.

Recommendation

It is recommended that LAFCO adopt a coterminous SOI for CSA M-23 at this time. Although the boundary is not presently logical or equitable, the GHAD and affected property owners in the Canyons area have not had sufficient time to identify alternate funding sources, such as assessments, that would finance services to the affected area.

Table 3-15: CSA M-23 SOI Analysis

Issue	Comments
SOI update recommendation	Retain the coterminous SOI.
Services provided	CSA M-23 provides funding for maintenance of drainage facilities and geologic hazard abatement services.
Present and planned land uses in the area	Present land uses are primarily residential, and also include open space, commercial and recreational uses. The MSR did not identify any significant development plans in the CSA.
Projected growth in the District/Recommended SOI	Growth within the CSA is expected to be minimal.
Present and probable need for public facilities and services in the area	There is a present and probable need for drainage and geologic hazard abatement services.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	Drainage and geologic hazard abatement services appear to be adequate. The GHAD conducts preventive maintenance and extensive planning efforts.
Social or economic communities of interest	The primary communities of interest are the unincorporated areas within CSA bounds.
Effects on other agencies	A coterminous SOI would have no significant effect on other agencies. The CSA is adjacent to the town of Danville, but not within the Town’s SOI or planning area.
Potential for consolidations or other reorganizations	There is no potential for consolidation at this time. The closest GHAD is in the Town of Danville, and is operated by a homeowners association.

Location of facilities, infrastructure and natural features	Facilities for drainage and slope stability are located throughout the CSA. The CSA area consists of uplands and sloped areas below Mount Diablo.
Willingness to serve	The CSA is willing to continue providing drainage and geologic hazard abatement funding.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA M-31 (PLEASANT HILL BART)

CSA M-31 finances shuttle and vanpool transit services to the Pleasant Hill/Contra Costa Centre BART station vicinity in unincorporated Walnut Creek.

FORMATION AND BOUNDARY

CSA M-31 was formed on August 12, 2002 as a dependent special district of the County.⁷² The CSA was formed for the purpose of financing transportation demand management (TDM) services in the Pleasant Hill/Contra Costa Centre BART Station area.

The BART station was built in the early 1970s. The County developed a Specific Plan for the area in 1983 and a Redevelopment Plan in 1984 with the goal of locating employment and housing next to this regional transportation hub. As the area was developing in 1986, the County required commercial property owners in the area to participate in an area-wide TDM program that aims to encourage commute alternatives and reduce parking demand and traffic congestion. The TDM program was initially funded by a one-time assessment (paid at the time of entitlement), but those funds were eventually depleted. The Contra Costa Centre Association, an area non-profit in which the affected property owners are members, voted in 2001 to initiate the process of CSA formation to ensure continued compliance with CEQA and development conditions. A 2002 County-commissioned plan for CSA services proposed a benefit assessment based on commercial square footage to provide shuttle operations, vanpool operations, bike parking and transit subsidies.⁷³ Shortly afterwards, affected property owners approved the assessment. The CSA was then formed to provide TDM services.

The boundary area of the CSA is approximately 73 acres (or 0.1 square miles) including a non-contiguous area on Alderwood Road. The CSA bounds contain most of the commercial and mixed use properties in the County’s former Contra Costa Centre redevelopment area, as shown in Map 3-6. Two commercial parcels in the former redevelopment area were excluded from the CSA.⁷⁴

Table 3-16: CSA M-31 Boundary History

Since formation, there has been one change to the boundary and SOI of CSA M-31, as shown in Table 3-16. In 2008, the BART property was annexed to the CSA. The County required the property owner (BART) to annex to the CSA as a development condition when it proposed to redevelop the station area to mixed use purposes.

	LAFCO		Recording
Project Name	Reso/Date	Change Type	Agency ¹
Formation	02-19	Formation	Both
San Fran BART	08-19	Annexation	Both
Note:			
1) Recording agency indicates whether Contra Costa LAFCO or the Board of Equalization (BOE) maintains records of the particular boundary change.			

The SOI for CSA M-31 is coterminous with the boundary of the CSA, and was last updated in 2004,⁷⁵ and was expanded in 2008 to include the annexation area.

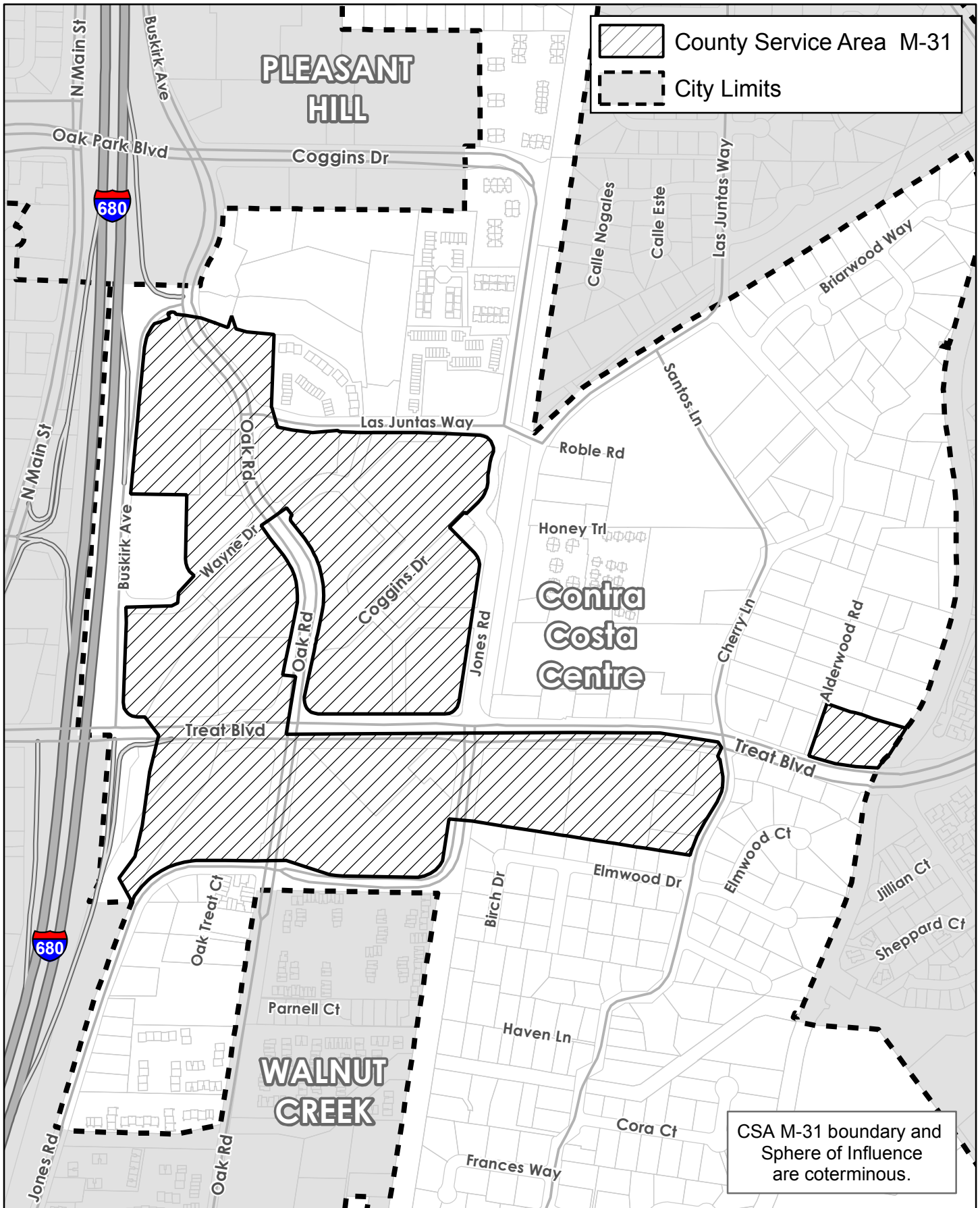
⁷² Board of Equalization official date.

