

January 5, 2005

To: Honorable Board of Supervisors

From: Martha Poyatos
Executive Officer

Subject: Executive Summary: Midcoast Park & Recreation Governance
Alternatives Study

The attached Midcoast Park & Recreation Governance Alternatives Study has been prepared as follow-up to the Midcoast Park & Recreation Task Force Report and provides background on the unincorporated Midcoast, the existing public agencies serving the area, and forms of government that are authorized to provide park and recreation service. First and foremost, preparation of the report recognized the unincorporated Midcoast as a single unincorporated community with common needs for a wide range of municipal services including park and recreation. With this in mind, the report takes into consideration the San Mateo County General Plan, Local Coastal Program, State and local laws, policies and guidelines influencing formation of new governmental agencies, as well as the overlapping service delivery patterns for fire protection, sewer and water that exist on the Midcoast. Based on LAFCo principals and the above noted policies and local conditions, if a new entity is to be formed for the purpose of park and recreation service on the Midcoast, it is recommended that a community services district be the form of governance considered. It is hoped that the study and recommendation will further the efforts of the Midcoast community in developing the park and recreation program outlined in both the *Mid-Coast Recreational Needs Assessment* and the *Midcoast Park and Recreation Task Force Report*.

Distribution: Members, Local Agency Formation Commission
John Maltbie, County Manager
Midcoast Community Council
Marcia Raines, Director, Environmental Services Agency
Jere Kersnar, Interim Director, San Mateo County Park Division
Debra Ryan, City Manager, City of Half Moon Bay

Midcoast Park & Recreation Governance Alternatives
December 29, 2004

In response to a request by the San Mateo County Board of Supervisors and findings of the Midcoast Park and Recreation Task Force, this report examines alternatives in local government structure for delivery of park and recreation services to San Mateo County's unincorporated urban Midcoast. The study was referred to the Local Agency Formation Commission (LAFCo) because LAFCo has jurisdiction over the boundaries of cities and special districts and the formation of new government entities. This report has been prepared with consideration of the following:

- Mid-Coast Recreational Needs Assessment (October 29, 2002)
- Midcoast Park and Recreation Task Force Report (Attached)
- State laws and San Mateo LAFCo policies governing local government reorganization and formation of special districts
- County General Plan and Local Coastal Program Policies
- Existing public agencies providing service to the area and LAFCo adopted spheres of influence
- Enabling legislation of special districts with the power to provide park and recreation services

The study area is bounded by the urban/rural boundary on the north, City of Half Moon Bay on the south, the Pacific Ocean on the west and on the east by the easterly project boundary used in the Mid-Coast LCP Update Report 2002¹. The area includes the unincorporated communities of Miramar, El Granada, Princeton, Moss Beach and Montara. The Midcoast population is 10,627² and the San Mateo County General Plan land use designations range from general open space, agriculture and public recreation to high density residential, commercial and industrial.

1 This boundary differs slightly from the adopted urban/rural boundary in that it includes residential areas subject to development fees for park and recreation purposes and the Quarry Park site located on the rural side of the urban/rural boundary. These areas, located on the rural side of the urban/rural boundary, are not eligible for urban services such as sewer or water service.

2 Source S.M.C. Planning Division, based on 2000 Census

Midcoast Recreational Needs Assessment

In October 2002, the Environmental Services Agency presented to the Board of Supervisors a Midcoast Recreational Needs Assessment that outlined types of parks, facilities, and programs that might be contained in a park system designed to serve the communities of Montara, Moss Beach, Miramar, El Granada, and Princeton with city-type park and recreation service. The assessment was based on a random phone call poll and a series of public meetings and stakeholder interviews. Recommendations included a 62-acre park and recreation system consisting of mini-parks, neighborhood parks, a community recreation building and a trail system of approximately 20 miles. The report recommended an additional 50 acres for future population growth, provided estimates for acquisition and program costs and made recommendations on finance mechanisms and other funding sources.

Midcoast Park and Recreation Task Force Report

The Board of Supervisors accepted the Midcoast Park and Recreation Needs Assessment, authorized the establishment of a Midcoast development fee for park and recreation purposes³ and authorized formation of a Task Force to develop an implementation strategy for the needs assessment focusing on: park acreage standards per 1,000 residents; priorities for acquisition and development; possible location of facilities; and how to finance and how to govern the system. The Task Force, consisting of representatives from San Mateo County Park & Recreation Commission, Cabrillo Unified School District, City of Half Moon Bay and Midcoast Community Council, held meetings open to the public with public comment periods. The Task Force identified priority sites for park and recreation developments and prepared an estimate for the costs of development, operation and maintenance of each of these sites. The Task Force also explored various governance models and recommended the establishment of a Park and Recreation District and identified funding including a local tax, fees and potential grants and other funding sources.

