



2010-2011 SANTA CLARA COUNTY CIVIL GRAND JURY REPORT

LAFCO'S RESPONSIBILITY FOR SPECIAL DISTRICTS: OVERSEEN OR OVERLOOKED?

Summary

The state-mandated Local Agency Formation Commission (LAFCO) is a little-known agency with important oversight function for cities and special districts. The California law creating LAFCO describes its purpose as “the discouragement of urban sprawl” and “the orderly formation and development of local agencies.”¹ Santa Clara County (SCC) LAFCO deals with land use issues, primarily defining the “sphere of influence” SCC cities hold beyond their borders. But LAFCO is also responsible for overseeing special districts, and SCC’s LAFCO has purview over 28 special districts. In this role, LAFCO is responsible in part for conducting mandatory reviews to ensure services provided by special districts, such as water supply and fire protection, are effectively delivered to the public. LAFCO is also responsible for ensuring that districts do not over-step their boundaries without prior approval, and for recommending dissolution of any district that no longer serves its intended purpose.

The Grand Jury found that SCC LAFCO takes a passive approach in its oversight of special districts. Further, SCC LAFCO Commissioners are not fulfilling their oversight duties to taxpayers by adopting a broader view of their policy-making authority. Both SCC LAFCO and the SCC LAFCO Commission should take the initiative in analyzing whether special districts warrant continued taxpayer funding or have fulfilled their initial purpose such that tax monies may be better spent elsewhere.

Background

LAFCO is a state-mandated local agency created by California law to oversee the boundaries of cities and special districts and to evaluate delivery of the services that special districts provide. Most special districts were formed decades ago, when SCC was growing in population faster than services could be established to support the public. The purpose of these special districts is to deliver a specific service, paid for by taxpayer monies. Special districts receive funding from property tax, and some augment these monies with revenue from fees for services delivered.

¹ California Government Code Section 56301. Additional state law relating to LAFCOs may be found in California Government Code Section 56000 et. seq..

First established by California in 1963, LAFCOs currently operate in every county in California under The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This Act replaced a similar 1985 law, and strengthened LAFCO's role and powers to prevent urban sprawl and protect open space, made LAFCO more independent in representation and operation, and more accountable and visible to the public. The full text of the Act can be found on the LAFCO website: http://www.santaclara.lafco.ca.gov/pdf-files/2010_CKH_Guide.pdf.

Each county LAFCO operates independently. However, CALAFCO, a nonprofit association of LAFCOs in the state, provides a structure for sharing information among various LAFCOs. CALAFCO coordinates state-wide LAFCO activities, and represents LAFCOs before the State Legislature and other governmental entities, lobbying for changes to California law which may strengthen LAFCOs further, for example by shielding local LAFCOs from litigation. For more information about CALAFCO, see its website: <http://www.calafco.org/>.

SCC LAFCO is a modest operation, with a staff consisting of an Executive Officer, an Analyst, and a Clerk. SCC LAFCO contracts out for assistance in preparing its mandatory service area reviews and also contracts with outside counsel and a county surveyor as necessary.

Commissioners are appointed to oversee and direct the work of the SCC LAFCO staff. The SCC LAFCO Commission is comprised of five Commissioners, each serving a four-year term:

- Two County Supervisors appointed by the Board of Supervisors
- One Council Member from the City of San Jose appointed by the City Council
- One Council Member from any of the other cities appointed by the Cities Selection Committee
- One Public Member appointed by the other four members of the Commission.

Methodology

The Grand Jury interviewed SCC LAFCO staff and all sitting SCC LAFCO Commissioners. It also reviewed documents and websites as listed throughout this report and in Appendix A, and attended an SCC LAFCO public meeting in April 2011. As a case study to better understand SCC LAFCO's interaction with special districts, the Grand Jury looked more closely at the El Camino Hospital District, the only hospital special district within the County, and its purchase of Community Hospital of Los Gatos (CHLG).

