

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: APRIL 26, 2022

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: CATHERINE CERRI, General Manager

SUBJECT: ARROWHEAD WOODS ARCHITECTURAL
COMMITTEE

A. RECOMMENDATION

This is an information item only.

B. REASON FOR RECOMMENDATION

This is an information item only.

C. BACKGROUND INFORMATION

The Arrowhead Woods Architectural Committee (AWAC) has been enforcing the Covenants, Conditions and Restrictions (CC&Rs) in Arrowhead Woods for nearly 100 years. These CC&Rs have ensured a consistent architectural style and careful management of the tree canopy. AWAC is seeking a partnership to ensure stability and has asked the Lake Arrowhead Community Services District (LACSD) to consider bringing AWAC under its authority.

Legislation is required for LACSD to add the enforcement of CC&Rs to its powers. Government Code Section 61105 acknowledges that there are unique circumstances that exist in certain communities that justify the enactment of special statutes for specific districts. Senator Rosalicie Ochoa Bogh offered to author Senate Bill 1405, granting these powers. A copy of the current bill is attached. On April 7, 2022, the Governance and Finance Committee heard testimony and referred the bill to the Judiciary Committee which is set to hear the bill on May 3, 2022. If this authority is legislatively enabled, the next step would include an application to LAFCO for activation of that authority.

D. FISCAL IMPACT

This is an information item only.

E. ENVIRONMENTAL IMPACT

This is an information item only.

F. ATTACHMENTS

Senate Bill 1405

AMENDED IN SENATE APRIL 18, 2022
AMENDED IN SENATE MARCH 15, 2022

SENATE BILL

No. 1405

Introduced by Senator Ochoa Bogh

February 18, 2022

An act to amend Section 61105 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1405, as amended, Ochoa Bogh. Community service districts: Lake Arrowhead Community Service District: covenants, conditions, and restrictions: enforcement.

The Community Services District Law authorizes the establishment of community services districts to provide various services to the geographic area within each district, and further authorizes specified community services districts to enforce covenants, conditions, and restrictions within that district, as provided.

This bill would authorize the Lake Arrowhead Community Services District to enforce all or part of the covenants, conditions, and restrictions for tracts within that district, and to assume the duties of the Arrowhead Woods Architectural Committee for those tracts, as provided.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Lake Arrowhead Community Services District.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 61105 of the Government Code is
2 amended to read:

3 61105. (a) The Legislature finds and declares that the unique
4 circumstances that exist in certain communities justify the
5 enactment of special statutes for specific districts. In enacting this
6 section, the Legislature intends to provide specific districts with
7 special statutory powers to provide special services and facilities
8 that are not available to other districts.

9 (b) (1) The Los Osos Community Services District may borrow
10 money from public or private lenders and lend those funds to
11 property owners within the district to pay for the costs of
12 decommissioning septic systems and constructing lateral
13 connections on private property to facilitate the connection of those
14 properties to the district's wastewater treatment system. The district
15 shall lend money for this purpose at rates not to exceed its cost of
16 borrowing and the district's cost of making the loans. The district
17 may require that the borrower pay the district's reasonable
18 attorney's fees and administrative costs in the event that the district
19 is required to take legal action to enforce the provisions of the
20 contract or note securing the loan. The district may elect to have
21 the debt payments or any delinquency collected on the tax roll
22 pursuant to Section 61116. To secure the loan as a lien on real
23 property, the district shall follow the procedures for the creation
24 of special tax liens in Section 53328.3 of this code and Section
25 3114.5 of the Streets and Highways Code.

26 (2) (A) (i) Except as otherwise provided in this paragraph, on
27 and after January 1, 2007, the Los Osos Community Services
28 District shall not undertake any efforts to design, construct, and
29 operate a community wastewater collection and treatment system
30 within, or for the benefit of, the district. The district shall resume
31 those powers on the date specified in any resolution adopted
32 pursuant to subdivision (l) of Section 25825.5.

33 (ii) Upon resuming the powers pursuant to subdivision (i), the
34 Los Osos Community Services District may continue the program
35 to offset assessments or charges for very low or low-income
36 households with funding sources, including, but not limited to,
37 grants, adopted pursuant to subdivision (g) of Section 25825.5. If
38 the county has not implemented that program, the Los Osos

1 Community Services District may adopt a program that complies
2 with subdivision (g) of Section 25825.5 to offset assessments or
3 charges for very low or low-income households. The Los Osos
4 Community Services District shall not include in an assessment
5 or charge an amount to cover the costs to the county in carrying
6 out the offset program.

