

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

184



FROM: Economic Development Agency

SUBMITTAL DATE:
June 23, 2005

SUBJECT: Notice of Intent to Establish County Service Area Charges for Fiscal Year 2005-2006

RECOMMENDED MOTION: That The Board:

1. Adopt Resolution 2005-311, to set a public hearing on August 23, 2005 for the purpose of allowing testimony and enacting fiscal year 2005-2006 proposed County Service Area (CSA) charges;
2. Direct the Clerk of the Board to set the date and publish a notice for the public hearing; and
3. Amend County of Riverside Board Policy A-48 to increase administrative charges for County Service Areas, and to revise the County policies and guidelines that apply to the operation of CSA's.

BACKGROUND: Continue on Page 2

Robin Zimpfer

RZ:DL:SH:AJ

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Robin Zimpfer
Interim Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2005-06

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature *Rhonda King*

Policy
 Policy
 Consent
 Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: **District:** All **Agenda Number:**

Form 11 -
June 23, 2005
BOARD OF SUPERVISORS
NOTICE OF INTENT TO ESTABLISH COUNTY SERVICE AREA CHARGES FOR FISCAL YEAR
2005-2006

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BACKGROUND: The Economic Development Agency requests that the Board of Supervisors adopt Resolution No. 2005-311 authorizing a public hearing regarding County Service Area charges for Fiscal Year 2005-2006 as provided in Government Code 6066. Pursuant to Riverside County Ordinance No. 573 and Government Code 25210.66a, County Service Area law permits the fixing and collection of charges, and establishes specific criteria by which CSA charges are to be calculated and placed before the public for review. The proposed fiscal year 2005-2006 CSA charges are attached in Exhibit "A"

Due to increases in County Service Area activities we are recommending a series of changes to the County of Riverside Board Policy A-48 that include the following:

1. An increase in administrative charges to CSA's due to the increased administrative activities. Additional staff have been retained in order to address the increased service responsibilities that new development has required.
2. Further clarification to the Road CSA's to reflect the cooperation with County of Riverside Transportation Department for construction and maintenance by the County.
3. General revisions to the document to further clarify the operations by the County Service Area Division.

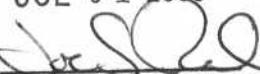
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3
4 **RESOLUTION NO. 2005-311**
5 **NOTICE OF INTENT TO ESTABLISH**
6 **COUNTY SERVICE AREA CHARGES**
7 **FOR FISCAL YEAR 2005-2006**

8
9 WHEREAS, Riverside County Ordinance No. 573 requires that the Board of Supervisors
10 conduct a public hearing to hear and consider testimony regarding extended services and
11 charges to be applied within County Service Areas within the County of Riverside;

12
13 NOW THEREFORE, be it resolved by the Riverside County Board of Supervisors
14 assembled in regular session on July 12, 2005 that this board intends to conduct a public hearing
15 on August 23, 2005 at 9:30 a.m. in the meeting room of the Board of Supervisors, 4080 Lemon
16 Street, 1st Floor, Riverside, California for the purpose of allowing public testimony regarding
17 the enactment of proposed Fiscal Year 2005-06 County Service Area charges (see Exhibit "A").

18
19 BE IT FURTHER RESOLVED that the Clerk of the Board of Supervisors is to give
20 notice of said hearing pursuant to Government Code Section 6066. Any person affected by the
21 proposed charges may submit written comments to the Clerk of the Board before the hearing or
22 may appear in support of, or opposition to, the proposals at the time of the hearing.

23 FORM APPROVED
24 COUNTY COUNSEL

25 JUL 01 2005
26 BY 
27 ASSISTANT COUNTY COUNSEL
28

**EXHIBIT A
FY 2005-2006 COUNTY SERVICE AREA CHARGES**

Administrative charges for County Service Area have been set by the Board of Supervisors under County of Riverside Policy A-48, as follows: 6.0% All Street Lighting or Fire Hydrant CSA's; 8.5% Combination Street Lighting/Sweeping or CSA 152 (NPDES); 8.5% Road or Fire or Multi-functions (without employees); 10.0% Road or Fire or Multi-function CSA's (with employees). The assessments below are shown as a range of lowest to highest per parcel.

