

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street, Suite #100**  
**SACRAMENTO, California 95814**  
**(916) 874-6458**

April 2, 2003

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **FORMATION OF COUNTY SERVICE AREA NO. 10**  
**(03-03)** [CEQA: Exempt Sec.15320(a), Class 20]

CONTACT: Donald J. Lockhart, Assistant Executive Officer, 874-2937

**RECOMMENDATION**

1. Certify the CEQA Categorical Exemption as adequate and complete for the Formation of County Service Area No. 10, and direct the Executive Officer to file the Notice of Exemption with the appropriate government entity.
2. Approve the Formation of County Service Area No. 10.
3. Condition approval of the Formation of County Service Area No. 10 on the terms and conditions listed below:
  - a. The effective date of said formation will be June 30, 2003, or upon the filing of the Certificate of Completion by the Executive Officer of the Sacramento Local Agency Formation Commission, if filed after June 30, 2003.
  - b. The name of the County Service Area shall be COUNTY SERVICE AREA NO. 10, and it shall have the following miscellaneous extended services: Transportation Services – as described in this report (Please see **Description of Services.**)
  - c. The boundaries of the CSA No. 10 are set forth in Exhibit A, attached.
  - d. Formation is dependent upon the adoption of assessments as provided under Proposition 218.

4. Adopt a Sphere of Influence for County Service Area No. 10 which is coterminous with its boundary at the time of formation.
5. Pursuant to provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, your Commission should exercise delegation of authority to the Executive Officer to act as Conducting Authority for the Formation of County Service Area No. 10. and to complete the protest proceedings prior to May 7, 2003.
6. Authorize your Chair to sign the Resolution making these determinations.

### **FPPC DISCLOSURE**

Commissioners Roger Dickinson, Muriel Johnson, and Illa Collin have each received more than \$250 aggregate from Elliot Homes and Taylor, Hooper & Wiley, [who are acting as proponents or agents for the project] within the last 12 months, and will not participate, vote or otherwise sit as a Commissioner on this matter.

### **PROPONENTS**

The Sacramento County Board of Supervisors

Elliot Homes  
c/o Russ Davis, Vice President  
80 Iron Point Circle, Suite 100, Folsom 95630-8574

Taylor, Hooper & Wiley Attorneys  
c/o Jim Wiley  
2870 Gateway Oaks Drive, Sac 95833

The Sacramento County Board of Supervisors has adopted a resolution requesting the formation of County Service Area No. 10, a dependent special district, for the purpose of funding extended transportation services to an urbanizing area in order to comply with previously imposed conditions of development and environmental mitigation measures.

### **BACKGROUND**

#### **Proposed CSA No. 10**

The proposal responds to adopted conditions of approval for the Villages of Zinfandel Special Planning Area (SPA), Mather Field Specific Plan, and SunRidge Specific Plan by the establishment of CSA No. 10 to fund the required extended transportation services.

### **Proposed Benefit Zone No. 1**

If CSA No. 10 is approved by your Commission, the County Board of Supervisors intends to activate CSA No. 10 transportation services delivery by establishing Benefit Zone No. 1 encompassing the 823-acre Villages of Zinfandel site. Benefit Zone No. 1 services will include shuttle bus and Transportation Demand Management (TDM) services as required by zoning conditions and provisions of the Villages of Zinfandel Transportation System Management (TSM) Plan.

### **Purpose of CSA No. 10 and Benefit Zone No. 1**

The purpose of the CSA is to enable the provision of extended miscellaneous transportation services to developing areas within the CSA's boundaries.

The purpose of Benefit Zone No. 1 is to extend certain transportation-related services to only the Villages of Zinfandel (approximately 1800 dwelling units) at this time. Services would be funded by a property related charge pursuant to the California Constitution Article XIID, Section 6.

Benefit Zone No. 1 charges for residential and nonresidential development will fund supplemental transportation services, which may include transit shuttle services, indefinitely as determined appropriate by the County Board of Supervisors, in consultation with the City of Rancho Cordova.