Discussion

SCC LAFCO is responsible for overseeing the boundaries of cities and unincorporated areas within the County, as well as 28 special districts in the County that were established to provide a specific service to a boundary-defined population. Every special district and incorporated municipality has an established boundary, and receives a portion of property tax revenues from landowners within that boundary. Extending beyond city and district boundaries is an Urban Service Area, and beyond that, an identified Sphere of Influence (SOI). Tax revenues are based on property taxes collected within the approved boundary. If a district or municipality wants to expand its boundaries, it must first petition SCC LAFCO for an expanded SOI. Once the new SOI is approved, there is a defined process for annexing the SOI into the district or municipality's boundaries. Once annexed, a portion of property tax from the landowners in the newly annexed area is redirected from County coffers to the special district. Because Proposition 13 placed a 1% cap on base property tax rates, an expanded boundary will result in the redistribution of property tax monies. This tax consequence is one of the reasons SCC LAFCO is rigorous in determining whether any request for expansion is warranted.

For the most part, SCC LAFCO acts as a reactive rather than proactive agency. Items are put on the agenda only when a district or municipality (or, rarely, an individual) files an application for a specific activity, such as annexation, reorganization, or boundary change. Costs incurred by SCC LAFCO in processing the request, such as surveying and filing paperwork, are recovered through application fees. Most SCC LAFCO activities relate to city boundaries and requests for annexation or changes to an agency's SOI. Indeed, when discussing the purpose of SCC LAFCO, all Commissioners emphasized land use policies and annexation of urban islands; none mentioned their responsibilities for supervision of special districts.

In addition to responding to the fee-based application process, each county LAFCO develops its own land use policies, such as Santa Clara County's 2007 Agricultural Mitigation Policy. Each county LAFCO is also required by law to conduct mandatory service reviews of the cities and special districts within its jurisdiction.

Mandatory Service Reviews

State law requires each LAFCO to perform a service review of all agencies within its purview once every five years. County LAFCOs accomplish service reviews by adopting a master schedule to complete some reviews each year, ensuring all agencies are reviewed at least once every five years. SCC LAFCO has started its second round of service reviews, with its latest *Countywide Fire Service Review* report adopted in December 2010. The Water service review is now underway. Service reviews of remaining special districts and municipalities will follow.

SCC LAFCO staff hires consultants to perform the required service reviews. Draft reports are presented to the public for review and subsequently modified as warranted. Staff then places these service reviews on the SCC LAFCO Commission agenda with a recommendation that the final report be adopted. The SCC LAFCO Commission then votes on that recommendation. Adopted reports are published on the LAFCO website. In its first round of Service Reviews, SCC LAFCO lumped municipalities and special districts other than Fire and Water, into two service reviews: *South Central Santa Clara County Service Review and Sphere of Influence Recommendations*, completed August 2006, and *Northwest Santa Clara County Service Review and Sphere of Influence Recommendations*, completed October 2007. The Grand Jury was told that in the remaining second-round reviews, SCC LAFCO staff is considering grouping municipalities into one service review and special districts into another. This would be a positive change in approach, as the issues surrounding special districts are somewhat different than those for municipalities.

Service reviews must meet the criteria outlined in Section 56430 of the California Government Code. SCC LAFCO's past service reviews appear to be rather formulaic: data rich and including recommendations on changes to the SOI boundaries, opportunities for sharing facilities, and cost savings. However, the code also requires that evaluations include "*Accountability for community service needs, including governmental structure and operational efficiencies*" and also "*Any other matter related to effective or efficient service delivery, as required by commission policy.*" Clearly, there is some latitude for more in-depth service reviews. SCC LAFCO staff states that they do not do "performance audits," which study how effectively an agency delivers its service, both from a management and financial standpoint. Although the statute may not specifically state a "performance audit" is required, the statute does require some analysis of the community service needs, operational efficiencies, and potentially the effective or efficient service delivery, which essentially constitutes a performance audit.

Special Districts

The SCC LAFCO website, <http://www.santaclara.lafco.ca.gov/specialdistricts.html>, lists the 28 special districts in Santa Clara County under SCC LAFCO purview and provides basic information on each. The list of special districts is also reproduced in Appendix B.