⁷³ Berryman & Henigar, Inc., *Plan for Providing Services for Contra Costa County Service Area M-31, Pleasant Hill BART Station Area Transportation Demand Management Services Benefit Assessment*, March 26, 2002.

⁷⁴ Excluded are Brandman University at 2951 Buskirk Ave. and a strip mall at 3116 Oak Road.

⁷⁵ Contra Costa LAFCO, meeting minutes for Feb. 11, 2004 meeting.

Map 3-6: County Service Area M-31 (Pleasant Hill BART RDA)



SERVICE DEMAND AND GROWTH

The CSA M-31 bounds include the Pleasant Hill/Contra Costa Centre BART Station and nearby hotels, office buildings, and a mixed use property. The CSA boundary area is within the City of Walnut Creek SOI.

Figure 3-13: Eastbound Treat Blvd. at Buskirk Ave.



Land uses within the CSA are commercial, office, hotel, transportation, and mixed uses. Most of the planned development has been completed, although there are additional housing units planned in the mixed use development on the BART station property. The BART station redevelopment construction is partly completed, and involves 270,000 office square feet, 35,590 retail square feet, 12,310 square feet of live-work retail, 19,400 square feet of meeting space, 522 housing units, and 1,816 parking spaces.

The TDM program aims to reduce the number of single-passenger vehicle trips for commuters working in the BART station vicinity. Service demand is expected to be driven primarily by commercial building occupancy rates and construction.

There are 4-5,000 jobs at businesses located within the CSA,⁷⁶ and capacity for 6-7,000 employees at the properties there.⁷⁷ The CSA contained 2.2 million commercial square feet of developed space in FY 12-13.⁷⁸ The area features primarily Class A office space, and secondarily about 50,000 square feet of retail/restaurants and two full-service hotels with a combined total of 423 hotel rooms. Employers in the area include AAA, John Muir Health Corporate Headquarters,

⁷⁶ The CCCA estimated 4,885 jobs in 2010 for a CCCA employee survey (Contra Costa Centre Transportation Survey, Spring 2010). ABAG estimates there were 3,730 jobs in the Contra Costa Centre CDP in 2010, and projects growth to 4,740 jobs by 2040.

⁷⁷ Interview with Maureen Toms, Contra Costa County Department of Conservation & Development, March 15, 2013.

⁷⁸ Contra Costa County Public Works Department, *Annual Report FY 2012-13: Contra Costa County Service Area M-31 (Contra Costa Centre Redevelopment Area), Transportation Demand Management Services Benefit Assessment District*, May 12, 2012, p. 8.

PMI Group, Embassy Suites Hotel, Renaissance Club Sport, and Avalon Walnut Creek. The CSA anticipates a total of 2.5 million commercial square footage at build-out.⁷⁹

The estimated residential population within the CSA was 750 as of 2012.⁸⁰ There were approximately 449 housing units in the boundary area in 2012, according to the County Department of Conservation & Development (DCD). Another 35 units were completed subsequently, according to DCD, and additional units are planned. At build-out, there are 522 dwelling units expected. Based on development plans, residential growth of 16 percent is anticipated through 2030. By comparison, the countywide average population growth is projected at 17 percent over the same period.⁸¹

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.⁸²

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and holds primary responsibility for implementing growth strategies. The County's Specific Plan policies for the area aimed to address the historic problem of small parcels in the area and provide incentives for assembly of them into larger parcels for development of commercial uses.

The County offered a density bonus to developments that showed that at least 30 percent of on-site full-time employees regularly commute by public transit, vanpool, carpool (with 3 or more riders), bicycle or walking.⁸³ For such uses, the County required proposed development to agree to participate in the Transportation Demand Management (TDM) program, to submit a traffic report and to provide impacts on the area's Transportation Demand Management program.⁸⁴ The County's TDM Ordinance encourages TDM programs to achieve outcomes of reduction of frequency and distance of auto trips, spreading peak-hour trips to off-peak times, shifting trips toward environmentally friendly and non-motorized modes of transportation, and solutions to reduce environmental impacts of vehicle traffic. Further, the effectiveness of TDM programs should be evaluated on how well these outcomes are achieved.

Recent conditions of approval for commercial development in the area include providing bicycle parking, preferential parking for low-emission vehicles and carpools, promoting BART use, and adopting trip reduction goals and enforcement procedures.

⁷⁹ Contra Costa County Public Works Department, *Annual Report FY 2012-13: Contra Costa County Service Area M-31 (Contra Costa Centre Redevelopment Area), Transportation Demand Management Services Benefit Assessment District*, May 12, 2012, p. 8.

⁸⁰ U.S. Census Bureau, *2010 Census Summary File 1*, 2010. The estimated 2012 population is the product of a) the number of housing units in the CSA (449), the home occupancy rate in the Contra Costa Centre CDP (93.3 percent), and the average household size in the Contra Costa Centre CDP (1.79). The Contra Costa Centre CDP extends beyond the CSA.

⁸¹ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG's most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013. Draft 2013 projections were not available for the unincorporated Contra Costa Centre area.

⁸² Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

⁸³ Meyer, Mohaddes Associates Inc., *Contra Costa County Pleasant Hill BART Specific Plan Final Traffic Report*, July 9, 1997, p. 6.

⁸⁴ Contra Costa County, *Amended Pleasant Hill BART Station Area Specific Plan*, Oct. 6, 1998, p. 32.

FINANCING

There was not adequate information to determine if the financing is adequate to provide for service levels that meet the development conditions.

Table 3-17: CSA M-31 Financial Information

The CSA revenues were \$253,105 in FY 11-12. Revenues were composed of assessments.

The assessment paid by property owners in the area was \$0.105 per commercial square foot in FY 12-13 and \$59.61 per housing unit. The assessment was approved by property owners in 2002. It increases annually with inflation. Parking facilities, undeveloped properties and roads

	FY 10-11	FY 11-12	FY 12-13
	Actual	Actual	Budget
Fund Balance	\$165,700	\$218,401	NP
Revenues	248,877	253,105	253,000
Assessments	248,877	253,105	253,000
Interest	0	0	0
Expenditures	187,276	200,405	278,343
Services and Supplies	187,012	113,202	178,543
Other Charges	264	264	300
Management / Admin	NP	86,939	99,500

are exempt. There was no interest revenue reported in FY 11-12 in spite of the significant fund balance;⁸⁵ the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

Expenditures were \$200,405 in FY 11-12.⁸⁶ Expenditures consisted of services and supplies (56 percent), other charges (less than one percent), and administrative costs (44 percent).⁸⁷ The primary services and supplies expenses were the mid-day shuttle program and the Green Fleet program. Smaller expenses included the transit subsidy, carpool incentive, vanpool, bus subsidy, and bike-to-work programs. Administrative costs included the costs of Contra Costa Centre Association management services, insurance, marketing and contingency funds.

The CSA has no long-term debt.

The CSA had \$218,401 in fund balances at the end of FY 11-12,⁸⁸ which were 109 percent of expenditures in that year. In other words, the CSA maintained 13 months of working reserves.

