



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** Community Development and Infrastructure

**Subject:** CSA No. 46, Pinecrest, Benefit Assessment Rates for Fiscal Year 2025-26

**Meeting Date:** February 11, 2025

**Formal Title:** Accept and approve Engineer's report for proposed Fiscal Year 2025-26 assessment rates for County Service Area (CSA) No. 46, Pinecrest and adopt resolution setting the public hearing for April 8th, 2025, at 9:00 a.m., adopt resolution of intention to authorize and levy assessments, and take related actions

### **Recommended Actions**

1. Accept and approve the Engineer's Report for the proposed Fiscal Year 2025-26 assessment rates for County Service Area (CSA) No. 46 Pinecrest;
2. Adopt resolution setting April 8, 2025, at 9:00 a.m. or thereafter as the date and time for public hearing on the proposed benefit assessment rates for the CSA;
3. Adopt resolution of intention to authorize and levy an assessment to provide funding for road maintenance within CSA No. 46 Pinecrest;
4. Direct the Clerk of the Board to publish a summary notice of the public hearing once a week for two weeks prior to the hearing in a newspaper of general circulation;
5. Approve the notice of public hearing, ballot procedure, and sample ballots for the proposed fiscal year 2025-26 assessment for the CSA; and
6. Direct Community Development and Infrastructure to mail ballots at least 45 days prior to the public hearing to the record owners of properties that are subject to the proposed assessment within the CSAs.

### **Executive Summary**

County Service Area No. 46, Pinecrest, located in Boulder Creek, wishes to increase their benefit assessment rate by \$1,000 for the 2025-26 fiscal year and thereafter to fund road maintenance and operations services to benefit the properties within the CSA. Attached for the Board's approval is the engineer's report, resolution of intention, a resolution setting a public hearing, sample ballots, and a summary notice of public hearing as required by Proposition 218. Board approval will result in mailing of the ballots to the affected parcel owners.

### **Discussion**

A County Service Area (CSA) can be formed by residents who wish to pay for extra services that are not provided by their local government agency. CSA fees are considered benefit assessments, and any new rate or rate increase (except for pre-approved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures require that the setting of a new rate is approved by at least half of the votes cast by the property owners, with the votes weighted according to the amount of the proposed assessment of each parcel. Furthermore, a public hearing must be held to consider any protests to the proposed rate.

Community Development and Infrastructure received notification from County Service Area No. 46, that they wish to increase their benefit assessment rate for the 2025-26 fiscal year and thereafter by \$1,000 per parcel. The CSA sustained road damages in the

2024 storms that were deemed ineligible for Public Assistance because the road was not sufficiently well-maintained. Repair of these damages, and ongoing regular maintenance for the entire road, are now needed to bring the road into good condition for the community's use and also to maintain eligibility for Public Assistance should further disaster damages occur.

The new rates are identified in summary in the attached engineer's report and in detail in that attached Special Assessments Value Report. The attached sample ballots, notice of public hearing, and resolutions are all per Board established rules for conducting a ballot proceeding for assessments under Article XIID, Section 4 of the California State Constitution.

CSA No. 46 Pinecrest in Boulder Creek consists of 61 parcels, 25 of which are not assessed as they are of token value, owned by a utility water company, have an assessed valuation of \$5,000 or less, or are unbuildable. Assessments will be levied on the remaining 36 parcels and are based on zones of benefit. The CSA proposes to increase assessments for all Zones A to T per the below chart. No CPI Increases were requested by the CSA at this time.

\$1,029.84 per parcel per year in Zone A
\$1,040.12 per parcel per year in Zone B
\$1,043.20 per parcel per year in Zone C
\$1,053.50 per parcel per year in Zone D
\$1,077.16 per parcel per year in Zone E
\$1,085.40 per parcel per year in Zone F
\$1,175.94 per parcel per year in Zone G
\$1,190.36 per parcel per year in Zone H
\$1,284.00 per parcel per year in Zone I
\$1,311.78 per parcel per year in Zone J
\$1,346.76 per parcel per year in Zone K
\$1,366.32 per parcel per year in Zone L
\$1,399.24 per parcel per year in Zone M
\$1,400.28 per parcel per year in Zone N
\$1,440.40 per parcel per year in Zone O
\$1,467.16 per parcel per year in Zone P
\$1,477.44 per parcel per year in Zone Q
\$1,515.52 per parcel per year in Zone R
\$1,543.30 per parcel per year in Zone S
\$1,574.18 per parcel per year in Zone T

The Board's approval of this item will allow the Notice of Public Hearing to be released, as well as mailing of the ballots to affected parcel owners. The affected parcel owners may contact their CSA representatives and/or the Department of Public works at (831) 454-2160 if they have questions. Ballots may be delivered in-person or mailed to 701 Ocean Street, Room 410, Santa Cruz, CA 95060. The public may also attend the Public Hearing on April 8, 2025, at 9:00 a.m. at 701 Ocean Street, Room 525.

### **Financial Impact**

The proposed benefit assessment will continue to provide an adequate source of funding for the road maintenance operations of CSA No. 46 Pinecrest. CSAs are self-funded, and the Fiscal Year 2025-26 assessment will have no General Fund impact.

The proposed increase affects CSA No. 46 Pinecrest only, Fund 22265, GL Key 622265 GL Object 41582. The increase for the 2025-26 assessment year results in total per parcel assessments for Zones A-T that range between \$1,029.84 to \$1,574.18, for a total assessment of \$46,792.88. If the election does not pass, the Fiscal Year 2025-26 revenue for the CSA will be the prior year's amount of \$10,792.88.

**Strategic Initiatives**

Equity Framework - County Facilities & Infrastructure

Operational Plan - Comprehensive Health & Safety, Reliable Transportation

**Submitted By:**

Matt Machado

**Recommended By:**

Carlos J. Palacios, County Administrative Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.