

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

February 27, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Public Hearing on Proposed Increase to Property Related Service Charge for a Capital Improvement Program Project for Road Improvement in County Service Area 70 Zone R-21 (Mountain View)

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70, Zone R-21 (Mountain View):

1. Conduct a public hearing, pursuant to Proposition 218, to hear and consider any protests against the proposed increase to the property related service charge from \$90 per parcel per year to an increased amount of \$804.62 per parcel per year, effective 2024-25, for 10 years, to fund a Capital Improvement Program project to repave Mountain View Boulevard from N. Division Drive east and ending at the Big Bear Airport property line.
2. Direct the Clerk of the Board of Supervisors to count and determine the number of written protests submitted by owners of the identified parcels to determine if a majority protest to the proposed increased property related service charge exists.
3. Adopt **Resolution No. 2024-23**, if determined no majority protest exists, for the proposed increased property related service charge, which:
 - a. Authorizes a mailed ballot election, pursuant to Proposition 218, of property owners within County Service Area 70, Zone R-21 (Mountain View) regarding the proposed increase to property related service charge from \$90 per parcel per year to an increased amount of \$804.62 per parcel per year, effective 2024-25, for 10 years, to fund a Capital Improvement Program project to repave Mountain View Boulevard from N. Division Drive east and ending at the Big Bear Airport property line.
 - b. Establishes April 12, 2024, or any day thereafter, as the date of the mailed ballot election for vote by the property owners within County Service Area 70, Zone R-21 (Mountain View), with the election conducted by an independent election service provider.
 - c. Directs the Auditor-Controller/Treasurer/Tax Collector to place the \$804.62 per parcel service charge on the 2024-25 property tax roll if the mailed ballot election is successful.
4. Direct the Department of Public Works – Special Districts to begin procedures to dissolve County Service Area 70, Zone R-21 (Mountain View), if determined that a majority protest exists.

(Presenter: Trevor Leja, Assistant Executive Officer, 387-4443)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Public Hearing on Proposed Increase to Property Related Service Charge for a Capital Improvement Program Project for Road Improvement in County Service Area 70 Zone R-21 (Mountain View) February 27, 2024

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). All costs associated with the property related service charge increase of County Service Area 70, Zone R-21 (Mountain View) (Zone) will be paid by the property owners within the Zone. The Zone currently generates annual revenue of \$2,160 (24 parcels at \$90 per parcel) through the existing property related service charge. This revenue is currently used to fund road maintenance and snow removal services.

If the proposed service charge increase is approved by the property owners of the Zone, annual revenue of \$19,310.88 will be generated, effective 2024-25, to repay the loan taken to fund the Capital Improvement Program (CIP) project over the course of 10 years. In addition, budget adjustments requesting this CIP project will be included in the item approving the successful mail ballot election.

BACKGROUND INFORMATION

In 1987, the Zone was formed to provide road maintenance and snow removal services for approximately 1,290 feet of roadway of Mountain View Boulevard in the Big Bear area. When the Zone was formed, a \$90 per parcel annual service charge was established. However, there was no inflationary factor built into the service charge and therefore the \$90 annual charge has remained unchanged. Had an inflationary factor of 3% been included since 1987, the per parcel service charge would now be approximately \$253 per year. With the annual cost of inflation over the past 36 years, the lack of corresponding increase in revenue has resulted in reduced services being provided to the Zone, further degrading the road surface. Without immediate action to increase the annual service charge, the Zone's long-term sustainability and solvency was threatened. The increased service charge will generate enough revenue to fund a CIP project to repave Mountain View Boulevard and bring the road up to County Maintained Road System (CMRS) standards.

Property owners residing in the Zone R-21 road district, contacted the Department of Public Works – Special Districts (Department) in late 2021 to discuss the levels of service in the Zone. Department staff conducted community meetings in November of 2021 and November of 2023 with property owners to discuss the need to increase the annual service charge to maintain the Zone's solvency.

On September 27, 2022 (Item No. 82), a public hearing, pursuant to Proposition 218, was held to consider any protest against the proposed increase in the assessment from \$90 to \$349.86 and authorize a ballot election. This increase would have increased operating and maintenance revenues and did not include funding for a road reconstruction project. Following the conclusion of this hearing, the Board of Supervisors (Board) established November 11, 2022, as the date of the mailed ballot election for vote by the property owners within the Zone.