Although the CSA was never formally part of the redevelopment agency, the CSA does include most of the commercial properties in the (former) redevelopment area. The former Contra Costa Redevelopment Agency assisted the CSA with funds for green fleet equipment rooms, reservation systems and electric vehicle charging stations. This source of revenue is no longer available. Pursuant to the provisions of California Assembly Bills 1X 26 and 1484, California redevelopment agencies were dissolved as of February 1, 2012. The California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California. On

⁸⁵ Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013.

⁸⁶ Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013, p. 274.

⁸⁷ The County’s Special Districts Budget allocates all payments to CCCA to the category entitled “Services and Supplies.” Table 3-17 posts estimated CCCA program expenditures in the “Services and Supplies” category, and estimated administrative and managerial expenditures in a separate category (Contra Costa County Public Works Department, *Annual Report FY 2012-13 for Contra Costa County Service Area M-31*, May 22, 2012, Table 2).

⁸⁸ Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013, p. 11.

January 31, 2012, the County's Redevelopment Agency was dissolved. The assets and liabilities of the dissolved agency were assumed by the County Board of Supervisors.

Contra Costa Centre Association

The Contra Costa Centre Association (CCCA) is a non-profit agency governed by a board of representatives from 14 participating commercial property owners. The CSA's TDM program and budget is reviewed annually by the CCCA board. CCCA declined to provide information on its own budget; however, the CSA component of the CCCA budget is reviewed annually by the County. CCCA provides monthly TDM expenditure reports to the County. Since CCCA is the direct service provider for the CSA, the CSA funds a portion of the CCCA budget. The County Board of Supervisors approves the CSA budget and renews the contract with CCCA annually.

There is a child care program in the Contra Costa Centre area. Commercial property owners in the area were required by the County General Plan to implement a child care mitigation program. The program is funded by a trust account that the commercial property owners voluntarily funded with a \$1 million contribution. The interest revenue from the trust fund pays for child care subsidies for low- and moderate-income employees of the area. The County disburses payments (from a fund separate from the CSA) for monthly invoices related to the child care program.

The County Department of Conservation & Development credits CCCA with being instrumental in obtaining grant funds from the U.S. Department of Energy and other sources to fund eight vehicle charging stations, as well as installation costs for electric vehicle charging stations, commuter survey analysis and bike lockers.

TRANSPORTATION SERVICES

Nature and Extent

CSA M-31 funds transportation demand management services as required to meet the County development condition that 30 percent of employees at the included properties use a transportation mode other than a single-passenger vehicle trip. Compliance with the County's TDM Ordinance is measured on an areawide basis at Contra Costa Centre. Services are provided directly by the Contra Costa Centre Association (CCCA), a non-profit association in which area property owners are members.

The primary transportation services provided in FY 12-13 were:

- **Green Fleet Program:** CCCA provides employees with access to local vehicles—Smart Cars, Segways, electric bicycles, and manual bicycles—to use in the Contra Costa Centre vicinity during the workday. Employees may check out vehicles online or electronically at various kiosk locations. 131 employees are registered with the program.
- **Mid-Day Shuttle:** The mid-day shuttle transports employees from all Centre buildings to the Countrywood Shopping Mall (where there are restaurants, banks, grocery shopping, a pharmacy, and other retail) and to Crossroads Shopping Center (where there are restaurants, a department store and other retail). The shuttle runs from 10:30 a.m. to 2:10 p.m. on weekdays. CCCA reports up to 17 daily trips are made on the shuttle.

Figure 3-14: CSA M-31 Transportation Services

CCCA offers several other programs aimed to reduce the number of single-passenger vehicle trips to the area:

- **Transit Subsidy:** Employees may purchase discounted BART tickets (a \$48 ticket for \$25) by pledging to take BART to work at least three days per week. There were 120 participants in FY 12-13.⁸⁹
- **Carpool Incentive:** Employees who participated in carpools receive one \$25 Chevron gas card each month. There are 41 carpools participating in FY 12-13.
- **Bike/Walk to Work:** Employees who agree to bike or walk to work at least three times weekly receive a free \$48 BART ticket. There were 10 participants in FY 12-13.
- **Vanpool:** Vanpools receive \$50 to \$100 monthly to defray lease and fuel costs. There was one vanpool in FY 12-13. Vanpool usage has declined since the early 1990s.

There are about 172 participants in the incentive programs, which represents 3.5 percent of the local commuters.

CCCA is partnering with Contra Costa Transportation Authority to develop a real-time ride-share program.

The TDM programs are marketed by CCCA through newsletters, posters, brochures, promotional handouts, and hosted events and transportation fairs.

CCCA conducted a survey in 2010 of employees throughout the CSA, and reported that 30 percent rely on a transportation mode other than single-occupant vehicle.⁹⁰ Previous surveys in 1994 and 1995 found that 33 percent relied on an alternate transportation mode, and that in the 1980s a much lower share of employees had used alternative modes. A 1997 traffic study found that use of alternate modes had increased in response to the TDM programs funded at that time by CCCA (via developer fees).⁹¹ However, the study found significant differences between properties

⁸⁹ Interview with Contra Costa Centre Association TDM Program Coordinator Chris Romero, Feb. 11, 2013.

⁹⁰ Contra Costa Centre Association, *Transportation Survey Results*, Spring 2010.

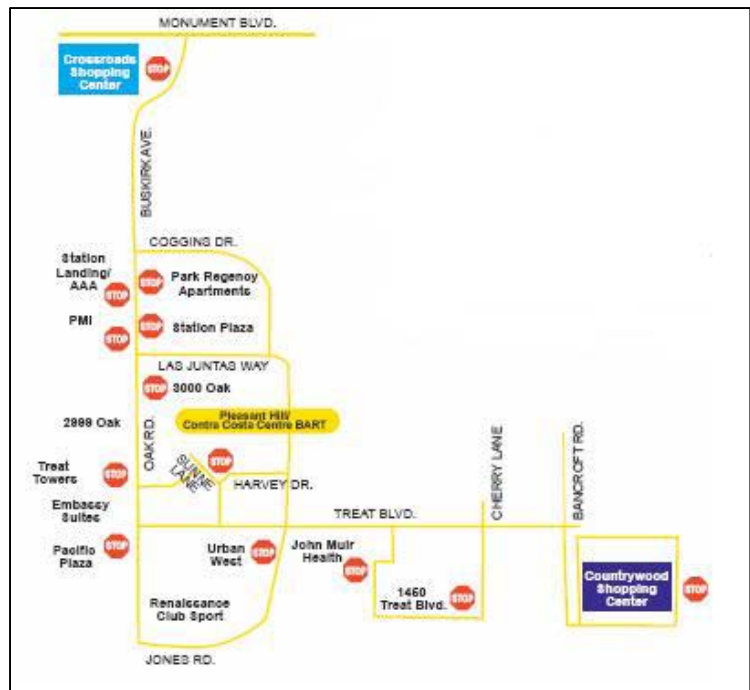
⁹¹ Meyer, Mohaddes Associates Inc., *Contra Costa County Pleasant Hill BART Specific Plan Final Traffic Report*, July 9, 1997.

with respect to their tenants' employees usage of carpools, and that some buildings were not meeting the objective of less than 30 percent using a transportation mode other than single-occupant vehicles. The study found that a significant percentage of employees in the CSA were unaware of transit and carpool options, and recommended interactive travel information kiosks, an employee orientation video, electronic distribution of transit schedules, and aggressive pricing of available parking to further promote alternative modes of transportation in the area. CCCA has implemented some of the 1997 recommendations.