COUNTY SERVICE AREAS WITH STREETLIGHT SERVICE ONLY

CSA#	ASSESEMENT RANGE	CSA#	ASSESEMENT RANGE
1	\$12.28	89	\$51.70
13	\$9.36	91	\$51.24
22	\$31.48	94	\$6.04
27	\$20.66	113	\$55.00
43	\$13.20	117	\$52.46 to \$53.02
53	\$15.00	132	\$36.98 to \$62.34
59	\$21.02	135	\$6.52 to \$68.08
69	\$7.54	138	\$35.58
84	\$20.72 to \$39.34	142	\$31.50 to \$74.76
87	\$32.32 to \$58.62		

COUNTY SERVICE AREAS WITH MULTIPLE SERVICES

CSA#	SERVICES	ASSESEMENT RANGE
33	Lighting, Landscaping	\$500.00
36	Lighting, Park & Recreation	\$35.00
38	Fire, Ambulance	\$50.00
41A	Roads	\$35.00
41B	Roads	\$35.00
51	Lighting, Water, Sewer	1 @ \$59,700, 3 @ \$11,667 and 163 @ \$529
60	Fire Protection	\$25.00
62	Roads, Lighting, Sewer, Water	\$60.00
85	Lighting, Park & Recreation	\$20.00
86	Roads, Sheriff	\$80.00
97	Lighting, Park & Recreation, Sewer	\$50.00 to \$258.00, 1 @ \$774.00
103	Lighting	\$28.86 to \$46.36
	Landscape	\$20.00
104	Roads	\$65.00
105	Roads, Park & Recreation	\$125.00
108	Roads	\$85.00
115	Lighting	\$11.76
	Roads	\$60.00 & 1 @ \$350.00

CSA#	SERVICES	ASSESEMENT RANGE
121	Lighting, Drainage Basing	\$7.90 to \$280.00
122	Lighting, Water, Roads	\$110.00
124	Roads	\$5.00
126E	Park & Recreation, Sheriff, Landscape	\$120.00
128W	Roads	\$75.00
128E	Roads	\$75.00
134	Lighting, Park, Sheriff, Landscape	\$32.78 to \$770.00
143RH	Landscape	\$102.00 to \$864.38
	Park & Recreation	\$15.00 to \$75.00
	Lighting	\$42.44 to \$75.00
143SH	Landscape	\$57.00 to \$679.00
	Park & Recreation	\$75.00
	Lighting	\$31.90 to \$75.00
145	Park & Recreation	\$58.00 to \$75.00
	Lighting	\$3.36 to \$65.86
149	Roads	\$200.00
149A	Wine Country Beautification	\$2,750.00
152	Street Sweeping	\$40.00
152	Drainage Basin (Sycamore)	\$36.50
152 NPDES	City of Corona	\$5.82 BAU
	City of Desert Hot Springs	\$1.56 BAU
	City of Lake Elsinore	\$6.64 BAU
	City of La Quinta	\$9.99 BAU
	City of Moreno Valley	\$8.15 BAU
	City of Murrieta	\$10.00 BAU
	City of Norco	\$5.78 BAU
	City of Palm Springs	\$9.50 BAU
	City of Rancho Mirage	\$4.68 BAU
	City of Riverside	\$2.82 BAU
	City of San Jacinto	\$4.26 BAU
152B	Regional Sports Facility	\$250.00

AD VALOREM PAID COUNTY SERVICE AREAS

CSA#	SERVICES	
15	Lighting	\$0.00
21	Lighting	\$0.00
47	Lighting	\$0.00
70	Lighting	\$0.00
72	Lighting	\$0.00
73	Lighting	\$0.00
80	Lighting	\$0.00
86	Lighting	\$0.00
125	Lighting	\$0.00
126E	Lighting	\$0.00
139	Lighting	\$0.00

COUNTY OF RIVERSIDE, CALIFORNIA

BOARD OF SUPERVISORS POLICY

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COUNTY SERVICE AREAS FORMATION, ALTERATION AND OPERATION	A-48	1 of 6

POLICY:

Formation/Alteration of County Service Areas

It is the policy of the Board of Supervisors that a County Service Area (CSA) shall be formed ~~only~~ when it is critical important to the health, and safety, and welfare of residents in unincorporated Riverside County. ~~and when it is supported by a majority of the registered voters/property owners who have clearly demonstrated a desire and willingness to pay for an increased level of County service.~~ CSA formation is dependent upon support by a two-thirds (2/3) majority of the registered voters/property owners who have demonstrated a desire for enhanced County/Municipal services and a willingness to pay special taxes for such services.

