

Wild Wings CSD Formation Advisory Committee

June 7, 2021

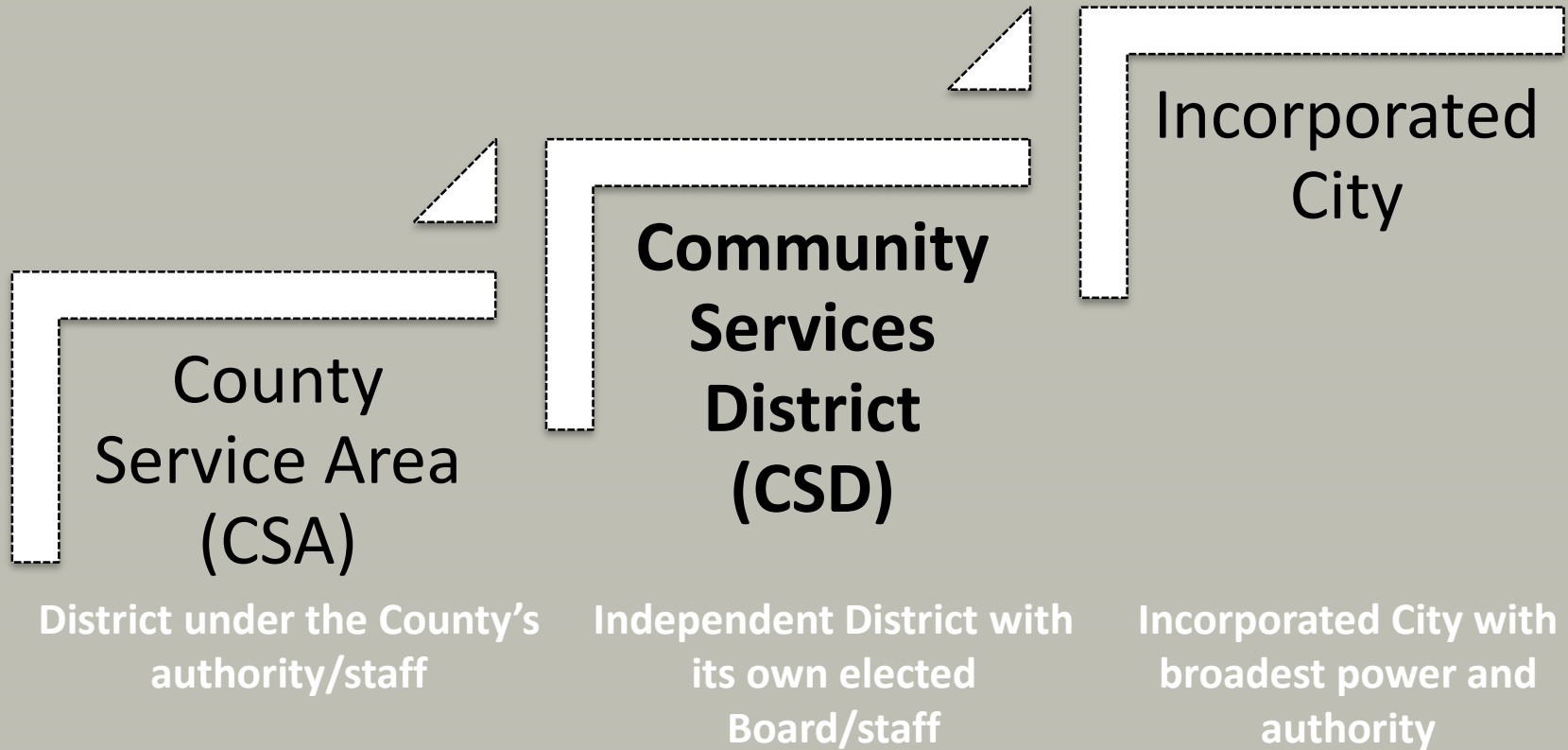
CSD Considerations
and
LAFCo Formation Process

Yolo
LAFCo



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Agency Types for a Broad Array of Community Services*



* As opposed to a limited purpose district, such as a cemetery district

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Existing CSD Locations



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CSD Services in Yolo County

CSD	Water	Sewer	Storm Drainage	Parks & Rec	Streetlights
Cacheville	*				*
Esparto	*	*	*	*	*
Knights Landing	*	*	*	*	*
Madison	*	*	*	*	*
Wild Wings CSA	*	*		*	

- *CSDs are independent California Special Districts, a form of local government created by an unincorporated community to provide municipal services.*
- *CSDs can provide up to 32 different services, such as water, garbage collection, wastewater management, security, fire protection, public recreation, street lighting, mosquito abatement services, etc.*
- *It is governed by a 5-member board of directors, elected by residents to 4-year terms.*



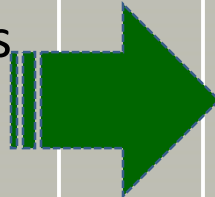
Census Designated Place Data Comparison for the CSD's Communities