A portion of CSA No. 10 would be within the City of Rancho Cordova, effective July 1, 2003. During the public hearings for CSA No. 10, the Board recognized the need to work with the City of Rancho Cordova, given that the City territory could be withdrawn if Rancho Cordova becomes dissatisfied with the CSA. Consequently, the Board has directed County staff to maintain an active outreach role to Rancho Cordova.

### **FUNDING**

In order to finance the requirements and provide funding for the extended transportation service, the Sacramento County Board of Supervisors has initiated proceedings for the formation of County Service Area No. 10 and Benefit Zone No. 1. Typically with a CSA, the County Board of Supervisors, has sole discretion.

If your Commission approves the formation of County Service Area No. 10, the Board of Supervisors would have the sole discretion to approve annual service charges, which will be collected on property tax bills beginning FY 2003 - 04. The County Board, in its sole discretion, may discontinue the portion of the service charges used for shuttle service if the Board determines that Sacramento Regional Transit (RT) provides appropriate service for the area. Alternatively, the Board may maintain such service charge and increase funding for other supplemental transportation services as set forth in the Engineers Report (Master Service Plan).

The proponent provided Engineer's Report has the anticipated service charges that will need to be assessed to benefiting properties for each land use category for the first four years of CSA No. 10, Benefit Zone No. 1 and at buildout.

Service charges will be apportioned to properties within CSA No. 10 annually based on the parcel's proportional cost of service. The proposed initial maximum charge and inflator formula (to be approved by affected property owners) for FY 2003/04 is based on current property development plans, and estimated costs associated with all extended services.

For Benefit Zone No. 1 the method of calculating each parcel's annual charge is based on the parcel's proportional cost of service. The proposed initial maximum charge and inflator formula (to be approved by property owners) for fiscal year 2003/04 is based on current property development plans and estimated annual costs associated with all extended services.

The charges for services for all subsequent years shall be based on the estimated annual cost of operation and maintenance of extended services for the first fiscal year (2003/04). An inflator shall adjust this maximum charge annually in subsequent years to maintain service levels.

CSA No. 10, Benefit Zone No. 1, and any subsequent Benefit Zones will be the only means of funding for the services provided, and all related operational and administrative costs. No grants or other income sources, including the Rancho Cordova or County General Funds will be used.

### **Service Charges in Benefit Zone No. 1**

Below is a schedule of service charges for properties in Benefit Zone No. 1 based on vehicle trip generation characteristics and associated cost of service for each land use category. At full development in Benefit Zone No. 1 of CSA No. 10 under the proposed schedule of annual service charges non-residential development would contribute \$228,230. Should residential development reach build-out without extension of RT service, it would contribute \$86,500.

The CSA's residential levy will end after establishment of RT bus service that replaces the shuttle bus. Only non-residential revenue service charges will remain at build-out in Benefit Zone No. 1. The development's TSM plan describes TDM services that are inconsistent with residential service charges, which require a specific benefit to meet CSA legal requirements. Funding TDM services from non-residential uses is also consistent with TDM services funding elsewhere in the County.

The fee proposes an annual rate inflation adjustment of service charges determined by the Consumer Price Index for the Sacramento region, not to exceed 6 per cent. Annual service charges for Benefit Zone No. 1 by land use category follow:

Low Density Residential (single-family detached and cluster)	\$50 per dwelling unit
Medium Density (multi-family 10 to 20 units per acre)	\$40 per dwelling unit
High Density (multi-family over 20 units per acre)	\$30 per dwelling unit
Retail Commercial	\$1,282 per acre
Business Park (office)	\$1,102 per acre
Light Industrial	\$ 460 per acre
Undeveloped	no service charge

**Proposition 218 Process**

LAFCo is responsible for the formation and configuration of the boundary of the CSA,. After the CSA is formed, the County Board of Supervisors, acting as the CSA Board of Directors may conduct the necessary ballot process that will determine the amount of the annual assessment that is levied to provide service levels as determined by the Board.