Special districts are "agencies of the state for the local performance of governmental or proprietary functions within limited boundaries" (Government Code Section 16271 et. seq.). Special districts have a combination of characteristics:

- Single function (e.g., sewer service) or multi-function (e.g., water sales and creek management)
- Enterprise (i.e., fee supported) or non-enterprise (i.e., tax supported).

All special districts are governed by boards. A dependent special district's board is the city council or County Board of Supervisors (BOS). Independent boards are elected by the public residing within a district, or are appointed by the BOS depending on the board's purpose or the geographic area the district serves. These boards are of interest to the Grand Jury because independent special district boards are just that: self governed. While they are subject to public scrutiny, that may be very minimal. Taxpayers may have very little knowledge and understanding of special districts, the district's service obligations to the taxpayers, and little awareness of how their tax monies are spent. Special district boards, which receive and disburse property tax monies, are accountable to taxpayers; they are also accountable to LAFCO.

Property Tax Apportionment to Special Districts

SCC, as well as the municipalities and special districts within SCC, divide the property tax collected from landowners. In 1978, California passed Proposition 13, which reduced the existing property tax to a combined 1% of assessed values, and one year later the State passed AB 8, which defined how that 1% property tax revenue was to be divided among existing agencies: county, cities, county libraries, schools, and special districts. A complicated formula determines the apportionment factor (to ten decimal places) that each entitled entity will receive of the property tax income. Each county determines the apportionment factors, and is subject to audits by the State Controller's Office.

Special districts that were established before 1978 continue to receive their share of the property tax under a single line item listed as "1% MAXIMUM TAX LEVY" on the property owner's tax bill. There is no notation identifying which agencies receive the money. And most taxpayers probably have no idea that their tax dollars fund special districts and will fund them *in perpetuity* unless the district is dissolved. For this reason, LAFCO's oversight role is critical to ensuring special districts continue to serve their intended purpose. See Appendix C for the apportionment factors and estimated 2011 allocations for SCC special districts.

Dissolution of Districts

Surely if LAFCO oversees the formation of agencies, without the companion responsibility for dissolving them when the need for a given agency no longer exists, then they are performing only half of their job. So the Grand Jury asks, "When does a special district plant the flag of victory and call it a success?" If a special district has met the need for which it was established, or if it is now self sustainable without tax revenue, then continuing to send tax monies to special districts is wasteful at best, particularly at a time when agency budgets are being drastically cut.

Dissolution of a district is done through a well-defined LAFCO process and may be initiated by the district itself, by petition of voters in the district, by another district or by LAFCO. Sunol Sanitary District initiated its own dissolution after its service areas were annexed into San Jose and there were no longer any customers within its boundaries. That dissolution was final in 2010. However, Sunol was an exception. The fact is districts are not motivated to request dissolution even if the need for service no longer exists. Because they can continue to collect tax monies and use them or hold them in reserve, largely unrestricted, districts can always find something to spend money on. Since many special districts “fly under the radar,” public initiation of dissolution is unlikely simply because the public may not know the district exists. One district initiating dissolution of another is politically unlikely. Therefore, it falls to LAFCO to be proactive in initiating dissolution when warranted.

Some special districts actually contract out to other special districts to deliver the service they were created to provide. This is the case in both Saratoga and Los Altos Hills. For example, special districts in those cities (Saratoga Fire Protection District and Los Altos Hills County Fire District) receive approximately the same amount of tax revenue to provide fire services to their community but each district contracts out to Santa Clara County Central Fire District (CCFD), also a special district. The amounts paid to CCFD under the contracts are less than the taxes received, so Saratoga Fire Protection District and Los Altos Hills County Fire District bank the remainder in reserve accounts. Los Altos Hills County Fire District receives in tax monies nearly two times what they pay to CCFD. The balance is banked in a reserve account that is now close to \$18M. Los Altos Hills County Fire District will continue to receive tax monies unabated, in perpetuity. Unless, that is, LAFCO puts more teeth into its recommendations to consolidate special fire districts (see LAFCO’s December 2010 report titled *Countywide Fire Service Review*, available at LAFCO’s website).

