

**RESOLUTION NO. 1164**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE  
SECTIONS 56425 AND 56430  
FOR THE HIGHLANDS RECREATION DISTRICT  
AND AMENDING THE SPHERE OF INFLUENCE**

**RESOLVED**, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

**WHEREAS**, Government Code Section 56425 requires LAFCo to review and update spheres of influence every five years; and

**WHEREAS**, prior to reviewing the sphere of influence for the Highlands Recreation District, the Commission conducted a municipal service review pursuant to Government Code Section 56430; and

**WHEREAS**, the Executive Officer prepared a written report of this service review that was provided to the Commission and affected agencies; and

**WHEREAS**, the current active powers of the District include park and recreation, after school care, early education and open space; and any new services would require application to LAFCo and LAFCo approval; and

**WHEREAS**, as part of this service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

**WHEREAS**, the Commission has the authority and responsibility, pursuant to Government Code Section 56425, to determine and periodically review and update the sphere of influence of each local governmental agency within its jurisdiction in the county.

**WHEREAS**, a noticed public hearing was held on March 20, 2013 in Redwood City whereby the Commission heard and considered all oral and written testimony and the report of the Executive Officer, and all persons were given an opportunity to hear and be heard with respect to the sphere of influence.

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**NOW, THEREFORE, THE COMMISSION DOES HEREBY DETERMINE  
AS FOLLOWS:**

- 1 In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines that this service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The service review is a data collection and research study. The information contained within the service review may be used to consider future actions subject to environmental review.
- 2 The Commission adopts the municipal service review determinations set forth in "Exhibit A" which is attached and hereby incorporated by reference.
- 3 The Commission adopts the sphere of influence determinations set forth in the municipal service review and sphere update in "Exhibit B" and amends the Highlands Recreation District's sphere of influence to "Status Quo as an independent special district regardless of whether the area remains unincorporated or is annexed to San Mateo, with sphere boundaries being current boundaries."

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Regularly passed and adopted this 20<sup>th</sup> day of March, 2013.

Ayes and in favor of said resolution:

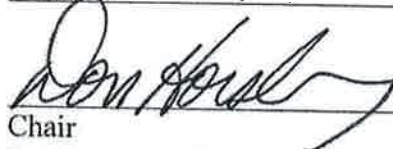
- Commissioners:
- David Altscher
  - Linda Craig
  - Richard Garbarino, Alternate
  - Joseph Sheridan
  - Adrienne Tissier
  - Don Hoisley, Chair

Noes and against said resolution:

None

Commissioners Absent and/or Abstentions:

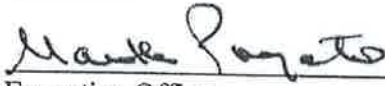
Nadia Holober, Naomi Patridge



Don Hoisley

Chair  
Local Agency Formation Commission  
County of San Mateo  
State of California


ATTEST:

  
Mark Pagano  
Executive Officer  
Local Agency Formation Commission

Date: March 20, 2013

I certify that this is a true and correct copy of the resolution above set forth.

Date: March 26, 2013

  
Brenda Bennett  
Clerk to the Commission  
Local Agency Formation Commission

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Exhibit "A"  
Recommended Municipal Service Review Determinations

1. Growth and population projections for the affected area

The estimated population for Highlands Recreation District is 2,193 persons based on the number of parcels in the District and the Association of Bay Area Government's (ABAG) projection of an average of 2.78 persons per household in San Mateo County. The Highlands community is in the sphere of influence of the City of San Mateo. The ABAG population growth projections for the City of San Mateo and sphere of influence reflect growth of 14% by 2035, indicating projected growth of 307 persons for the Highlands/Baywood Park/Baywood Plaza area.<sup>1</sup> These projections do not reflect limitations relative to unincorporated Highlands and recently approved Ticonderoga LLP/Chamberlain subdivision (11 homes), which included dedication of 92.47 acres to open space, thereby reducing potential infill development. Based on this project, estimated growth in the area is 30 persons assuming 11 homes and average of 2.78 persons per household.

2. The location and characteristics of any disadvantaged unincorporated communities<sup>2</sup> within or contiguous to the sphere of influence

This determination does not apply to the study area.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence<sup>3</sup>

The District operates a recreation center located on 3.45 acres at 1851 Lexington Avenue in the unincorporated Highlands neighborhood and maintains 41 acres of open space nearby. (Please see Attachment A for map). The recreation center includes a swimming pool, baby pool, three tennis courts, a playground, outdoor basketball/sports court, locker rooms and storage, lifeguard office and storage, fitness center, three-quarter size basketball gym, full kitchen, men and women restrooms, storage room, 670 square foot office and restroom, social room and newly constructed licensed early education center, age appropriate playground, ADA accessible registration office and community room with kitchenette.

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<sup>1</sup> Of note is that the Highlands Recreation District encompasses a portion and not all of the area included in the City's sphere. The Highlands Recreation District includes 789 parcels of the total 1,471 parcels included in the unincorporated Highlands/Baywood Park/Baywood Plaza.

<sup>2</sup> "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

<sup>3</sup> Language in Italics was added by amendments chaptered and effective November 2011.

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The District's Early Education Center was funded with Certificates of Participation and on-going capital improvements and maintenance are funded in the annual budget.