The vote did not pass as 87% of the people who voted rejected the increase. Since the vote did not pass, consideration was given to dissolve the Zone. However, more than half of the residents of the Zone signed a request seeking to re-engage the Department, and to reconsider the Zone's services, funding, and to conduct a new election regarding a proposed increase to the property related service charge to further fund services for the Zone. Accordingly, on February 28, 2023, the Board declared the initial voter election unsuccessful and directed the Department to reengage property owners at a second town hall meeting.

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As a result of the recent community meeting that was held on November 28, 2023, where there were six parcel owners representing nine parcels in attendance in favor of the increase, the Department recommends increasing the service charge from \$90 to \$804.62 to only fund a CIP project to repave Mountain View Boulevard. Once the road is paved, and brought up to CMRS standards, the Department will make a request that Mountain View Boulevard be brought into the CMRS. This will eliminate the need for an ongoing annual Operating and Maintenance service charge assessed to the property taxes each year.

Pursuant to Proposition 218 requirements for proposed increases to property related service charges, written notice was mailed on December 15, 2023, to the record owner of each identified parcel upon which the service charge is proposed for imposition. The notice included the amount of the charge proposed to be imposed upon each, the basis upon which the amount of the proposed charge was calculated, the reason for the charge, together with notice of the February 27, 2024, public hearing date, time, and location on the proposed property related service charge.

The Board shall hear and consider any and all protests against the proposed increased property related service charge pursuant to Proposition 218. At the conclusion of the public hearing, if the Board determines that written protests against the proposed increased service charge are presented by a majority of owners of the identified parcels, then the Board shall determine that a majority protest exists. Should this occur, the increased service charge shall not be imposed, and the proceedings will terminate. In such a circumstance, the Department will then begin procedures for the Zone's dissolution, pursuant to Recommendation No. 4, as anticipated future costs and current financing will make the Zone insolvent. If dissolved, the responsibility to maintain the road and perform services, such as snow removal, reverts back to the property owners. If the Board determines that a majority protest does not exist, then the Board may proceed, pursuant to Proposition 218 and California Constitution Article XIII D, § 6(c), by authorizing a mailed ballot election of property owners within the Zone for the proposed increase to the property related service charge. The election for the increased service charge shall be conducted not less than 45 days after the close of the public hearing.

Recommendation No. 3 adopts a Resolution authorizing a mailed ballot election, pursuant to Proposition 218, regarding the proposed property related service charge and establishes April 12, 2024, or any day thereafter, as the date of the mailed ballot election for vote by the property owners within the Zone. The election will be conducted by an independent election service provider. The Department will return to the Board to adopt the certified election results.

If a simple majority of the ballots returned from the property owners approves the proposed increased service charge, the Department will recommend that the Board approve the increase and authorize placement of the new amount on the annual tax roll beginning in 2024-25. If a simple majority of the ballots returned are not in favor of the proposed increase, the Department will terminate the proceedings and recommend that the Board direct the Department to begin procedures for the Zone's dissolution as the Department would have exhausted all available options to maintain the Zone's solvency.

PROCUREMENT

Not applicable.

**Public Hearing on Proposed Increase to Property Related Service
Charge for a Capital Improvement Program Project for Road
Improvement in County Service Area 70 Zone R-21 (Mountain View)
February 27, 2024**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on January 19, 2024; Auditor-Controller/Treasurer/Tax Collector (Franciliza Zyss, Chief Deputy, Property Tax, 382-3176) on February 1, 2024; Finance (Elias Duenas, Administrative Analyst, 387-4052) on February 12, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on February 12, 2024.

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Record of Action of the Board of Supervisors
Board Governed County Service Areas

Hearing Opened
Public Comment: None
Hearing Closed

APPROVED REC. NOS. 1 AND 2

Motion/Second: Joe Baca, Jr./Curt Hagman


AYE: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca Jr.

APPROVED REC. NO. 3

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 27, 2024



cc: File - SDD/CSA 70 Zone R-21 (Mountain View) w/ attachments

JLL 02/29/2024