Monitoring the success or failure of the TDM measures should involve commuter surveys that gather quantitative data (e.g., percent use of various modes) and qualitative data (e.g., respondents' perception of the TDM programs).⁹² The CSA service plan and annual report do not address the effectiveness of TDM programs. Given relatively low reported participation levels in TDM programs, the CSA annual report could be improved by addressing the effectiveness of CCCA programs.

A 1997 traffic study found that all intersections in the area operate within acceptable levels of service except the intersection of Treat Blvd. and Bancroft Rd., but that some intersections are congested during peak commuting. The study projected that the intersections would be operating at or in excess of capacity by 2010.

Figure 3-15: CSA M-31 Shuttle Route



Location

The mid-day shuttle service offers pick-up and drop-off service at each of the commercial buildings in the CSA as well as the Avalon apartment building, and transports employees at those buildings to the Countrywood Shopping Mall and Crossroads Shopping Center. The destinations are located outside the CSA.⁹³

The Green Fleet Program, the transit subsidies and other incentives are available to employees at each building in the CSA.

Infrastructure

The CSA has not directly purchased or developed capital assets, such as fleet vehicles.

⁹² Contra Costa County Department of Conservation & Development, *Transportation Demand Management Ordinance Guide*, December 2009, p. 27.

⁹³ Prior to 1996, the shuttle offered three routes to three destinations: Countrywood Shopping Center, downtown Walnut Creek and Sun Valley Mall. Ridership was low and there were no complaints about discontinuation of the two routes in 1996. A 1997 study found that key factors contributing to poor patronage include low service frequency and excessive on-board travel times caused by one-way loop circulation through the Centre. Travel times precluded the majority of employees from using the shuttle within a one-hour lunch break.

CCCA capital assets for purposes of running the program include two shuttles, two Smart Cars, two electric cars, nine Segways, three electric bicycles and eight manual bicycles. CCCA reported that its shuttles are in good condition, and that its Smart cars and electric cars are in excellent condition. CCCA has four Key Managers located throughout the CSA; these are electronic equipment for key storage and management of the Green Fleet reservation system. CCCA formerly owned a van fleet in the 1990s; its vanpool program now relies on leased vans.

Management and Governance

The TDM program is staffed by CCCA employees. CCCA makes efforts to evaluate and update its programs. CCCA staff reports that it monitors the levels of participation and enhances current programs as necessary to increase participation. Its most recent such effort in 2013 involved adding a new destination to the mid-day shuttle. The TDM program and budget is reviewed annually by the CCCA board, and CCCA conducts employee surveys every three years to review effectiveness. The County Department of Conservation & Development (DCD) is responsible for monitoring compliance with development conditions and the County's TDM Ordinance. DCD oversight includes monthly review of CCCA invoices, annual budgeting and renewal of the CCCA contract, and triennial review of CCCA employee survey reports.⁹⁴

The County Public Works Department is responsible for oversight, budgeting, preparing the annual report, and attending Board of Supervisors meetings annually when the Board votes on the annual assessment increase. The annual report could be improved by reporting on the outcomes and effectiveness of the TDM programs.

The CSA is within the boundaries of the Contra Costa Centre Municipal Advisory Council (MAC), an advisory body to the County Board of Supervisors. The Contra Costa Centre MAC hears periodic reports from CCCA on TDM performance.

GOVERNANCE ALTERNATIVES

No governance alternatives for the CSA were identified.

The CSA boundaries are based on entitlement conditions for specific properties. Residential properties have been exempted from the CSA in the northern part of the redevelopment area, although residences in the mixed use facility in the CSA bounds must pay the assessment.

When the BART property was annexed in 2008, the interior roads were not included in the annexation. While it would not likely merit the annexation effort on its own, the CSA may consider annexing the interior roads next time it processes an annexation.

The County has conditioned commercial development approvals in the area on annexation to the CSA. If there are future (re-)development proposals in the area, there will likely be future annexations.

⁹⁴ Correspondence from Contra Costa County Redevelopment Project Manager to LAFCO Executive Officer, March 28, 2013.

MSR DETERMINATIONS

Growth and population projections

- 1) The estimated residential population within the CSA M-31 bounds was approximately 750 in 2012, in addition to the visitor population at the 423 hotel rooms in the CSA. Growth in the CSA is projected to be moderate.
- 2) There were roughly 4-5,000 jobs at businesses located within the CSA. There were 2.2 million commercial square feet in FY 12-13, and another 0.3 million anticipated at build-out.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 3) There are no disadvantaged unincorporated communities within or contiguous to the SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) The CSA finances a transportation demand management program to promote the use and convenience of public transit for commuters working in the CSA. Services include a mid-day shuttle to nearby shopping, and use of electric cars, Segways and bicycles.
- 5) CSA M-31 finances incentives for commuters to use public transit, carpools, vanpools, and biking and walking. About four percent of commuters participate in the CSA's financial incentive programs.
- 6) The service provider's employee survey found that 30 percent of commuters use a transportation mode other than a single-occupant vehicle.
- 7) LAFCO recommends that the CSA incorporate information on the outcomes and effectiveness of the programs in its annual report beginning in 2014, and report back to LAFCO once that information has been incorporated.

Financial ability of agencies to provide services

- 8) The CSA assessment paid by commercial property owners in the area was \$0.105 per square foot in FY 12-13, which amounts to approximately \$42 annually per employee.
- 9) The adequacy of the current level of financing could not be determined due to lack of information on the program's outcomes with respect to employee transportation choices.

Status of, and opportunities for, shared facilities

- 10) The CSA does not directly own or operate facilities, but simply contributes funding for a local non-profit to deliver services.
- 11) No facility sharing opportunities were identified.

Accountability for community service needs, including governmental structure and operational efficiencies

- 12) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 13) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

The existing SOI for CSA M-31 is coterminous with its bounds. The SOI for the district was affirmed by LAFCO in 2004.

Agency Proposal

The County Public Works Department has not proposed to change the coterminous SOI. The County Department of Conservation & Development reported that it would address the exclusion of interior roads in the future if there is a need to annex new areas to CSA M-31.⁹⁵

SOI Options

Given the considerations addressed in the MSR, two options are identified for the CSA M-31 SOI:

SOI Option #1 – Retain existing coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

SOI Option #2 – Expand SOI to include interior roads

If LAFCO determines that the CSA should be expanded to include the interior roads, then the SOI for the CSA should be increased. Such an SOI would signal that LAFCO anticipates that these areas will be annexed to the CSA to promote logical boundaries.

Recommendation

It is recommended that LAFCO expand the SOI to include interior roads.

⁹⁵ Correspondence from Contra Costa County Redevelopment Project Manager to LAFCO Executive Officer, March 28, 2013.