State laws and local LAFCo policies governing formation of special districts

The State legislature created a LAFCO as an independent commission in each county of the State. The stated purpose of LAFCO is "...discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."⁴ LAFCO is charged with conducting municipal service reviews and adopting spheres of influence (a plan for the probable physical boundaries and service area of a local agency) for each city and special district in the County and LAFCO has jurisdiction over the formation of new local governmental agencies and changes in the organization and/or boundaries of existing agencies. LAFCOs operate pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 embodied in Government Code Sections 56000 and 57000 et seq.

In general, provisions of the Act favor general-purpose special districts over single-purpose

³ The fee is \$1.17 per square foot and collection of the fee began on March 31, 2003. Through the end of November 2004, \$184,000 had been collected.

⁴ Government Code Section 56301

special districts in urbanized areas; direct that whether governmental services are proposed to be provided by a single-purpose or multi-purpose agency, responsibility should be given to the agency or agencies that can best provide the service; direct that consideration should be given to the effects of an organizational change or alternative actions on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county; direct LAFCo to consider consistency with city or county general and specific plans, the sphere of influence of any local agency which may be applicable to the proposal being reviewed, and the ability of the newly formed or receiving entity to provide the services. Section 56301 specifically states that if a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services.

Both the Cortese Knox Hertzberg Local Government Reorganization Act and San Mateo LAFCo policies discourage the proliferation of local government agencies and overlapping public service responsibilities and encourage elimination and consolidation of small, single-purpose special districts.

San Mateo County General Plan

The General Plan recognizes the Midcoast as an urban community in that is relatively large in size and population, has a wide range of land uses including a mix of land use that provides services to the surrounding areas and contributes to the local economy.

San Mateo County Local Coastal Program

The Local Coastal Program (LCP) implements the California Coastal Act for coastal San Mateo County. One of the key features of the LCP is the urban-rural boundary restricting urban uses and utilities to the urbanized Midcoast.

Existing public agencies providing service to the area

The study area includes all or parts of nine independent special districts, including San Mateo County Harbor District and San Mateo County Resource Conservation District, the recently annexed San Mateo County Mosquito Abatement and Midpeninsula Regional Open Space Districts, all of which include a much larger area or are countywide. The Midcoast unincorporated area is served by independent sewer, water and fire protection districts, one active county service area, and two county lighting districts. The territory of two inactive county service areas is also included in the study area.

Sewer service is provided by the Montara Water and Sanitary District in Montara and Moss Beach and by the Granada Sanitary District in El Granada, Princeton, Miramar and the City of Half Moon Bay north of Frenchman's Creek. The two sanitary districts and the city form the Sewer Authority Midcoastside, the joint powers agency that operates the regional sewage treatment plant in Half Moon Bay and maintains the collection systems of all three agencies.

Water service is provided in Montara and Moss Beach by the Montara Water and Sanitary District, which recently acquired California American Water Company and the powers of a

water district by special legislation. Immediately south, Coastside County Water District serves Princeton, El Granada, Miramar, all of the City of Half Moon Bay and nearby areas. Properties in the rural areas of the Midcoast are served by wells.

Fire protection is provided by Point Montara Fire Protection District in Montara and Moss Beach and by Half Moon Bay Fire Protection District for territory from the Half Moon Bay Airport south to and including Princeton, El Granada, Miramar and the City of Half Moon Bay. One of the two Half Moon Bay FPD stations is in El Granada.

The County provides general governmental services including sheriff's protection and road maintenance as well as a regional park facility at Fitzgerald Marine Reserve. In addition to the two inactive county service areas, County Service Area No. 6 provides street lighting, flood control, and landscaping services to one Princeton subdivision; the county's Granada Highway Lighting District provides street lights in El Granada and part of Miramar; and the Montara Highway Lighting District provides the same service in Montara and Moss Beach.

