

# Santa Barbara LAFCO

Consideration of LAFCO Resolution Initiating Proceedings for Dissolution  
of the Santa Rita Hills Community Services District

March 5, 2015

# Commission's Direction to Staff

- At the February 5, 2015, meeting, the Commission directed the Executive Officer to prepare the required Special Study and to return to the Commission as appropriate with a resolution to dissolve the Santa Rita Hills Community Services District
- Pursuant to Government Code Section 57375 (a)(2)(B), the Commission may initiate proposals by resolution of an application for the dissolution of a district if it is consistent with a recommendation or conclusion of a Special Study, a Sphere of Influence, or a Municipal Service Review. Staff has prepared a Special Study that is attached to this staff report.

# Reasons for Dissolution

- The Special Study Identifies a Number of Reason that the District Should be Dissolved:
  1. Since no Incumbent Directors filed for Re-Election and No registered voters volunteers to be appointed, the SRHCSD does not have a functioning Board.
  2. The District Cannot Pay Any Claims without approval of a Board of Directors.
  3. The District is Continues to Collect Property Tax Allocations.
  4. The District is not the Providing Services that were Authorized at the Time of Formation.
  5. The District has essentially ceased to function because the board is dysfunctional

# Proposal to Form a Streets and Highways District and Dissolve the Santa Rita Hills Community Services District:

- On January 15, 2015, property owners within the Santa Rita Hills CSD submitted a petition for Formation of a Bridge and Highways District and Dissolution of the Santa Rita Hills Community Services District.
- The LAFCO application is incomplete at this point because it does not include a map and legal description, a processing fee and other LAFCO application requirements. The Executive Officer has met with the applicants and documents the items necessary to complete the application.
- Bridge and Highway Districts are formed pursuant to Streets and Highways Code Section 27000 et.seq., and have many of the same powers as Community Services Districts, including road improvement and maintenance. They also have the power of eminent domain.

# Reorganization Application (Cont'd)

- The Proposed Reorganization would essentially accomplish the same end as if LAFCO initiated the dissolution of the SRHCSD on its own initiative.
- It would also transfer all moneys or funds, including cash on hand and moneys due but uncollected, and all property, real or personal, of the SRHCSD to the new district as the successor agency.
- If the SRHCSD is dissolved without forming a new district in its place, the County of Santa Barbara would be the successor agency and all assets and liabilities would be transferred to the County.

# Conduction Authority Proceedings

- Should the Commission initiate dissolution proceedings, a protest hearing is required to be set within 35-days. The hearing shall not be held prior to the expiration of the reconsideration period specified in subdivision (b) of Section 56895. The date of that hearing shall not be less than 21 days, or more than 60 days, after the date the notice is given.
- The Commission is the conducting authority for a district dissolution. After holding a protest hearing, the Commission shall adopt a resolution making a finding regarding the value of written protest filed and not withdrawn.
- In the case of Dissolution of the SRHCSD, because the area is uninhabited (less than 12 registered voters) the dissolution would be terminated if landowners owning 50 percent or more of the assessed value of the land within the territory protest.

# Commission Options

- **OPTION 1 – APPROVE** the proposal and resolution Initiating Proceedings for the Dissolution of the Santa Rita Hills Community Services District, that will take the actions set forth on page 4 of the staff report.
- **OPTION 2 – DENY** the proposal to initiate proceeding for the dissolution of the Santa Rita Hills Community Services District.
- **OPTION 3 – CONTINUE** consideration of the resolution initiating SRHCSD dissolution proceedings to a future meeting to allow processing of the proposed Reorganization to Form a Bridge and Highway District and Dissolve the Santa Rita Hills Community Services District.

# Recommendation

- Approve OPTION 3 – CONTINUE consideration of the resolution initiating SRHCSD dissolution proceedings to a future meeting to allow processing of the proposed Reorganization to Form a Bridge and Highway District and Dissolve the Santa Rita Hills Community Services District.