**County Service Area No. 10 and Sphere of Influence Boundaries**

The proposed boundaries of County Service Area (CSA) No. 10 and its Sphere of Influence are congruent. These boundaries consist of all the lots, parcels and subdivisions of land located in the following subdivisions approved development projects:

The Villages of Zinfandel,  
SunRidge  
Mather Field. SPA

CSA No. 10 is irregularly shaped, and is generally located south of International Boulevard and White Rock Road; north of Kiefer Road; east of the western boundary of Mather Field; and West of Grant Line Road. (Please see map Exhibit A)

**Benefit Zone No. 1 Boundaries**

The proposed Benefit Zone No. 1 will consist of all the following lots, parcels and subdivisions of land located in the following subdivisions:

**The Villages of Zinfandel:**

APN: 072-0370-074,  
072-1960-001 through of inclusive of 072-1960-052,  
072-1970-001 through of inclusive of 072-1970-049,  
072-2020-001 through of inclusive of 072-2020-067,  
072-2070-001 through of inclusive of 072-2070-068,  
072-2080-001 through of inclusive of 72-2080-028,  
072-2090-001 through of inclusive of 072-2090-078,  
072-2100-001 through of inclusive of 072-2100-044.

Benefit Zone No. 1 is an irregular shape that covers the Villages of Zinfandel. The Villages of Zinfandel is generally located: south of International Boulevard; north of Mather Boulevard; east of Femoyer Street; and west of the Folsom South Canal. (Please see map Exhibit A)

## **ANALYSIS OF PROPOSAL**

### **Overarching Policy Considerations**

The Cortese-Knox-Hertzberg Local Government Reorganization Act recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions, and limited financial resources (Sec. 56001).

A core issue that your Commission may address is that the Sacramento region is expected to gain one million new residents in the next 20 years. This anticipated growth raises an important question. In an era of rapidly increasing population, how can we work together to maintain mobility, enhance air quality, sustain economic prosperity and preserve those assets that make the Sacramento region an attractive place to live and work?

During the entitlement review and land use planning process for this area this was the first time in our region that the formation of a CSA of this nature was proposed.

The CSA No. 10 will establish a funding mechanism that will offer a wide range of extended miscellaneous transportation services to employees and residents within the CSA boundary. Those services in turn will reduce vehicle miles traveled, which will translate to improved air quality.

Staff notes that as the first such CSA, many points of service and benefits will need to be refined as more information becomes available through the operation of the CSA. Subsequent Benefits Zones, such as the proposed SunRidge project of over 10,000 dwelling units, may be subject to enhanced mitigation measures or fees.

### **Formation of a County Service Area**

Your Commission has the authority to establish new County Service Areas. Pursuant to California Government Code, a County Service Area may be established to provide a broad array of extended services, and "Miscellaneous extended services," including Transportation Services. At the time of the adoption of the resolution of intention to establish a county service area, the Board of Supervisors shall specify the type or types of

services which are proposed to be provided within the area, (Gov. Code Sec.25210.4, 25210.4a, 56036.(a) and 56375.)

A County Service Area is capable of providing a dependable and adjustable revenue source by placing a proportionate service charge on properties which derive benefit from the service provided. It allows the levying of service charges either on the property tax bill, or on a utility billing; and eliminates costly and time consuming annexations for new development to avail of the CSA service.

### **Process for Formation and Implementation**

Your Commission has the power to review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for the establishment of a dependent service district. If your Commission approves the formation of County Service Area No. 10, then the proceedings will move to the Conducting Authority.

The Cortese-Knox-Hertzberg Local Government Reorganization Act provides that LAFCo act as the Conducting Authority for CSA formation. After adoption of a resolution making determinations for the formation of the CSA by your Commission, protest proceedings shall be taken. In light of scheduling considerations, such as the upcoming annual “Cap to Cap” effort of the Sacramento Metropolitan Chamber of Commerce, staff recommends that your Commission delegate your authority to your Executive Officer for Conducting Authority Proceedings. [56375, etal ,57000. (a),(c)]

The formation may be defeated by adequate protest submitted and not withdrawn during the Conducting Authority proceedings.

In the event of successful completion of LAFCo proceedings the following steps will provide the Board of Supervisors the authority to activate CSA No. 10 and levy service charges.