Other Special District Activities on the Midcoast:

It should be noted that the Granada Sanitary District (GSD) has submitted an application to LAFCo for reorganization of GSD into a community services district in order to provide park and recreation service in the El Granada area and the Montara Water and Sanitary District (MWSD) is investigating amending the MWSD boundaries to include the service area of recently acquired California American Water Company. Half Moon Bay Fire District and the Point Montara Fire District have recently conducted joint meetings to discuss possible consolidation of the two districts. The county governed and independent special districts are summarized in the following table and are shown on the attached maps.

There is also an ongoing effort to form a countywide entity to secure funding for park and recreation service.

Other: Midcoast Community Council

The unincorporated Midcoast is represented by the Midcoast Community Council, an advisory council created by the Board of Supervisors to advise the Board of Supervisors on matters related to services provided to the area by San Mateo County or other local governmental agencies, including public health, safety, welfare, public works, and planning.

Coastside Special Districts		
District Name (L=Locally elected board or BOS=Board of Supervisors as governing board)	Services Provided	Area Served
Coastside County Water District (L)	Water	City of HMB, Unincorp. Midcoast, portion south coast, Hwy 92 Corridor & Skylawn Memorial Cemetery
Montara Water & Sewer District (L)	Sewer and Water	Montara and Moss Beach
Granada Sanitary District(L)	Sewer and Trash collection by contract	El Granada, Princeton, Miramar and a portion of Half Moon Bay
Half Moon Bay Fire Dist.(L)	Fire Protection, Emergency Medical Service	City of HMB, Unincorp. Midcoast south of Pt. Montara Fire Dist. & surrounding rural area
Pt. Montara Fire District (L)	Fire Protection, Emergency Medical Service	Montara, Moss Beach
County Service Area No. 6 (BOS)	Street lighting, water for landscaping, flood control	Princeton by the Sea
County Service Area No. 10 (BOS) (Inactive)	Formed to levy assessments for park maintenance, levy was not passed	Montara, Moss Beach
County Service Area No. 12 (BOS) (Inactive)	Formed to facilitate acquisition and transfer of Citizens Water to Coastside County Water, but remained inactive	Montara, Moss Beach & HMB Airport
Granada Highway Lighting District (BOS)	Street Lighting	El Granada
Montara Highway Lighting District (BOS)	Street Lighting	Montara & Moss Beach
Midpeninsula Regional Open Space (L)	Acquisition, planning and maintenance for Open Space and Agricultural Preservation	Coastal San Mateo County, Bayside San Mateo County from San Carlos south, Portions of Santa Clara/Santa Cruz Counties
San Mateo County Mosquito Abatement District (L)	Mosquito Abatement	San Mateo County
San Mateo County Harbor District (L)	Maintain Harbor and Marina facilities & provide search & rescue at Pillar Point	San Mateo County
San Mateo County Resource Conservation District (L)	Information & education to promote conservation of natural resources, prevent erosion, management practices	Coastal San Mateo Co.

Adopted Spheres of Influence for the Midcoast

In 1984-85 the Commission studied spheres of influence for the City of Half Moon Bay and special districts in the Midcoast area. A primary focus of the study was how LAFCo sphere decisions might best promote State legislative and local LAFCo policy favoring general-purpose

government for urbanized areas and establish a framework for future consolidations.

The Commission reviewed the overlap of the seven existing single-purpose districts and the one city, in which some districts serve part or all of the city and part of the unincorporated area and other districts serve only in the unincorporated area. The Commission also focused on the need to limit urban services to the urban area established by the adopted County Local Coastal Program (LCP). The Commission reviewed the area's public service needs and existing providers and determined that there was a strong community of interest within the urbanized midcoast area, including both the city and the unincorporated communities to the north. Following public hearings, including a meeting on the Coastside, the Commission adopted spheres of influence which provide a framework for a single city that in the long term would be able to assume all public sewer, water and fire protection services as well as general governmental services in the developed midcoast area. A "single city" sphere of influence was established that includes the City of Half Moon Bay, and, to the north, the developed communities within the urban boundary of the county's LCP. All of the single purpose districts, whether independent or county-governed, were assigned "zero" or spheres with district boundaries, indicating that in the long term their functions could be assumed by the single city.

In 1988 the Commission approved the formation of County Service Area No. 12 and assigned it a "zero" sphere of influence because it was intended to be an interim vehicle for public acquisition of the Citizens Utility system in Montara and Moss Beach. It was envisioned that the Citizens' service area could be annexed to the Coastside County Water District once the water system was acquired and upgraded, and then the CSA could be dissolved. The CSA remained inactive following legislation authorizing Montara Sanitary District to provide water service to the same area. After successfully acquiring the water system and assuming responsibility for water service, Montara Sanitary District became Montara Water and Sanitary District.