As explained above, special districts in existence before 1978 continue to collect tax monies *in perpetuity*. But some districts may not need the additional monies or may no longer provide the service for which it was originally formed. If a special district is financially stable, well run, and has sufficient income from sources other than taxes, such as in the case of El Camino Hospital District as discussed below, then it stands to reason the service can continue to be provided equally well without the tax revenue on a nonprofit or for profit basis.

Dissolution of special districts is not an easy or speedy process. The state legislature has recognized this and is currently pursuing an effort to make dissolution less onerous. Notwithstanding the difficulties in district dissolution, the Grand Jury believes that, in the current economic climate, certain special districts may warrant dissolution, enabling the former district’s 1% property tax allotment to be reallocated to other more critical needs within the county. The Grand Jury found no evidence that SCC LAFCO has taken action to dissolve districts no longer needed—even those it has identified as a candidate for dissolution, such as the Saratoga Cemetery District.

LAFCO Enforcement Powers

The Grand Jury was struck by SCC LAFCO's apparent belief that the principal purpose of generating mandatory service area reviews is to comply with state mandates, and nothing more. But according to interviewees knowledgeable in LAFCO law, local LAFCOs can do far more. For example, SCC LAFCO has the authority to ensure that recommendations made in its mandatory service reviews are implemented. They may do this, for instance, by widely publicizing its findings, following up with agencies and districts, and placing recommendations on its agendas to monitor progress. The Grand Jury could see no evidence that SCC LAFCO has required responses to its service review recommendations, or that it has gone back to the special districts to follow-up on implementation efforts. In fact one interviewee said SCC LAFCO "wouldn't go there" for fear of being sued, and "LAFCO doesn't have the resources to go into litigation." But, if SCC LAFCO chooses to not look at these issues, then who will?

If the threat of a lawsuit hampers SCC LAFCO's willingness to press an issue with a public agency, then SCC LAFCO is effectively choosing to forego the tougher end of its responsibilities of oversight and monitoring. This is particularly troubling when, in some circumstances, litigation may serve to resolve controversial issues, such that they need not be revisited time and again. It would seem a policy directive from the SCC LAFCO Commission to require such active follow-up would be in order. Yet the Commission's self-defined, narrow focus on land use may mean Commissioners are not aware of or are untrained as to LAFCO's oversight power and its responsibility with respect to special districts.

The Grand Jury found that the Commissioners do receive training from SCC LAFCO staff when newly appointed to the Commission. However, the training appears to focus on what LAFCO is, and not necessarily on the larger picture of what LAFCO can do. To truly drive SCC LAFCO policies, Commissioners need to understand the powers expressly given or expressly denied to LAFCO, as well as the range of actions that Commissioners could direct SCC LAFCO to undertake for the betterment of the County. Additional training may occur on a "just in time" basis when an item is placed on the agenda, whereby staff fully informs the Commission of the issue, LAFCO's full range of options to proceed, and the broader context surrounding the issue.

Until Commissioners are better trained, it is unlikely they will make any policy decisions to pursue proactive oversight and monitoring of special districts or to aggressively bring about implementation of SCC LAFCO recommendations. This is unfortunate because SCC LAFCO is the only agency that has jurisdiction over special districts. In fact, those special districts that do not publicly elect board members are often not even known to the public as tax revenue agencies. It is within the purview of LAFCO to treat mandatory service reviews as performance audits, and to hold public agencies accountable to implement recommendations they contain.

Case Study: El Camino Hospital's Purchase of CHLG

In California, there are 85 Healthcare Districts that operate as special districts under the Hospital District Act (Section 32000 et seq., Health and Safety Code). El Camino Hospital District (District) is the only such district within the County. Hospital Districts are enterprise districts, and income generated by payments for services rendered is in addition to income from property tax. By the nature of their services, hospital districts are more likely than other enterprise districts to serve people outside their boundaries or even outside their SOI.