1. The Board of Supervisors holds a public hearing and approves Proposition 218 protest ballots of Benefit Zone No. 1 parcel owners weighted by proposed FY 2003-04 service charges and canvasses the results.
2. Board of Supervisors holds hearing to affirm FY 2003-04 service charges.

### **Description of Services**

Benefit Zone No. 1 will provide transportation services to both residential and nonresidential development within the Zinfandel Special Planning Area.

The CSA No. 10 and Benefit Zone No. 1 will provide the funding mechanism (annual charges) for transit shuttle and miscellaneous transportation services described below:

- ? Guaranteed Ride Home - free taxi rides and rental cars for ride sharers in case of an emergency;
- ? Transit Subsidies - financial assistance to encourage residents and employees to use transit;
- ? Transportation Plans for employers and/or resident groups - plans which guide employers and resident groups on the implementation of trip reduction programs, such as ride sharing matching or other similar programs;
- ? Education Programs - various programs such as education of transit options, home office set up, alternative commute opportunities;
- ? Infrastructure Support - additional bike racks and lockers, transportation alternative and ride share informational boards/kiosks, and transit facilities;
- ? Transportation Coordinator Training and Support - instruction in mobility (transportation alternatives) for residential groups and work site coordinators;
- ? Bicycle and Alternative Fuel Vehicle Incentives - incentives for purchasing new bicycles or alternative fuel vehicles;
- ? Transit Shuttle - shuttle for residents and/or employees between residential areas, employment centers, shopping and service centers and light rail stations and/or other public transit options.

### **Environmental Considerations**

LAFCo will act as the lead agency consistent with CEQA Guidelines §15050 et. seq., regarding the environmental documentation for the formation of County Service Area No. 10 and Benefit Zone No. 1 for the purpose of creating a financing district for extended miscellaneous transportation service in four development area in the Sunrise Boulevard/Highway 50 corridor, (within the Villages of Zinfandel and SunRidge developments, and Mather Field).

LAFCo has prepared a Notice of Exemption Section 15320(a), Class 20, as the appropriate CEQA document due to its finding that the proposed project will not have a significant effect on the environment.

The proposed project consists of the establishment of a dependent special district, where changes do not change the geographical area in which previously existing powers are exercised, and is therefore exempt from the provisions of CEQA.



## **CONSISTENCY WITH LAFCO POLICES AND PROCEDURES AND COUNTY GENERAL PLAN**

### **Master Services Element**

The formation of CSA No. 10 and Benefit Zone No.1 is consistent with LAFCO Policies and Procedures which require a Master Services Element for the establishment of a Sphere of Influence.

Spheres of Influence are the primary planning tool for LAFCo. Sacramento LAFCo has developed standards related to the Master Service Element of any agency's Sphere of Influence. Agencies must have an updated Master Services Element which meets the following standards:

- a. Is consistent with the Master Services Element of the Spheres of Influence of any overlapping jurisdiction;
- b. Demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the area included within the proposed boundary;
- c. Identifies existing land use and a reasonable projection of land uses which would occur if services were provided consistent with the updated Element;
- d. Presents a map that clearly indicates the location of existing and proposed facilities, including plan for timing and location of facilities;
- e. Describes the nature of each service to be provided;
- f. Describes the service level capacity of the service provider's facilities;
- g. Identifies the anticipated service level to be provided;
- h. Describes any actions, improvements, or construction necessary to reach required service levels, including costs and financing methods;
- i. Provides copies of district enabling legislation pertinent to the provision of service levels, including costs and financing methods;
- j. Identifies projected revenue and identifies savings occurring as a result of the action; and
- k. Provides existing and five year population projects within agency boundaries.

The proponent has provided the Engineer's Report (Report) for the formation of CSA No. 10 and the levy and collection of annual charges in Benefit Zone No. 1 commencing in fiscal year 2003/04. The formation of the CSA, including its structure (organization),

proposed services, and method of apportionment and charges that are described in the Report are based on current development and improvement plans including all estimated direct expenditures, incidental expenses, and reserves associated with the extended services.

The Report complies with the Master Services Element criteria.