The formation/ ~~of, or~~ annexation of ~~to,~~ a CSA can be requested by an existing community, ~~or by~~ a developer involved in the process of creating a new housing subdivision, or by an entity creating a specific plan for a ~~entirely~~ new community. In the case of meeting the requirements imposed upon developing a specific maintenance entity ~~later,~~ where the purpose of creating a maintenance mechanism ~~the request is to satisfy the "permanent maintenance entity" condition associated with in-tract facilities (ie. drainage/storm water), perimeter/parkway landscaping, community parks, and recreation facilities,~~ it is the general policy and intent of the Board of Supervisors that:

1. The ownership and long-term maintenance of in-tract facilities required as conditions of development approval shall be the responsibility of a Home Owners Association (HOA) established by the developer pursuant to applicable County requirements.
2. ~~An HOA may request the assistance of a CSA to provide for revenue recovery from the residents of the tract and for the maintenance of the in-tract facilities.~~ A cooperative arrangement shall be by contractual agreement of both CSA and HOA, and any maintenance of in-tract facilities by the CSA shall be pursuant to a maintenance easement granted by the HOA to the CSA.
3. Requests to form a ~~CSA,~~ or annex ~~to~~ into a road CSA for the purpose of funding improvements to rural roads will be discouraged by the Board. The provisions of Article XIID, Section 6(c) of the State Constitution (otherwise known as Proposition 218, or the Right to Vote on Taxes Act), weigh heavily against the success of a long-term, pay-as-you-go road improvement program. Proponents of such interests are encouraged to consider a traditional Assessment District or other finance mechanisms as the appropriate neighborhood or community solution.

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POLICY:

Operation of County Service Areas

The following County policies and guidelines apply to the operation of CSA's:

- (1) **Financial Commitment.** The CSA must be able to financially sustain the level of services anticipated upon its formation, and continue that level of service until all residents receive that reasonable and feasible level of service, as well as other services that may be added subsequent to formation. Accordingly, the Board of Supervisors shall levy a sufficient special tax ~~parcel fee~~ and maintain a satisfactory fund balance to accomplish the basic service goals of the CSA.
- (2) **Role of Advisory Committees.** Except in CSA's with routine operations, such as those with street lighting functions, advisory committees may be formed to provide recommendations to the Economic Development Agency on policy matters within the CSA. Each advisory committee shall act within the scope of the authority specifically authorized in the enabling resolution by the Board of Supervisors. These responsibilities shall not be amended, changed, or redirected without specific approval of the Board of Supervisors. An advisory committee's responsibility shall fall within the following general areas:
 - Review and comment on the levels of service proposed with the CSA;
 - Review and comment on CSA projects, plans, and priorities;
 - Review and comment on an annual budget and special tax ~~parcel charge~~ for the CSA.

Advisory committees are wholly advisory, and although it is the committee's responsibility to maintain an awareness of CSA operations, it is not intended that advisory committees become involved in the day-to-day operation of the CSA.

No committee person shall profit by contracts or purchase agreements with the CSA while a committee member. Committee members shall not serve as employees of the CSA while serving on the CSA advisory committee.

As an advisory group appointed by the Board of Supervisors, meetings are subject to provisions of the Ralph M. Brown Act and all meetings are, ~~therefore,~~ open to the public. ~~and,~~ All recommendations to the Economic Development Agency ~~should~~ shall be based upon action taken by at least a quorum of the full advisory committee by motion or resolution.

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All advisory committee recommendations and requests affecting the day-to-day operations of the CSA shall be referred directly to the Economic Development Agency.

It is the intent of the Board that members of such advisory committees, ~~whether elected or appointed,~~ shall be subject to the term limit provisions of Board Policy A-21, which puts an eight consecutive-year limit on individual Advisory Committee membership.

- (3) **Ownership of Common Facilities.** ~~Before a CSA can provide service or maintenance to an area,~~ The County of Riverside, on behalf of a CSA or County department, shall accept ownership of, or receive an access easement for access to, common areas proposed for service before a CSA can provide service or maintenance to an area. These common areas may consist of: parks, trails, recreation and community facilities, parkways, slopes, and community entry features along major roadways and thoroughfares external to development, ~~and~~ natural open space areas, ~~or~~ and environmental mitigation corridors set aside for environmental mitigation (including fire breaks and drainage areas) located within the County ~~that are~~ and intended for public use or benefit. Documentation of ownership shall include provisions for future transfer of ownership from the County to an incorporated association, HOA, or successor governmental entity if the County determines that certain conditions exist, including but not limited to the loss of ability to assess the property.
- (4) **Road Improvement CSAs.** As noted above, under Formation/Alteration of CSAs, the Board discourages the formation and expansion of Road Improvement CSAs.