Table 3-18: CSA M-31 SOI Analysis

Issue	Comments
SOI update recommendation	Expand the SOI to include the interior roads.
Services provided	CSA M-31 provides funding to a non-profit agency that directly provides transportation demand management services, including incentives for area commuters to use public transit, carpools, vanpools, walking and bicycling for transportation, and mid-day shuttles and access to green vehicles to provide local transportation to workers without their own vehicles parked in the CSA.
Present and planned land uses in the area	Present land uses are primarily commercial office and secondarily commercial retail, transportation, mixed use and residential.
Projected growth in the District/Recommended SOI	Growth within in the CSA is anticipated to be moderate. Plans call for an additional 300,000 commercial square feet and additional housing units.
Present and probable need for public facilities and services in the area	There is a present and probable need for the CSA services. The development conditions for each property require that at least 30 percent of employees rely on a transportation mode other than single-occupancy vehicles, and require participation in the transportation demand management program.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	The property owners in the CSA as a whole are meeting the objective that 30 percent of commuters use a transportation mode other than single-occupancy vehicles, according to the service provider's survey. Only 4 percent of commuters participate in the CSA's incentive programs.
Social or economic communities of interest	The primary communities of interest are the unincorporated areas within CSA bounds.
Effects on other agencies	A SOI increase would have no significant effect on other agencies.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.
Location of facilities, infrastructure and natural features	The facilities are located within the CSA. The area topography is flat.
Willingness to serve	The CSA is willing to continue providing TDM funding.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

CSA T-1 (PUBLIC TRANSIT)

CSA T-1 plans to provide transit services to the Alamo Creek, Monterosso, and Ponderosa Colony communities in unincorporated Camino Tassajara.

FORMATION AND BOUNDARY

CSA T-1 Formation History

CSA T-1 was formed on March 24, 2006 as a dependent special district of the County.⁹⁶ The CSA was formed for the purpose of financing extended public transit services for future residents of the area. At the time of formation, the Alamo Creek, Monterosso and Ponderosa Colony subdivisions had been approved but homes had not yet been constructed.⁹⁷

The area was historically used for agricultural purposes. Contra Costa County approved proposed development in the northern Tassajara Valley in 2002 for the proposed Alamo Creek and Intervening Properties residential developments (also known as the “Integrated Project”) with 1,400 housing units planned. Two lawsuits challenged the development on environmental grounds, one filed by the Sierra Club and Save Our Danville Creeks, and the other filed by the Town of Danville. In 2004, the developers, the County and the Town of Danville entered into a settlement agreement dealing primarily with traffic, childcare and park issues. The settlement agreement provided, among other things, that the County require the area to meet performance standards that mitigate the expected traffic impacts.

A 2005 County-commissioned transit study recommended a rush-hour commuter service be developed to link the future development with the Walnut Creek BART station and Bishop Ranch business park.⁹⁸ To ensure that such services would be financed directly by residents, the County proposed a benefit assessment and formation of the CSA. CSA formation was approved by LAFCO in 2005 and became effective in 2006 after property owners approved the assessment.

CSA T-1 Boundary and SOI

The boundary area of the CSA is approximately 757 acres (or 1.2 square miles). The CSA is bounded on the west by the Town of Danville city limits, on the south by the City of San Ramon city limits, on the north (for the most part) by Camino Tassajara Road, and on the east by the eastern limit of the Alamo Creek subdivision. The Wendt Ranch subdivision and the Diablo Vista Middle School recreational fields were excluded from the CSA boundary area.

Since formation, there have been no changes to the boundary of CSA T-1, according to BOE and LAFCO records.

LAFCO has not yet adopted an SOI for CSA T-1,⁹⁹ but is expected to do so after adoption of this MSR in 2013. At the time of formation, the CSA boundaries were established to reflect the approved development projects, and LAFCO noted that the boundaries could be expanded to include nearby properties in the future.

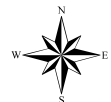
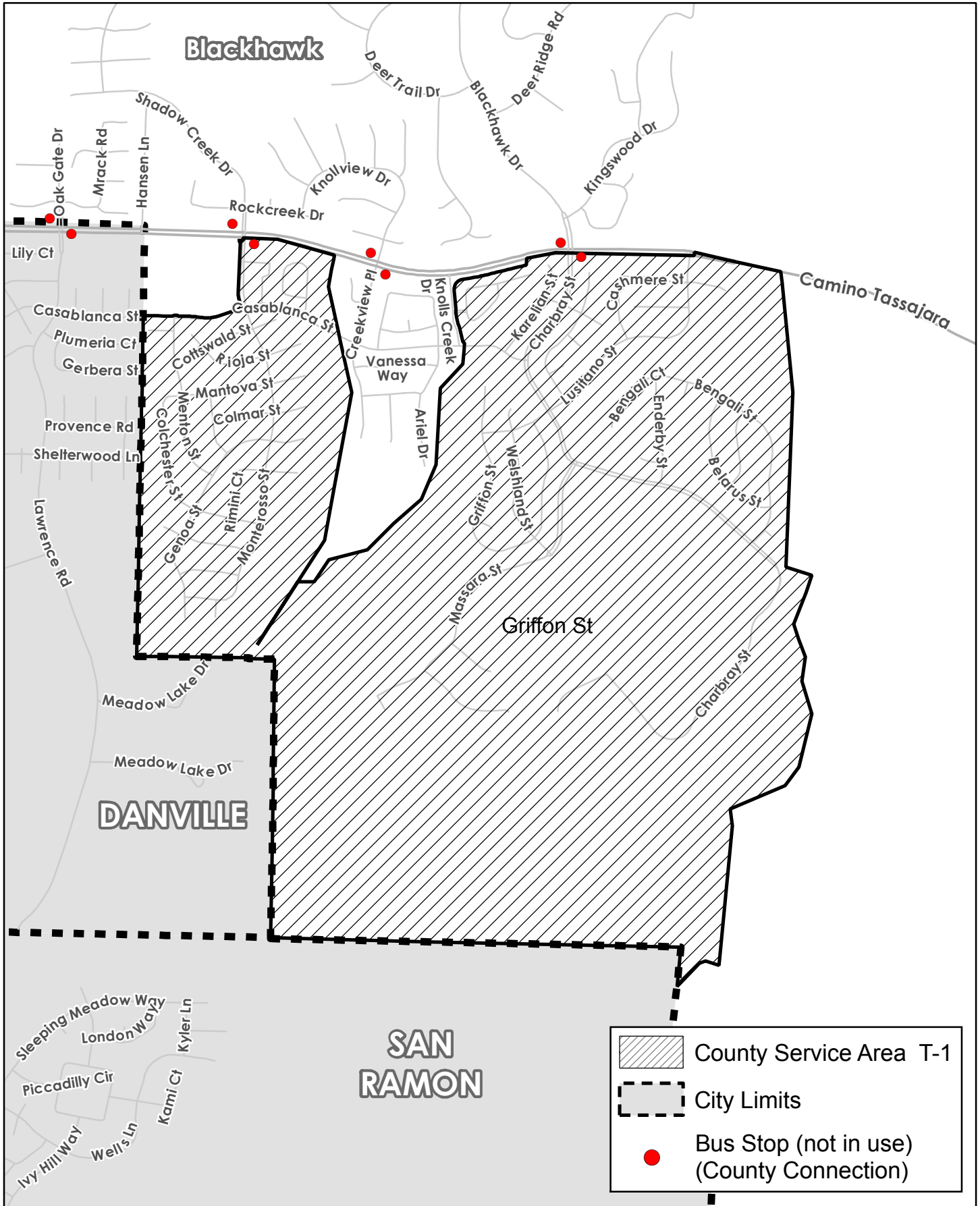
⁹⁶ Board of Equalization official date.

⁹⁷ There were two homes in the CSA bounds at the time of CSA formation.

⁹⁸ Wilbur Smith Associates, *Transit Improvements Study of the Integrated Project*, March 2005.

⁹⁹ The formation resolution, LAFCO Resolution No. 05-15, did not adopt or otherwise mention a Sphere of Influence for the new CSA. LAFCO has taken no subsequent action on the CSA’s SOI between formation and early 2013 when this report was drafted.