The District established the El Camino Hospital non-profit corporation (Corporation), and the District is the Corporation's sole member. In 2009, the Corporation purchased Community Hospital Los Gatos (CHLG) and now operates hospitals on two campuses: Mountain View and Los Gatos. The CHLG facility is clearly outside the district's boundaries and SOI. The Corporation purchased CHLG without consulting LAFCO, taking the position that LAFCO does not have authority over this expansion because the Corporation—not the District—made the purchase. However, bypassing LAFCO without even a courtesy memo looks to the Grand Jury as though the District was intent on avoiding rather than engaging LAFCO.

The Grand Jury makes no comment on whether the District was right or wrong, let alone legal or illegal, in purchasing CHLG. Rather, the Grand Jury focused on how SCC LAFCO handled the special district issues raised by the purchase, which SCC LAFCO is just now addressing, more than a year after it was completed.

Although SCC LAFCO was aware of the purchase in 2009, it was not until this year's Grand Jury investigation that SCC LAFCO considered taking action. It initially put the District's issue on the February LAFCO Commission agenda, recommending one course of action: to expand the SOI of the District to include areas served by CHLG, such as Los Gatos, Saratoga and Campbell. This recommendation appeared to the Grand Jury to be an attempt by SCC LAFCO staff to retroactively fix the situation by steering the Commission toward a single course of action, which appears to be the course of least resistance. But this approach clearly skirts SCC LAFCO responsibility to assess the need for expanded service in the Los Gatos area. Further, if the District was in the wrong, then expanding its SOI has the potential to unjustly enrich the District through the infusion of additional tax monies should the SOI expansion be followed by a request for annexation. Therefore, the Grand Jury does not find that retroactively increasing the District's SOI is appropriate as this would essentially reward the District for not seeking SCC LAFCO approval, which would set a poor precedent for other special districts.

There are many "ifs" in the above discussion. But certainly SCC LAFCO staff appeared ready to steer the Commission to a decision without the benefit of a full briefing on the alternatives. Surely the SCC LAFCO Commission, particularly as a relatively uninformed body with respect to its special district oversight powers, deserves the opportunity to be educated about its responsibilities while specifically focusing on the El Camino Hospital issue. This would mean considering the full range of alternatives at SCC LAFCO's disposal – which include denying the expanded SOI, dissolving the hospital district, or doing nothing.

The El Camino Hospital issue is quite complicated. Because there are so many factors to consider, because special laws govern Hospital Districts, and because there is no urgency to the issue, as confirmed by staff at the April Commission meeting, the Grand Jury strongly encourages SCC LAFCO to take the time to cover El Camino Hospital District in its next round of service area reviews, ensuring that a full analysis will inform any future decision by the SCC LAFCO Commission.

Conclusions

The Grand Jury found that SCC LAFCO, although one of the more active in the state, does not proactively engage in the oversight or evaluation of special districts, but rather seems to do only a part of what is specifically required by law, focusing primarily on annexation of unincorporated islands by municipalities. Little attention is devoted to special district performance audits, even though the statute requires some analysis of the community service needs, operational efficiencies, and potentially the effective or efficient service delivery, which essentially constitutes a performance audit. No efforts to see that SCC LAFCO recommendations are implemented appear to have been undertaken. The Grand Jury thinks that SCC LAFCO could more effectively fulfill its mandate by adopting policies directed to improve delivery of services or to dissolve special districts when they are no longer needed. Its planned service review of special districts, most likely to be completed in 2012, presents an opportunity for SCC LAFCO to treat the service review as a performance audit. This focus on analyzing whether taxpayer monies are effectively spent is a responsibility that Commission policy should direct SCC LAFCO, as a custodian of taxpayer dollars, to actively pursue. Furthermore, SCC LAFCO should aggressively follow up with special districts and agencies to see that recommendations made in service reviews are implemented. At the very least, it should request a written response from the agencies reviewed.

If the threat of a lawsuit impedes SCC LAFCO from fulfilling the full range of responsibilities it has to taxpayers, then lobbying for legislative change to strengthen SCC LAFCO authority should be pursued. County LAFCOs cannot serve as effective watchdogs if they have no teeth. SCC LAFCO staff and its Commissioners are very active in the CALAFCO association. This association offers an avenue for affecting legislative change. Such lobbying efforts can also be encouraged and sanctioned by SCC LAFCO Commission policy.