Opportunity exists to augment District owned open space by becoming successor to approximately 92 acres of open space that was dedicated as a condition of approval of the Ticonderoga Subdivision.

### 4. Financial ability of agencies to provide services

The District is funded with property tax and recreation fee revenues and the District's ability to set park and recreation fees has allowed it to reduce reliance on property tax , working toward cost recovery and establishing general and capital reserves.

### 5. Status of, and opportunities for, shared facilities

District services are provided at Highlands Recreation Center with limited opportunity for offsite programs and limited capacity for non-resident services. As noted in the 2011-2012 Budget Narrative, the District's mission is to offer balanced and high quality programs that ensure all elements are offered to all age groups throughout the year and the District achieves this mission through support from property taxes, user fees, volunteers, donations and collaboration with the Highlands Community Association, Highlands Senior Network, CalFire, Sheriff's Activities League, Highlands School and Crystal Springs Methodist Church.

The District works closely with County Service Area 1 contractors that include providing substation space for the County Sheriff Patrol assigned to the Highlands/Baywood Park/Baywood Plaza collaborates with CalFire on Cert training and receives assistance from CalFire in installation and removal of the HRD pool dome.

If the District finds it does not have the resources for services such as information technology, accounting or website design or maintenance, opportunities exist to contract for these services from the private sector or other public agencies.

LAFCo has provided the District with information regarding the San Mateo County Finance Officers, a group that meets regularly to discuss local government finance that may be of interest to the District and afford opportunities to learn about resource sharing.

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### 6. Accountability for community service needs, including governmental structure and operational efficiencies

The Highlands Recreation District is governed by a five-member board, elected by voters in the district.<sup>4</sup> The Board meets on the second Tuesday of the month at 7:00 p.m. at the Highlands Recreation District at 1851 Lexington Avenue, in the unincorporated Highlands neighborhood. Board meetings are subject to the Ralph M. Brown Act governing public meetings. The agenda is posted at the Center and on the District's website ([www.highlandsrec.ca.gov](http://www.highlandsrec.ca.gov)).

The District Board of Directors serve as volunteers and the District utilizes a combination of full time, part-time, seasonal and volunteers to leverage resources.

The Municipal Service Review includes discussion of resources that might assist the district in best fiscal practice and accountability.

Based on comments from the District, residents and affected agencies, Government Structure Options for the District include: annexation of the area to the City but continued existence of the district as an independent district and expansion of district boundaries to encompass the entire unincorporated area and add services provided by other districts to create a locally elected independent multipurpose district that would provide all services to the community. Both of these scenarios would not preclude annexation at some time in the future and absent annexation both would be consistent the stated desire that the District remain an independent special district.

### 7. Any other matter related to effective or efficient service delivery, as required by commission policy

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<sup>4</sup> San Mateo County Elections Division reports that in the last ten years, vacancies on the HRD Board have been filled by appointment because candidates ran unopposed or no candidate filed by the filing deadline.

**Exhibit "B"**

**Recommended Sphere of Influence Determinations:**

Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide and existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. The following section discusses these areas of determination.

**The present and planned land uses in the area, including agricultural and open-space lands**

Land uses within the boundaries of the District are predominantly residential, with limited institutional (school) and resource management land use designations.

**The present and probable need for public facilities and services in the area**

The area within boundaries of the District consists predominantly of residential areas requiring basic municipal services including recreation programs and facilities provided by the District and there is a demonstrated need for continued recreation services.

**The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide**

Services authorized by the enabling legislation of the District are set forth in Government Code Section 61000. The service review provides information on the services provided by the District and District facilities indicating a capacity to serve Highlands residents and limited non-residents at a non-resident fee schedule. Any new services not currently provided would require application to LAFCo.

**The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency**

The Highlands Community and Highlands Recreation District share a common history in that the purpose of the District formation was to fund recreation facilities for the Highlands Community. A broader community of interest includes the balance of the unincorporated area because the Highlands/Baywood Park/Baywood Plaza neighborhoods are served by one elementary school, one County-governed sanitation district and one County-Governed County Service Area for enhanced police and fire protection.

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The District's March 12 comments reference the District serving an isolated community, that the District collaborates with the multiple service providers serving the area, that there is no duplication of service by the District and requests that the sphere of influence be amended to that of an independent special district regardless of whether the area remains unincorporated or is annexed to the City of San Mateo. The City of San Mateo has commented that it is not interested in becoming the successor to the District if the area is annexed to the City and many residents' comments emphatically indicate support for district services and that the District remain independent.

The report includes discussion of the opportunity for the District to become successor of the open space land that results from the Ticonderoga Subdivision and consideration should be given to inclusion of these lands in the District's sphere upon acquisition.

The report includes discussion of the potential to expand either County Service Area 1 boundaries or Highlands Recreation District's boundaries and authorized services to create a multi-purpose district that could include the entire unincorporated Highlands/Baywood Park/Baywood Plaza and provide all services currently provided by individual single purpose special districts. If in the future there is support for this governance model and a study demonstrating feasibility, it would be necessary to apply to LAFCo for a more comprehensive sphere amendment, annexation of territory and addition of services that would be transferred from the other districts.