Map 3-7: County Service Area T-1 (Public Transit)



SERVICE DEMAND AND GROWTH

The CSA T-1 bounds encompass the Alamo Creek, Monterosso and Ponderosa Colony communities in the unincorporated area of Camino Tassajara. The CSA boundary area is adjacent to the Town of Danville; the northern portion of CSA T-1 is within the Town of Danville SOI, and the remainder of CSA T-1 is within the planning area in the Town's Draft General Plan update. The Town's *Draft General Plan* anticipates that the Town will formally apply to LAFCO to expand its SOI to include all of the territory in the CSA.

Figure 3-16: Housing Construction on Griffon Street, 2012



Land uses within the CSA are residential, parks, open space, and public uses. More than half of the planned residential units have been constructed and occupied. Public uses include Creekside Elementary School, a fire station, soccer league fields, and parks.

The estimated population within the CSA was 2,972 as of 2012.¹⁰⁰ There were approximately 869 housing units occupied in 2012, according to Assessor data, and 250 units under construction. At build-out, there are 1,396 dwelling units expected in the area. Based on development plans, growth of 61 percent is anticipated through 2030. By comparison, the countywide average population growth is projected at 17 percent over the same period.¹⁰¹

Service demand is expected to be driven by population growth and resident preferences. The CSA is expected to generate 10,048 daily vehicle trips. In adjacent areas, residents rely primarily on their automobiles (93 percent of trips) with only five percent relying on public transit. Given these preferences, the CSA expects only 77 daily trips when the area is built out.¹⁰²

¹⁰⁰ U.S. Census Bureau, *2010 Census Summary File 1*, 2010. The estimated 2012 population is the product of a) the number of housing units in the CSA (869), the home occupancy rate in the Camino Tassajara CDP (98.4 percent), and the average household size in the Camino Tassajara CDP (3.48). The Camino Tassajara CDP extends beyond the CSA, and includes the Wendt Ranch subdivision.

¹⁰¹ Association of Bay Area Governments, *Projections 2009*, Aug. 2009. The 2009 forecast was ABAG's most recently adopted forecast at the time this report was drafted. ABAG plans to adopt updated projections in 2013. Draft 2013 projections were not available for the unincorporated Camino Tassajara area.

¹⁰² CSA T-1, *Annual Report, FY 2012-13*, May 22, 2012, p. 1.

No disadvantaged communities were identified within or adjacent to the CSA or its SOI.¹⁰³

The CSA is a dependent special district of the County, and is not a land use authority. The County is the land use authority, and holds primary responsibility for implementing growth strategies.

The area is bound by the Settlement Agreement to mitigate traffic impacts, and required to finance and build adequate improvements if and when traffic impacts should exceed agreed-upon traffic volume standards.¹⁰⁴ The County’s adopted Specific Plan for the area includes a policy to “encourage and facilitate the use of travel modes other than the private automobile for trips through and within Dougherty Valley,” and extends the County’s Transportation Demand Management (TDM) Ordinance to the area.¹⁰⁵ Furthermore the Specific Plan provides that the TDM program be designed in a system-wide context for the Dougherty Valley rather than on a subdivision by subdivision basis, and encouraged the local TDM program to consider options such as micro shuttle service, school bus service and express bus service to major business centers in the area and to the rail transit station.¹⁰⁶ The conditions of approval for subdivisions in the CSA included approval of an assessment to fund extended public transit services and provided that the operation of such services begin once 400 housing units in the area had been completed. Furthermore, the conditions of approval specified that the CSA engineer’s report should specifically evaluate and recommend the appropriate level of public transit service between the CSA and major employment centers.¹⁰⁷

FINANCING

Table 3-19: CSA T-1 Financial Information

The CSA revenues were \$324,156 in FY 11-12. Revenues were composed primarily of assessments and secondarily of interest income.

The assessment paid by homeowners in the area was \$369 in FY 12-13. The assessment was approved by property owners in 2006, having been approved by the respective developers at that

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Budget
Fund Balance	\$954,651	\$1,270,925	NP
Revenues	275,068	324,156	325,000
Assessments	275,068	324,156	325,000
Interest	930	0	5,000
Expenditures	29,933	7,881	41,400
Services and Supplies	21,908	2,383	25,000
Other Charges	1,022	927	10,900
Transfers / Admin	7,003	4,571	5,500

time. It increases annually with inflation. Residents of senior housing in the area are exempt from the assessment, as they receive separate shuttle services not funded by the CSA.

¹⁰³ Disadvantaged communities were identified from American Community Survey 5-year data for 2007-2011 by place and census tract. For LAFCO purposes, disadvantaged communities are defined as having median household income less than 80 percent of the State median (Government Code §56033.5 which, in turn, relies on the definition in Water Code §79505.5).

¹⁰⁴ Contra Costa County Superior Court, *Agreement to Settle Litigation Relating to the Dougherty Valley General Plan Amendment, Specific Plan and Environmental Impact Report*, Case No. C 93-00231, May 11, 1994.

¹⁰⁵ Contra Costa County, *Dougherty Valley Specific Plan*, 2006, Policy C-7, p. 6-6.

¹⁰⁶ Contra Costa County, *Dougherty Valley Specific Plan*, 2006, Policy C-14, p. 6-9.

¹⁰⁷ Contra Costa County, *Conditions of Approval for Alamo Creek, Board Resolution 2002/262, Exhibit C*, 2002.

There was no interest revenue reported in FY 11-12 in spite of the significant fund balance;¹⁰⁸ the County reports this was a one-time anomaly and that it continually invests the CSA fund balance.

Expenditures were \$7,881 in FY 11-12. Expenditures consisted of services and supplies (30 percent), other charges (12 percent) and transfers for administrative costs (58 percent). The services and supplies expense included \$907 spent on purchased transportation.¹⁰⁹ In FY 10-11, the CSA funded a survey of residents. In FY 12-13, the CSA plans to spend \$25,000 on consultant services and \$10,000 on special departmental expenses, along with its miscellaneous and administrative costs.

The CSA has no long-term debt.

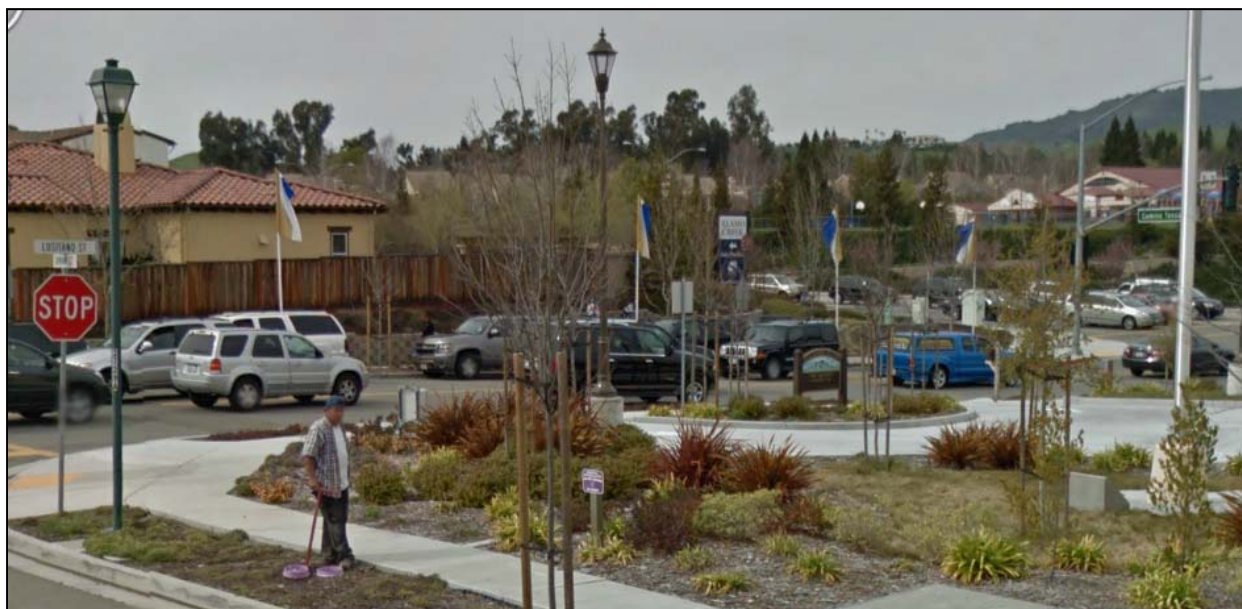
The CSA had \$1.3 million in fund balances at the end of FY 11-12, which were 161 times greater than expenditures in that year. The CSA has not initiated active transit services yet, and has been primarily using assessments to accumulate fund balances to date. The CSA sets aside funds into capital reserves to purchase vehicles to provide services in the future, and reported capital reserves at \$500,000 in FY 11-12.¹¹⁰ The CSA sets aside revenue annually to serve as operating reserves; its goal is to accumulate operating reserves that amount to 50 percent of annual revenues. The CSA reports that, all of the reserves (capital or operating) are, in effect, funds being developed for future rollout of programs related to transit.