~~In a Road CSA,~~ The Economic Development Agency, in cooperation with the ~~CSA Advisory Committee and the Transportation Department~~ shall be responsible for perfecting the right-of-way and construction all CSA roads designed and accepted dedication for public use, ~~developing a priority list of roads to be paved, and constructing same to County standards for permanent/perpetual maintenance by the Transportation Department.~~

~~In such CSAs,~~ No road improvement projects shall be funded until a 3-Year Road Improvement Plan has been developed by the Advisory Committee and approved by the Economic Development Agency. ~~Board of Supervisors,~~ In addition, ~~and~~ all public rights-of-way for the CSA's proposed road system must be ~~have been~~ perfected before funds may be expended for road construction. The 3-Year Road Improvement Plan shall be ~~annually updated~~ updated annually by the Advisory Committee in conjunction with the development of the annual budget. ~~and parcel tax fee,~~ and All proposed changes shall

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POLICY:

be subject to approval by Economic Development Agency the Board of Supervisors which shall provide direct administration of CSA activities and budget..

It is the Board's intent that road CSA's should exist only for so long as it takes to complete the road improvement plan and bring said CSA roads into the County Maintained Road System. For this reason, road CSA's should focus their financial resources on projects which result in permanent improvements, such as right-of-way perfection, engineering, drainage improvement installation, and paving. Maintenance grading is not considered a permanent improvement or step in the evolution of a graded road to County-paved standards, and should be a minor focus of Road CSA activities.

All costs incurred by the County Transportation Department in the planning, design, and cost estimation, and construction of road improvement projects requested by the CSA Advisory Committee and authorized by the Economic Development Agency shall be borne by the CSA.

- (5) **Administrative Fee and Services.** CSA's will be assessed annually for expenses incurred in administering the CSA, including the costs of any losses occurring within the CSA or establishment of a reserve for such losses. A basic charge for administration shall be charged to each CSA, depending on administrative complexity. The standard percentage rates to be applied against new revenue earned by the CSA are as follows:

6.0% ~~4.0%~~ All Street Lighting or Fire Hydrant CSA's
8.5% ~~6.5%~~ Combination Street Lighting/Sweeping or CSA 152 (NPDES)
8.5% ~~6.5%~~ Road/Fire or Multi-function CSA's (without employees)
10.0% ~~8.0%~~ Road/Fire or Multi-function CSA's/CSA's with Advisory Boards (with employees)

Services which will be provided to CSA's by County staff, where applicable, include but not limited to the following:

- (1) Preparation of budgets and development of multi-year project plans
- (2) Parcel fee assessment and levy
- (3) Bookkeeping and accounting
- (4) Record keeping
- (5) Contracting and purchasing
- (6) Legal services
- (7) Advisory committee support
- (8) Personnel supervision and administration
- (9) Public information

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POLICY:

Not included in the administrative fee are services specific to CSA or requested by the Advisory Committee. Such services, which shall be billed separately and charged to the specific CSA fund, include but are not limited to Prop 218 elections, preparation of plans and specifications for capital construction, road improvement estimates, and non-routine maps, mail-outs, straw poll surveys, and data runs.

In CSA's with advisory committees, the Economic Development Agency staff will attend public meetings as necessary. and The EDA shall will provide each committee member with a quarterly financial statement (listing charges and debits) and other reports necessary for the as requested by the committee to properly fulfill their advisory role. The Economic Development Agency shall instruct guide each committee and take every precaution to ensure that such meetings conform to the provisions of the Ralph M. Brown Act.

- (6) **Annual Budget and Parcel Fee Recommendation.** CSA's with advisory committees shall cause to be held, with appropriate public notice, an annual meeting to develop a budget proposal and recommend an appropriate special tax parcel fee for the next fiscal year. Based on the budget, the special tax parcel fee may vary from year to year per the provisions of Proposition 218. If the special tax parcel fee would need to be increased to balance the budget, then the Economic Development Agency shall then follow procedures to set the recommended special tax parcel for election pursuant to State law.

It is the Board's desire that, as much as is practicable, CSA parcel fees maintain a level of stability from year to year. Accordingly, the Economic Development Agency shall ensure that each fund balance is managed carefully and sufficient funds are carried over from year to year to assure adequate cash flow during the period between the beginning of the new fiscal year and the first installment receipt of special taxes parcel fees and property taxes.

- (7) **Application of Policies and Guidelines.** Whenever possible and feasible, previously existing CSA's shall be made to conform to the above-stated policies.

- (8) **Financial Audits.** On a regular timetable as prescribed by the Auditor-Controller, the Board of Supervisors shall examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the CSA or money received or disbursed by them under authority of law.

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Reference:

- Minute Order 3.10 dated June 14, 1994**
- Minute Order 3.5 dated October 31, 1995**
- Minute Order 3.6 dated May 1, 2001**