The project is consistent with the County General Plan in that it will implement the adopted Transportation Systems Management (TSM) Plan, which complies a General Plan AQ-15 Plan calling for Transportation Management Association (TMA) membership and funding through a County Service Area (CSA), as well as provision of Transportation Demand Management (TDM) services including current TMA programs as well as marketing, sponsored ridesharing, transit pass sales, bicycle and shower facilities, shuttle transit, and parking management.

### **Analysis of Proposal**

Your Commission has adopted specific standards for actions to ensure that fair and consistent decisions are reached in accordance with Cortese-Knox-Hertzberg legislation. Your Commission may make exceptions to these specific standards if it determines that such exceptions:

- ? Are necessary due to unique circumstances;
- ? Are necessary due to conflicts between general and specific standards;
- ? Result in improved quality or lower cost of services available; or
- ? There exists no feasible or logical alternative.

### **Standards**

1. LAFCo will encourage special district formation in areas that demonstrate a need for unmet or improved level of services due to the inadequate level or quality of services currently provided.
2. LAFCo requires a Master Services Element which defines financing, service levels and how services are delivered.
3. LAFCo requires a definite Sphere of Influence map, plan and definite boundaries.
4. The proposed district formation should be consistent with the County's General Plan and any applicable Specific Plans.
5. LAFCo will not approve district formations when the Master Service Element conflicts with the Master Services Element of other agencies.
6. When considering applications for district formation, LAFCo will ensure that no special interest group is given the status of being a governmental agency.

7. LAFCo will not approve an application for district formation unless the proponent can demonstrate it can fund the services it intends to provide.
8. If a district becomes insolvent or unable to provide services, then LAFCo may approve consolidation with a solvent and capable district.

Each of the above standards and requirements have been satisfactorily met for the formation of the proposed County Service Area No. 10 and Benefit Zone No. 1. Each of these items listed above has been discussed in detail in this report, and in the accompanying attachments.

### **Effect of Proposal on Adjacent Areas**

Once formed a CSA may continue to operate or expand within a city after incorporation only with the consent of the city. A portion of CSA No. 10 is located within the City of Rancho Cordova (effective, July 1, 2003). The LAFCo Resolution making determinations for the incorporation of the City of Rancho Cordova , waived the automatic exclusion of city territory from a county service area formed to fund transportation services. Thus the City of Rancho Cordova and the County will have one year following the effective date of Rancho Cordova incorporation to decide whether to continue funding transportation services in Benefit Zone No. 1 through this CSA.

Councilmembers-Elect have provided testimony in support of the formation of County Service Area No. 10, during the Board of Supervisors public hearings on the matter.

In order to not encumber the incoming City Council of Rancho Cordova with myriad service provision arrangements, staff recommends that the County Service Area No. 10 be authorized to provide only the extended miscellaneous transportation services discussed in this report.

Any changes to these services should be through the mutual consent of the affected governing bodies, subject to LAFCo approval.

### **Affected Districts**

The proposal was routed for review and comment to the Sacramento County Public Works Agency, Cordova Recreation and Park District, Sacramento Metropolitan Fire District, Sacramento Regional Transit District (RT), Sacramento Metropolitan Air Quality Management District (SMAQMD)

Fees proposed as part of the CSA No. 10 services will not be charged to public facilities, therefore the special districts within the proposed territory will experience no effect from the formation of County Service Area No. 10.

The Sacramento County Public Works Agency had no comments, Cordova Recreation and Park District and Sacramento Metropolitan Fire District do not oppose the proposal.

It is anticipated that the extended transportation services may develop a complimentary relationship by increasing travel options to recreation programs and park sites.

The SMAQMD continues to maintain a strong position of support for the formation of Community Service Area No. 10. They point out that Mr. Ron Maertz, Transportation and Land Use Coordinator for the District, was the first person in the Sacramento region to propose the formation of the CSA.

### **Benefit of CSA No. 10**

The primary benefit of CSA No. 10 is that an official funding mechanism will be in place to offer a wide range of transportation services to employees and residents within the CSA boundary. Through the CSA, resources will be available on a long-term basis to provide an extensive menu of transportation programs and services that encourage use of alternate commute modes. These programs and services will include various shuttles, transit subsidies, guaranteed ride home, carpool and vanpool matching and bicycle incentive programs. The shuttles and subsidies will make it possible for employees and residents to connect to an improving transit system without using their single occupancy vehicles (SOV). A reduction in use of these mobile sources has historically translated to air quality improvements. The majority of these transportation and air quality programs will be offered through the local transportation management association (TMA).