TRANSPORTATION SERVICES

Nature and Extent

The nature of services provided presently by the CSA in FY 12-13 is planning, surveying, outreach and analysis of future transportation services to be provided by the CSA.

Figure 3-17: Traffic on Lusitano Street, 2012



¹⁰⁸ Contra Costa County, *Fiscal Year 2012-13 Special Districts Budget*, 2013.

¹⁰⁹ County Service Area T-1, *Transit Operators Financial Transactions Report* 2012, Oct. 2012.

¹¹⁰ CSA T-1, *Annual Report, FY 2012-13*, May 22, 2012, p. 15.

A 2005 County-funded consultant study found there is a limited market for public transit services due to preferences of residents of adjacent areas for use of their own automobiles for transportation.¹¹¹ The 2005 study had developed the original plan for services for the CSA to include rush-hour commuter service between the CSA and the Walnut Creek BART station and Bishop Ranch business park. During the initial stages of service, the consultant recommended a volunteer-based vanpool service with subscription and checkpoint-type route stops. As development progressed, the plan envisioned regularly scheduled mini-bus service, and potentially merging the mini-bus service into full-scale County Connection service.

The CSA conducted a survey of residents in FY 10-11 to determine the feasibility of various transportation services, including carpools and vanpools. The study recommends establishing a carpool and vanpool program, conducting public outreach, and bicycle infrastructure improvements.¹¹² In 2012, the CSA distributed a flyer to residents, which included a brief survey on their commute destinations. In FY 12-13 the CSA completed a community outreach program to educate and gather feedback from residents, and the CSA plans to analyze survey results. The CSA reported that it has selected consultants to assist with the educational process and to develop the transportation demand management program for the CSA. The CSA intends to develop a multi-year plan of action in 2013. The CSA anticipates future services may include vanpools, more extensive carpooling and/or a shuttle route connecting CSA T-1 to select locations including BART stations or Bishop Ranch. The CSA anticipates initiating the process of selecting a vanpool leasing or shuttle company to provide transit service, via a competitive bid process in 2013.

Location

Although the CSA has not yet initiated providing direct transportation services, its planning envisions providing those services to residents located throughout the CSA boundary area, with the exception of residents of senior housing on Lusitano Street who receive separate shuttle services not funded by the CSA.

Infrastructure

The CSA has not yet purchased or developed capital assets, such as fleet vehicles and bus stop shelters, but intends to do so in the future.

GOVERNANCE ALTERNATIVES

The only governance alternative identified for CSA T-1 is annexation of adjacent territory.

The CSA boundaries line up with subdivisions involved in litigation and a related settlement agreement that required mitigation of traffic impacts. The Wendt Ranch subdivision was excluded from the CSA bounds at the time of formation as it was not subject to the required traffic mitigation terms. The Wendt Ranch subdivision is mostly built and occupied at this time. If the Wendt Ranch area wishes to receive transportation demand services, it could propose to annex to the CSA. The area would presumably be required to approve the \$369 annual benefit assessment paid by CSA residents to fund services.

¹¹¹ Wilbur Smith Associates, *Transit Improvements Study of the Integrated Project*, March 2005.

¹¹² DKS Associates, *Transportation Demand Management Survey and Report for County Service Area T-1 Transit District: Administrative Draft*, Dec. 30, 2010.

It is also possible that neighboring areas to the east of the CSA may develop in the future and wish to be included in the CSA. However, there are no pending development proposals in that area at this time.

MSR DETERMINATIONS

Growth and population projections

- 1) The estimated residential population within the CSA bounds is approximately 2,972.
- 2) Projected growth is likely to be significant as there are homes under construction and additional homes that have been approved but not yet built. The CSA population is projected to grow by 61 percent through build-out.

Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI

- 3) There are no disadvantaged unincorporated communities within or contiguous to the SOI.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) The CSA has not yet initiated providing public services with the exception of planning, public education and outreach. The CSA has not yet achieved the purpose that it was formed to provide.
- 5) The CSA has not yet acquired capital assets, such as vans and buses, for provision of services.

Financial ability of agencies to provide services

- 6) The current level of financing for the CSA is adequate to finance the transportation services that were envisioned at the time the CSA was formed.

Status of, and opportunities for, shared facilities

- 7) The CSA is staffed by County Public Works staff, and shares administrative costs and staffing with other CSAs.
- 8) In the long-run, the CSA may potentially connect to the County Connection service.

Accountability for community service needs, including governmental structure and operational efficiencies

- 9) The CSA has not yet achieved compliance with conditions of approval of subdivisions within its bounds. The CSA engineers report has not yet determined the appropriate level of transit services, and the CSA has not yet initiated operation of services.
- 10) LAFCO recommends that the CSA report back in one year on its progress in initiating direct services.
- 11) Accountability for CSA residents in unincorporated areas is limited because there are presently no advisory bodies in which they might participate.
- 12) The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

SOI RECOMMENDATIONS AND DETERMINATIONS

LAFCO has not yet adopted an SOI for CSA T-1.

Agency Proposal

The County Public Works Department has not proposed an SOI.

SOI Options

Given the considerations addressed in the MSR, three options are identified for the CSA T-1 SOI:

SOI Option #1 – Adopt coterminous SOI

If LAFCO determines that the existing government structure is appropriate, then the existing SOI should be retained.

SOI Option #2 – Adopt annexable SOI containing the Wendt Ranch subdivision

If LAFCO determines that the Wendt Ranch area should be annexed to the CSA, then the adopted SOI should include the Wendt Ranch area.

SOI Option #3 – Adopt provisional SOI

Given that the CSA has existed for seven years and not yet initiated services, LAFCO may wish to encourage timely initiation of services by adopting a provisional SOI. For example, LAFCO may wish to adopt a coterminous SOI in the short-term but to require the CSA to report back to LAFCO in one year about the completion of its planning phase and the CSA's progress toward initiating direct services. The conditions of approval for subdivisions in the CSA included a provision that operation of extended transit services should begin once 400 housing units in the area had been completed; by comparison there were 870 occupied housing units in the area by 2012.