SCC LAFCO staff can better train Commissioners on the scope of their LAFCO responsibilities and powers, as by providing information on the full range of available options in packets accompanying meeting agendas. However, the Grand Jury feels that the Commissioners themselves need to take the initiative to learn more about what LAFCO can and cannot do under current law. The Commission also needs to exercise its full authority in representing the public through oversight of special districts subject to LAFCO purview. Further, while the SCC LAFCO Commissioners are fortunate to have a responsible and able staff to supply them with meeting topics and information packets, the Grand Jury concludes that the Commissioners have failed to establish any meaningful SCC LAFCO policy with regard to special districts. Backed by a policy requiring performance audits, SCC LAFCO can demonstrate leadership in demanding improved special district performance, thus helping to improve transparency around whether special districts spend taxpayer monies effectively.

Findings and Recommendations

Finding 1

The recommendations SCC LAFCO makes through its mandatory service review reports are intended to improve agency performance and may recommend special district dissolution when the services those districts were intended to provide are no longer provided or needed; however, SCC LAFCO stops short of enforcing the implementation of its recommendations either because they do not think this is within their purview or because they are afraid of potential litigation.

Recommendation 1A

SCC LAFCO should develop and adopt policy directives that ensure, through its service reviews, that SCC LAFCO proactively examines, oversees, and makes recommendations regarding whether special districts should continue to exist.

Recommendation 1B

SCC LAFCO should adopt policies that direct LAFCO staff to exercise its enforcement authority where appropriate.

Recommendation 1C

SCC LAFCO Commission should consider adopting a policy strongly encouraging Commissioners and staff who are active in CALAFCO's legislative committee to lobby the California legislature to strengthen protections against litigation based on LAFCO actions.

Recommendation 1D

SCC LAFCO staff should actively oversee that agencies address and implement recommendations made in LAFCO service review reports.

Finding 2

Previous SCC LAFCO service reviews fall short of addressing subjects of transparency, the examination of effective service delivery by special districts, or addressing the continuing need to maintain any given district, which, together with the topics the reports do cover, would constitute a performance audit.

Recommendation 2A

SCC LAFCO should continue with the proposed plan to perform a service review of special districts (other than fire and water) separate from municipalities.

Recommendation 2B

SCC LAFCO should handle the next service review for special districts as a performance audit, to include an examination of effective service delivery and an assessment of the continued need for the district, if any.

Recommendation 2C

Particularly as there appears to be no urgency to its decision with respect to El Camino Hospital District (see minutes of the April 2011 meeting), SCC LAFCO should complete a thorough El Camino Hospital District service review prior to any further Commission action on the topic.

Finding 3

SCC LAFCO has failed to initiate action to dissolve special districts that it has already determined are obsolete, such as the Saratoga Cemetery District.

Recommendation 3

Facilitated by its service review recommendations, SCC LAFCO should proceed with action to dissolve those special districts that have outlived their usefulness or that can continue to provide the same level of service without property tax revenues.

Finding 4

SCC LAFCO Commissioners receive limited training about LAFCO and are not fully educated as to their broad responsibilities to oversee LAFCO or LAFCO's responsibilities regarding special districts.

Recommendation 4A

SCC LAFCO Commissioners should initiate means to more completely understand the full range of their authority, through independent learning and more thorough staff briefings.

Recommendation 4B

SCC LAFCO staff should use Commission information packets to provide "just in time" training. Examples: present a full range of options when presenting recommendations for Commission decisions, weigh the alternative options, include information on the full range of LAFCO authority, and include broader contextual information surrounding an issue on the agenda.

Appendix A

CALAFCO website: <http://www.calafco.org/>

California Government Code Section 56430, Spheres of Influence.