Existing Park and Recreation Services

The Midcoast has a number of state beaches and other park land of regional significance, including Montara and Half Moon Bay State Beaches, Fitzgerald Marine Reserve operated by the County of San Mateo and Pillar Point Harbor operated by the Harbor District. These regional facilities attract day visitors from outside the area and also help satisfy the local demand for passive recreation such as beach combing, picnicking and hiking. Neighborhood park facilities are limited to Farrallone View and El Granada Schools (at the northern and southern ends of the Midcoast) and private, non-profit Quarry, Moss Beach and Clipper Ridge Parks.

Also, in 2003, the County purchased the Mirada Surf property, 49 acres located in El Granada and bisected by Highway 1, to be used for both active and passive park activities. While many of the potential improvements for active recreation will not occur in the near future because of the need for a thorough planning process and funding, the Parks Commission has adopted a conceptual plan for improvements to the western parcel including completing the missing segment of the California Coastal Trail, benches, interpretive signage and a bathroom. If funding is secured, these improvements will be developed in late 2005 or early 2006.

The City of Half Moon Bay provides a range of recreation programs and classes to children and

adults. The City also operates a summer camp at Cunha Middle School and an adult basketball program and a seasonal swim program provided at Half Moon Bay High School, which are the only programs operated at Cabrillo School District facilities. Most programs require a \$3 fee differential for residents of the unincorporated area who use city programs. One member of the city's five member Parks and Recreation Commission resides in the unincorporated area.

Other private, non-profit recreational activities such as roller hockey and boys and girls club activities also exist on the Coastside.

Enabling legislation of entities with the power to provide park and recreation services (Park & Recreation Governance Options)

Entities that are authorized by district enabling legislation to provide a full range of park and recreation services include: Community Services District, County Service Area, Recreation and Park District, and Regional Park & Open Space District. The Midpeninsula Regional Open Space District is not included in the following discussion because the District's services are limited to open space, agricultural preservation and stewardship and passive recreation (trails). And, while it is stating the obvious, it must also be noted that cities are the most common park and recreation provider in urbanized areas. In this regard, either annexation of the Midcoast to the City of Half Moon Bay or incorporation of a new city would allow for provision of park and recreation service to the Midcoast. However, given that these alternatives are beyond the scope of work requested in this study and in light of changes in distribution of local government revenues for both incorporations and annexations which make both cost prohibitive, the following discussion focus on special districts that might serve the goals of the Midcoast.

Community Services District:

A community services district (CSD) is a special district with enabling legislation (Government Code Sections 61000 – 61934) that allows it to provide almost all local governmental services except land use planning and zoning. A CSD can provide parks and recreation, sewer service, water, police, fire protection, road maintenance, street lighting and other services. A CSD can be formed to provide one or more services permitted by the enabling legislation and other services may be added if approved by the district board, LAFCo and voters in the district. The formation process may be initiated by adoption of a resolution of application to LAFCo by any county or city that contains the territory, or by petition signed by 10% of the registered voters in the subject territory. If formation is approved by LAFCo, the application is subject approval of a majority of the voters in the proposed district at an election. San Mateo County has two existing CSDs (Ladera and Highlands), which operate a community center and provide recreational services in their immediate neighborhoods. A CSD may be governed by the County Board of Supervisors, a board appointed by the Supervisors, or a locally elected board. The Senate Local Government Committee has undertaken a review of the Community Services District law, which was adopted by the legislature in 1951.

Recreation and Park District

A recreation and park district is an independent special district with enabling legislation (Public

Resources Code Sections 5780 through 5791.75) authorizing it to establish, acquire, construct, improve, maintain and operate recreation facilities and services, including, but not limited to parks and open space, parking and transportation. The formation process may be initiated by adoption of a resolution of application to LAFCo by any county or city that contains the territory, or by petition signed by 25% of the registered voters in the subject territory. The application must state the proposed method of financing, the proposed name for the district, the method of selecting initial board members (elected or appointed), and whether the district will have the power of eminent domain. If the formation is approved by LAFCo, formation is subject to a protest hearing and if between 25% and 50% of the registered voters submit written protest, formation is subject to an election. A recreation and park district may be governed by a five-member board of directors elected by voters in the district.