The CSA No. 10 proposal can serve as a catalyst for other new programs to reduce traffic congestion and improve air quality.

SMAQMD further mentions that while the primary benefit of establishing CSA No. 10 is primarily related to improved and increased transportation options. As the light rail system extends to Folsom, the CSA will provide a funding source so that employees and residents have new incentives to use light rail. As the growing population of the region is offered programs and incentives to use alternate commute modes, vehicle miles traveled (VMT) by SOV should decrease. Since motorized vehicles account for over 70 per cent of the precursors of ozone, a reduction in VMT should also lead to a reduction in ozone. Therefore, it is clear that an important secondary effect of the CSA is the potential for improved air quality.

RT supports the formation of County Service Area No. 10, as a mechanism to fund the ongoing operational costs associated with the provision of transit service. It will improve the transit options for current and future residents of the Villages of Zinfandel.

Their comments points out that transit fares typically cover only 1/3 of the ongoing operational costs associated with the provision of service. Supplemental funding will support the expansion of transit service in this area.

Currently, RT bus Routes 73 and 74 operate in the general vicinity of the Villages of Zinfandel, but they do not travel along International Drive and Zinfandel Drive. However, this area will see a substantial increase in service in 2004 when the RT light

rail system will be extended to Sunrise Boulevard. Light rail stations will be added at Zinfandel Drive, Cordova Town Center, and Sunrise Boulevard. There will be a Park & Ride Facility located at the Sunrise station. This light rail extension will provide a connection to the entire RT light rail system.

RT recommends that the proposed supplemental transit service provide a connection for the residents of the Villages of Zinfandel to the Zinfandel Light Rail Station when the light rail extension begins revenue service in 2004. RT Bus Service will be adjusted in Rancho Cordova at that time to support the light rail extension. It is unknown when there will be sufficient density in the Villages of Zinfandel to warrant the provision of RT bus service.

It should also be noted that there is no funding mechanism in place for the Villages of Zinfandel to fund capital transit requirements. Typically, the Public Facilities Financing Plan includes a mechanism for the collection of funds for the purchase of buses, the construction of Park & Rides, etc. Since this issue was not addressed for the Villages of Zinfandel, RT recommends that this issue be reviewed in order to explore options to set aside funding for the provision of a Park & Ride lot(s) for this community. This is particularly important in light of the fact that a Park & Ride lot will not be located at the Zinfandel Light Rail Station.

In light of RT's concerns, County Public Works staff has provided further clarification of transit funding sources in this area. The Zinfandel SPA ordinance and TSM Plan require that the developer sign an agreement with RT to provide transit shelters. As indicated in the draft Public Facilities Financing Plan (PFFP) update, the developer is planning to provide four bus shelters at site locations not yet finalized.

Also, per Sacramento County Code Chapter 16.87, the Roadway and Transit Development Fee ordinance, the Villages of Zinfandel development will contribute to RT's transit capital facilities (buses, LRT stations/park and ride facilities) at the rates of \$179 per single family dwelling, \$365 per multi-family dwelling, \$0.79 per square foot of retail commercial, \$0.71 per square foot of office, and \$0.16 per square foot of light industrial.

## **RECOMMENDATION**

I recommend your Commission approve the Resolution approving 1) the Sphere of Influence for County Service Area No. 10, 2) the formation of County Service Area No. 10, and 3) delegation of authority to the Executive Officer to act as Conducting Authority for the Formation of County Service Area No. 10. and to complete the protest proceedings prior to May 7, 2003.

Respectfully,

***SACRAMENTO LOCAL AGENCY FORMATION COMMISSION***

Peter Brundage  
Executive Officer

Attachments:

Maps (Exhibit A)

Board of Supervisors Staff Report, with Engineers Report

CEQA Findings Of Fact and Notice of Exemption

Agency Correspondence

PB:DL:Maf

(CSA 10)