SOI Option #4 – Adopt zero SOI

The CSA has collected assessments for seven years and not yet initiated services. Further, residents in adjacent areas have strong preferences toward using their vehicles and against using public transit. As a result, LAFCO may wish for the CSA to be dissolved. A roadblock to dissolution is the question of how the subdivision would remain in compliance with the development conditions if the CSA were dissolved.

Recommendation

It is recommended that LAFCO adopt a provisional coterminous SOI for CSA T-1 at this time, and that CSA T-1 report back to LAFCO within 12 months with an update on its planning efforts.

Table 3-20: CSA T-1 SOI Analysis

Issue	Comments
SOI update recommendation	Adopt a provisional coterminous SOI for the CSA and require the CSA to report back to LAFCO on its service provision progress in one year.
Services provided	CSA T-1 provides funding for future transportation demand management programs, such as vanpools or scheduled mini-bus service. The CSA is in its planning phase, and has not yet initiated direct transportation services.
Present and planned land uses in the area	Present land uses are primarily residential, and also include parks, open space and public uses.
Projected growth in the District/Recommended SOI	Growth within in the CSA is expected to be significant.
Present and probable need for public facilities and services in the area	There is a present and probable need for transportation services to comply with a development-related settlement agreement that mitigates the traffic impacts of the development.
Opportunity for infill development rather than SOI expansion	The CSA SOI has no impact on infill development in the area.
Service capacity and adequacy	The CSA has not yet initiated providing public services with the exception of planning, public education and outreach.
Social or economic communities of interest	The primary communities of interest are the Alamo Creek, Monterosso and Ponderosa Colony subdivisions in unincorporated Camino Tassajara.
Effects on other agencies	A coterminous SOI would have no direct effect on other agencies. The CSA territory could potentially be annexed to the Town of Danville in the future; the CSA is partly within the Town of Danville SOI, and is within the Town’s planning area for its Draft General Plan Update.
Potential for consolidations or other reorganizations when boundaries divide communities	There is no potential for consolidation at this time.
Location of facilities, infrastructure and natural features	There are existing (but presently unused) bus stops located on Camino Tassajara Road. The CSA has not yet acquired vehicles.
Willingness to serve	The CSA is willing to provide transportation services.
Potential effects on agricultural and open space lands	No potential effects on agricultural or open space lands were identified.
Potential environmental impacts	Although no potential environmental impacts were identified in the MSR, the LAFCO counsel and planner should make CEQA determinations.

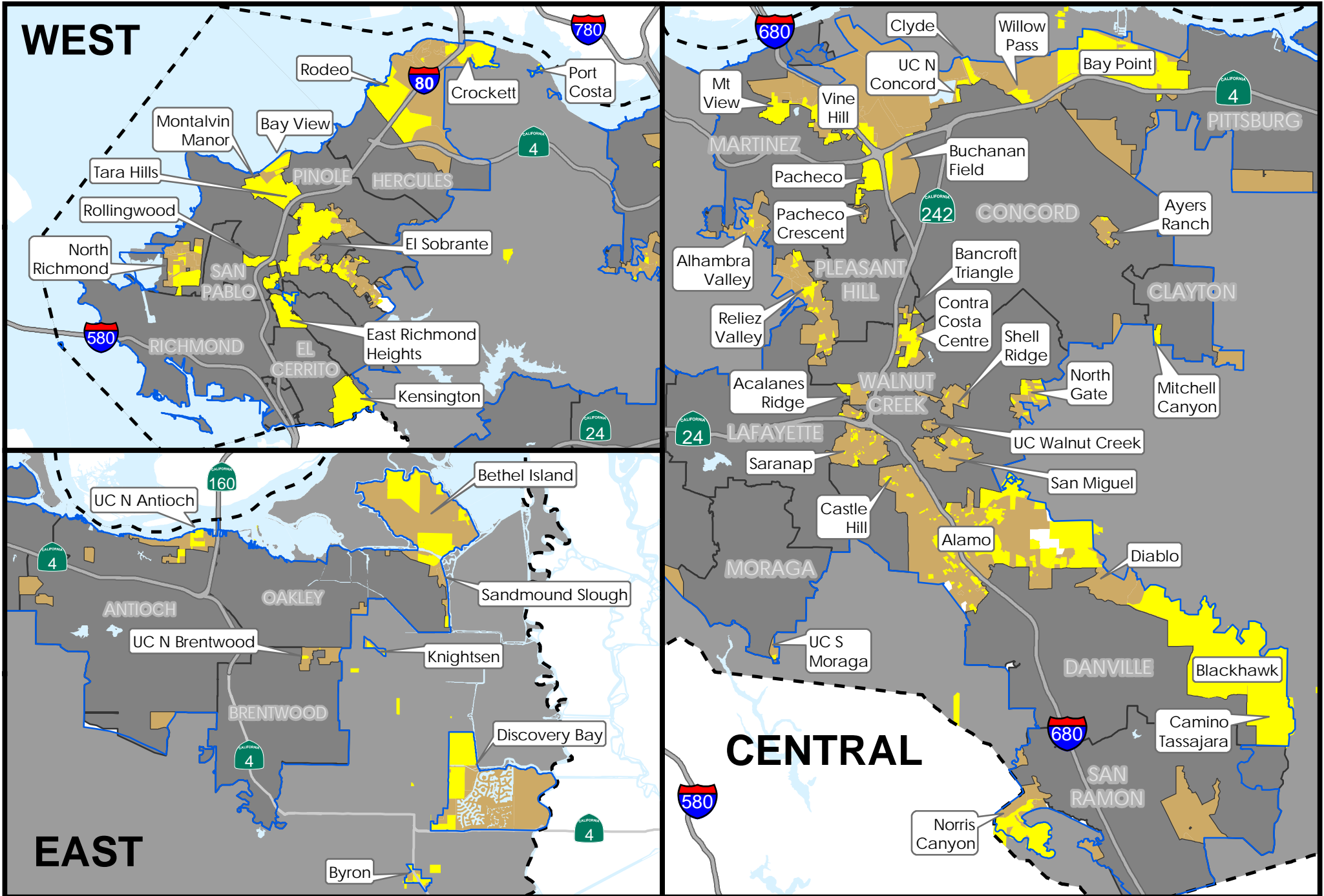
4. SOURCES

INTERVIEWS AND CORRESPONDENCE

Agency	Name/Title
Blackhawk Geologic Hazard Abatement District	Michael Sands, General Manager
City of Walnut Creek	Heather Ballenger, Public Services Director
City of Walnut Creek	Steve Waymire, City Engineer
Contra Costa Centre Association	Lynette Tanner-Busby, Executive Director
Contra Costa Centre Association	Chris Romero, TDM Program Coordinator
Contra Costa County Auditor-Controller	Marie Rulloda, Chief Accountant
Contra Costa Cnty. Dept. of Conservation & Development	Maureen Toms, Redevelopment Project Mngr
Contra Costa County Public Works Department	Susan Cohen, Special Districts Manager
Contra Costa County Public Works Department	Tim Jensen, Senior Civil Engineer
Contra Costa County Public Works Department	Paul Detjens, Senior Civil Engineer
Delta Ferry Authority	Dave Forkel, Director

The City planning departments provided information on street lighting services.

Appendix Map 1: Unincorporated Community Place Names Locator Map



Map created 03/15/2013
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
 37.59:41.791N 122.07:03.756W

This map or dataset was created by the Contra Costa County Conservation and Development Department with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.

- CSA L-100
- CSA L-100 SOI (Outside District)
- City Limits
- Urban Limit Line
- Outside Urban Limit Line