County Service Area

A county service area is a county-governed special district with enabling legislation (Government Code Sections 25210.1 to 25211.33) that allows it to provide a full range of local governmental services, including parks and recreation, sewer service, water, police, fire protection, road maintenance, street lighting and other services. The governing body of a county service area is the county board of supervisors. County Service Area Number 10 (CSA 10) is an existing county service area that includes the communities of Montara and Moss Beach. CSA 10 was formed in 1975 to establish assessments for park maintenance for Montara and Moss Beach but the assessment was not passed and the CSA has remained inactive. Utilization of CSA 10 by annexing the balance of the Midcoast to the CSA in order to provide park and recreation services to the entire Midcoast is a viable governance alternative. An application could be initiated by adoption of a resolution of application to LAFCo by any county or city that contains the territory, or by petition signed by 25% of the registered voters or landowners in the subject territory. If approved by LAFCo annexation would be subject to protest proceedings and, if between 25% and 50% of registered voters or landowners submit written protest, an election is required.

Discussion

As demonstrated in the Midcoast Recreational Needs Assessment, there is general agreement that the unincorporated Midcoast, as an urbanized, unincorporated community is in need of active, municipal-type park and recreation facilities and services. The Midcoast Park and Recreation Task Force Final Report identifies potential facility sites and funding mechanisms and recommends a locally elected park and recreation district could contract with the City of Half Moon Bay for delivery of recreation services. These recommendations recognize the Midcoast as a community with common interests and park and recreation needs similar to those of the City of Half Moon Bay and reflect an expressed goal of an independent, locally elected governing board. These are key policy considerations in the scheme of the Cortese Knox Hertzberg Act.

Of equal importance are the existing local conditions, which include existence of five independent special districts with overlapping boundaries for provision of three basic services (fire, water, sewer) to a population of approximately 10,300. Creation of yet another locally

elected, single-purpose, independent special district such as a recreation and park district would diverge from past Commission decisions on Coastside spheres of influence intended to encourage long-term consolidation of services under general purpose government and would conflict with State policies encouraging reorganization with other single purpose agencies that provide related services.

Given the stated preference for single, multipurpose governmental agencies over single-purpose special districts in urbanized areas, alternatives for delivery of park and recreation service on the Coastside include formation of a new district such as a community services district or county service area and, given the existing single Coastside city sphere of influence, annexation to the City of Half Moon Bay.

In contrast, a community services district would satisfy the immediate need for recreation and park service for the entire Midcoast as well as the desire for local control. And because under its enabling act a community services district could furnish all of the services currently provided by the existing county service area, lighting districts, independent sewer, water and fire districts, a community services district serving the entire Midcoast would provide the opportunity for future consolidation of these services. This alternative also offers the advantage of being consistent with the spheres of influence of the existing special districts. It should be noted that while a county service area would also allow for provision of park and recreation services and potential consolidation of other services under one multi-purpose entity, a county service area would not allow for governance by a locally elected board.

District Boundaries and Sphere of Influence

Regardless of type of district, formation of a new district requires establishment of district boundaries and sphere of influence or planned service boundary. Consideration should be given to the County's local coastal program and the urban rural boundary designating where urban services such as water and sewer may be provided. In that respect, the Quarry Park site and rural residential areas that could benefit from park and recreation service located outside LCP urban/rural boundary and are eligible for urban-type utilities such as water and sewer but should be included in the boundaries of a district formed for the purpose of parks and recreation so that the boundaries of the district include the entire population to be served and facilities that would be operated for park and recreation purposes. For this reason, it would be appropriate for the boundaries of a new district to be coterminous with the boundaries of the Mid-Coast LCP Update Report 2002.

Conclusion and Recommendation

As noted above there is general agreement that there is a need for a municipal level of recreation and park service in the unincorporated Midcoast. And while the County of San Mateo has responded to concerns for such service, the County is not an active park and recreation provider. Based on an expressed desire for local control, State legislative policies favoring general-purpose local government in developed communities, and existence of several single purpose special districts that could in the future be consolidated, it is recommended that if a district is to be formed to provide recreation and park service on the Midcoast, that formation of a community

services district be considered as the form of governance. The process for formation is attached as Attachment C.

Attachments:

Attachment A: Map of Study Area

Attachment B: Maps of Existing Districts

Attachment C: Summary of Formation Process

Attachment D: Midcoast Park & Recreation Task Force

Note: The Midcoast Recreational Needs Assessment Report can be accessed at:

http://www.co.sanmateo.ca.us/smc/departement/esa/home/0,2151,5556687_10575186,00.html