<https://www.nolo.com/law/CA-GOV56430.20072447.html>

California's Health Care Districts, a paper by Margaret Taylor. Prepared for California HealthCare Foundation. April 2006

<http://www.chcf.org/~media/Files/PDF/C/PDF%20CaliforniasHealthCareDistricts.pdf>

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

http://www.santaclara.lafco.ca.gov/pdf-files/2010_CKH_Guide.pdf

Demystifying the California Property Tax Apportionment System, A Step-by-Step Guide Through the AB8 Process. Prepared by David G. Elledge, Treasurer-Controller of Santa Clara County. March 2006.

http://www.sccgov.org/SCC/docs%2FFinance%20Agency%20%28AGY%29%2Fattachments%2FDemystifying%20the%20CA%20PT%20Appt%20System_41706.pdf

LAFCO website: <http://www.santaclara.lafco.ca.gov/index.html>

LAFCO meeting agenda and information packet for April 20, 2011. Available on LAFCO website.

http://www.santaclara.lafco.ca.gov/agenda/Full_Packets/2011Packets/2011Apr20/April%202011%20Agenda.pdf

Property Tax Apportionment and Allocation System. Audit report. Santa Clara County. July 1, 2003 through June 30, 2007.

http://www.sco.ca.gov/Files-AUD/12_2009ptxsantaclara.pdf

Special District in Santa Clara County. List provided on LAFCO website.

http://www.santaclara.lafco.ca.gov/specialdistricts/list_SpecialDistricts.pdf

Appendix B

December 2010

SPECIAL DISTRICTS IN SANTA CLARA COUNTY (under LAFCO jurisdiction)

Independent Special Districts	Principal Acts
1. Aldercroft Heights County Water District	Water Code §30000 et seq.
2. Burbank Sanitary District	Health and Safety Code §6400, et seq.
3. Cupertino Sanitary District	Health and Safety Code §6400, et seq.
4. El Camino Hospital District	Health and Safety Code §32000 et seq.
5. Guadalupe Coyote Resource Conservation District	Public Resources Code §9151- §9155, et seq.
6. Lake Canyon Community Services District	Government Code Section §61100
7. Lion's Gate Community Services District	Government Code Section §61100
8. Loma Prieta Resource Conservation District	Public Resources Code §9151- §9155, et seq.
9. Midpeninsula Regional Open Space District *	Public Resources Code §5500, et seq.
10. Pacheco Pass Water District **	Water Code §34000 to §38501
11. Purissima Hills County Water District	Water Code §30000, et seq.
12. Rancho Rinconada Recreation and Park District	Public Resources Code §5780, et seq.
13. San Martin County Water District	Water Code §30000, et seq.
14. Santa Clara County Open Space Authority	Public Resources Code §35100, et seq. (Santa Clara County Open Space Authority Act)
15. Santa Clara Valley Water District	Santa Clara Valley Water District Act (Water Code Appendix Chapter 60)
16. Saratoga Cemetery District	Health and Safety Code §8890, et seq.
17. Saratoga Fire Protection District	Health and Safety Code §13800, et seq.
18. South Santa Clara Valley Memorial District	Military and Veterans Code §1170 to §1291
19. West Bay Sanitary District ***	Health and Safety Code §6400, et seq.
Dependent Special Districts	Principal Acts
1. County Sanitation District No. 2-3	Health and Safety Code §4700-§4858
2. County Library Service Area	Government Code §25210, et seq.
3. County Lighting Service Area	Government Code §25210, et seq.
4. Los Altos Hills County Fire Protection District	Health and Safety Code §13800, et seq.
5. Santa Clara County Central Fire Protection District	Health and Safety Code §13800, et seq.
6. Santa Clara County Vector Control District	Health and Safety Code §2200
7. South Santa Clara County Fire Protection District	Health and Safety Code §13800, et seq.
8. Santa Clara Valley Transportation Authority	Santa Clara Transit District Act and Public Utilities Code §100,000-§100,500
9. West Valley Sanitation District	Health and Safety Code §4700, et seq.

* This district lies principally in Santa Clara County, but also has territory in San Mateo and Santa Cruz counties.

** This district lies principally in San Benito County, but also has territory in Santa Clara County.

*** This district lies principally in San Mateo County, but also has territory in Santa Clara County.

Note: *Independent Special Districts* are those that meet the criteria defined by the California Government Code §56044, while *Dependent Special Districts* are those that do not meet the criteria in the said code section.