	Yolo (Cacheville CSD)	Esparto	Knights Landing	Madison	Monument Hills
Median Household Income	\$77,868 ²	\$75,833	\$42,969	\$41,050	\$118,929
Persons in Poverty	4.7%	10.0%	15.2%	15.7%	0.0%
High School Degree or Higher	59.1%	83.7%	45.0%	44.9%	88.2%
Persons Without Health Insurance	0.0%	7.1%	15.1%	11.0%	0.0%
Median Housing Value	NA ³	\$313,500	\$184,000	\$169,400	\$692,500
Total Housing Units	120	1,105	291	193	610
Total Businesses ⁴	NA	196	NA	NA	NA
Households w/ Broadband Internet	54.8%	85.2%	52.2%	68.9%	93.2%



CSD Additional Responsibilities

- CSA Manager & financial reporting (County staff)
- County contracts for audit (included in CAFR)
- County files State Controller's Office Reports
- BOS acts as Board of Directors
- County maintains Wild Wings CSA webpage
- CSA defers to County policies



- CSD hires/contracts General Manager (by law)
- CSD contracts for independent audits
- CSD files State Controller's Office Reports
- CSD Board of Directors is elected
- CSD required to maintain its own website
- CSD adopts comprehensive policies/procedures



CSA versus CSD Other Considerations

- Potential confusion/overlap with HOA (may make sense to consolidate some or all services)
- Can the community self-govern, function well, provide critical services, and be professional and accountable
- Would board members be able to raise neighbor's fees, cut off water, etc. if needed in a small community?
- “Goldilocks” approach: some agencies too small (or too large) – need to “right size” for a healthy organization



LAFCo Actions Required

Application to transition from a CSA to a CSD will include the following two jurisdictional changes:

1. **Dissolution of the CSA** (organized under CSA Law CA Government Code Section 25210 et seq.)
2. **Formation of a new CSD as the successor agency** (organized under CSD Law, CA Government Code Section 61000 et seq.)



CSA Dissolution/CSD Formation Process

1. BOS Resolution of Application
2. LAFCo application routing and review
3. LAFCo public hearing
4. If approved, protest process
5. Election
6. Final steps
7. Effective date



Petition or Resolution of Application

- Petition submitted by 25% of registered voters within the boundary OR County BOS Resolution (presumably BOS path)
- Application includes a **Plan for Services**, fiscal studies, proposed budget, and other information relevant to forming the CSD



Plan for Service (Gov't Code 56653 a-b)

The Plan for Service should address successor agency responsibilities, governance, staffing, transfer of authority over taxes, maintenance/improvement of level of service, asset transfer, financing for improvements, etc.

The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

- A description, level and range of the services to be provided;
- Any improvement or upgrading the CSD would impose or require; and
- How those services will be financed.
- In addition to a standalone WW CSD, I'll ask for an analysis of forming a Regional CSD (Cacheville, Madison, KL, WW) scenario.

In accordance with GC 61014, LAFCo "shall not approve a proposal that includes the formation of a district unless the commission determines that the proposed district will have sufficient revenues to carry out its purposes."



Application Review Period

- Initial review period for the application is 30 days. LAFCO staff reviews the application and requests additional information, as needed.
- Plan for Services must address services to be provided, the initial budget for the services, and the revenue sources, Prop 218 studies;
- Any other information requested by LAFCO



LAFCo Public Hearing(s)

- Staff report analyzes various issues and factors per the Cortese-Knox-Hertzberg (CKH) Act (i.e. Gov't Code pertaining to LAFCo).
- Noticed public hearings are conducted; 21-day notice is required
- Public noticing measures required: interested party email list, newspaper notices
- LAFCo decision to approve, modify or deny
 - LAFCo may add conditions of approval
 - LAFCo may continue the item to another hearing date



Protest Process

- If formation is approved by LAFCo, a protest process is completed;
- Notices are sent out setting a deadline for submitting a written protest;
- Protests are submitted and validated
- Per Gov't Code Section 61014(e):
 - (1) If a majority protest exists in accordance with Section 57078, the commission shall terminate proceedings.*
 - (2) If no majority protest exists, the commission shall do either of the following:*
 - (A) Order the formation subject to the approval by the voters.*
 - (B) Order the formation subject to the approval by the voters of a special tax or the approval by the property owners of a special benefit assessment, pursuant to subdivision (c).***



Election

- Commission requests the BOS direct election officials to conduct the necessary election on behalf of the proposed CSD
- LAFCo prepares impartial analysis
- Election would also appoint 5 CSD board members
- Formation would also presumably be subject to approval of the voters of a special tax or special assessment to finance the CSD (this would replace existing CSA fees)
- Election is conducted by the County Clerk through a mailed ballot



Final Steps

- If approved by voters, any conditions are completed, Certificate of Completion is filed
- Submitted to State Board of Equalization (BOE) with fees
- Need to file with BOE by Dec 1 to take effect the following fiscal year (July 1)
- On July 1, CSA dissolved/CSD begins operation



Some Quick Reference Docs

- CSDA-CALAFCO Special District Formation Guide
<https://calafco.org/sites/default/files/documents/2016%20Formation%20Guide%20WEB.PDF>
- What's So Special About Special Districts? (Fourth Edition) Senate Local Government Committee, October 2010
[https://calafco.org/sites/default/files/resources/Whats So Special.pdf](https://calafco.org/sites/default/files/resources/Whats%20So%20Special.pdf)
- CSDA Special District Board Member Handbook (via separate email)



Questions?

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Thank you!

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