Appendix C

Independent Special Districts		1% Prop.Tax ?	Additional Notes re Funding (also see footnote regarding AB8)
1	Aldercroft Heights County Water District	YES	AB8 Apportionment Factor:0.0000024714 Est. 2011 Allocation: \$7,322
2	Burbank Sanitary District	NO	Sewer Sani/Storm Assessment
3	Cupertino Sanitary District	NO	Sewer Sani/Storm Assessment
4	El Camino Hospital District	YES	AB8 Apportionment Factor:0.0033705834 Est. 2011 Allocation: \$9,986,235
5	Guadalupe Coyote Resource Conservation District	YES	AB8 Apportionment Factor:0.0000581133 Est. 2011 Allocation: \$172,176
6	Lake Canyon Community Services District	NO	Estab. 1993. Special Assessment
7	Lion's Gate Community Services District	NO	Estab. 1998; Sanitation Assessment
8	Loma Prieta Resource Conservation District	YES	AB8 Apportionment Factor:0.0000226291 Est. 2011 Allocation: \$67,045
9	Midpeninsula Regional Open Space District	YES	AB8 Apportionment Factor:0.0064285006 Est. 2011 Allocation: \$19,046,114
10	Pacheco Pass Water District	YES	AB8 Apportionment Factor:0.0000060572 Est. 2011 Allocation: \$17,946
11	Purissima Hills County Water District	YES	AB8 Apportionment Factor:0.0001849873 Est. 2011 Allocation: \$548,073
12	Rancho Rinconada Recreation and Park District	YES	AB8 Apportionment Factor:0.0001051943 Est. 2011 Allocation: \$311,666
13	San Martin County Water District	NO	Assessment separate from 1%
14	Santa Clara County Open Space Authority	NO	Estab. 1993; http://www.openspaceauthority.org/
15	Santa Clara Valley Water District	YES	Multiple Assessment zones within AB8 Apportionment
16	Saratoga Cemetery District	YES	AB8 Apportionment Factor:0.0002141425 Est. 2011 Allocation: \$634,453
17	Saratoga Fire Protection District	YES	AB8 Apportionment Factor:0.0016956201 Est. 2011 Allocation: \$5,023,71
18	South Santa Clara Valley Memorial District	YES	AB8 Apportionment Factor:0.0000334612 Est. 2011 Allocation: \$99,138
19	West Bay Sanitary District	NO	Sewer Sani/Storm Assessment
Dependent Special Districts			
1	County Sanitation District No. 2-3	NO	Sewer Sani/Storm Assessment
2	County Library Service Area	YES + other	AB8 Apportionment Factor:0.0072391530 Est. 2011 Allocation: \$21,447,884 http://www.santaclaracountylib.org/about/financial.html
3	County Lighting Service Area	NO	13 Special Assessment Zones
4	Los Altos Hills County Fire Protection District	YES	AB8 Apportionment Factor:0.0023589834 Est. 2011 Allocation: \$6,989,105
5	Santa Clara County Central Fire Protection District	YES	Multiple Assessment zones within AB8 Apportionment
6	Santa Clara County Vector Control District	NO	Vector Control Assessment
7	South Santa Clara County Fire Protection District	YES	AB8 Apportionment Factor:0.0012819446 Est. 2011 Allocation: \$3,798,096
8	Santa Clara Valley Transportation Authority	NO	sales tax, measure A, fares, other: http://www.vta.org/brochures_publications/pdf/progress_report.pdf
9	West Valley Sanitation District	NO	Sewer Sani/Storm Assessment

The AB8 Apportionment Factor is determined by the County in accordance, and audited by the State Controller. The estimated 2011 allocation is based on valuation as of Jan 1, 2011. Actual dollars allocated will vary with tax roll corrections. Information obtained from SCC Treasurer.

This report was **PASSED** and **ADOPTED** with a concurrence of at least 12 grand jurors on this 19th day of May, 2011.

Helene I. Popenhaager
Foreperson

Gerard Roney
Foreperson pro tem

Kathryn Janoff
Secretary