7 (B) Nothing in this paragraph shall affect the district's power
8 to do any of the following:

9 (i) Operate wastewater collection and treatment facilities within
10 the district that the district was operating on January 1, 2006.

11 (ii) Provide facilities and services in the territory that is within
12 the district, but outside the prohibition zone.

13 (iii) Provide facilities and services, other than wastewater
14 collection and treatment, within the prohibition zone.

15 (C) Promptly upon the adoption of a resolution by the Board of
16 Supervisors of the County of San Luis Obispo requesting this
17 action pursuant to subdivision (i) of Section 25825.5, the district
18 shall convey to the County of San Luis Obispo all retained
19 rights-of-way, licenses, other interests in real property, funds, and
20 other personal property previously acquired by the district in
21 connection with construction projects for which the district awarded
22 contracts in 2005.

23 (c) The Heritage Ranch Community Services District may
24 acquire, construct, improve, maintain, and operate petroleum
25 storage tanks and related facilities for its own use, and sell those
26 petroleum products to the district's property owners, residents,
27 and visitors. The authority granted by this subdivision shall expire
28 when a private person or entity is ready, willing, and able to
29 acquire, construct, improve, maintain, and operate petroleum
30 storage tanks and related facilities, and sell those petroleum
31 products to the district and its property owners, residents, and
32 visitors. At that time, the district shall either (1) diligently transfer
33 its title, ownership, maintenance, control, and operation of those
34 petroleum tanks and related facilities at a fair market value to that
35 private person or entity, or (2) lease the operation of those
36 petroleum tanks and related facilities at a fair market value to that
37 private person or entity.

38 (d) The Wallace Community Services District may acquire,
39 own, maintain, control, or operate the underground gas distribution
40 pipeline system located and to be located within Wallace Lake

1 Estates for the purpose of allowing a privately owned provider of
2 liquefied petroleum gas to use the underground gas distribution
3 system pursuant to a mutual agreement between the private
4 provider and the district or the district's predecessor in interest.
5 The district shall require and receive payment from the private
6 provider for the use of that system. The authority granted by this
7 subdivision shall expire when the Pacific Gas and Electric
8 Company is ready, willing, and able to provide natural gas service
9 to the residents of Wallace Lake Estates. At that time, the district
10 shall diligently transfer its title, ownership, maintenance, control,
11 and operation of the system to the Pacific Gas and Electric
12 Company.

13 (e) The Cameron Park Community Services District, the El
14 Dorado Hills Community Services District, the Golden Hills
15 Community Services District, the Mountain House Community
16 Services District, the Rancho Murieta Community Services District,
17 the Salton Community Services District, the Stallion Springs
18 Community Services District, and the Tenaja Meadows Community
19 Services District, which enforced covenants, conditions, and
20 restrictions prior to January 1, 2006, pursuant to former Section
21 61601.7 and former Section 61601.10, may continue to exercise
22 the powers set forth in former Section 61601.7 and former Section
23 61601.10.

24 (f) (1) The Bel Marin Keys Community Services District may
25 enforce all or part of the covenants, conditions, and restrictions
26 for a tract, and assume the duties of the architectural control
27 committee, to the extent that a tract's covenants, conditions, and
28 restrictions authorize an architectural control committee. Before
29 the district can enforce covenants, conditions, and restrictions, and
30 assume the duties of an architectural control committee, for a tract,
31 the board of directors shall:

32 (A) Receive a written request from the board of directors of the
33 tract's property owners' association or homeowners' association,
34 with a petition signed by not less than a majority of the property
35 owners of the parcels within the tracts covered by those
36 associations, requesting the district to enforce the covenants,
37 conditions, and restrictions for that tract and assume the duties of
38 the architectural control committee for that tract, if an architectural
39 control committee is called for in the covenants, conditions, and
40 restrictions.

1 (B) Conduct a public hearing on the question, after giving mailed
2 notice to each affected property owner of the date, time, and
3 location of the meeting.

4 (C) Submit an application to the local agency formation
5 commission pursuant to Section 56824.10, specifying the exact
6 nature and scope of the intended services to be provided by the
7 district.

8 (D) Receive the approval of the local agency formation
9 commission, pursuant to Article 1.5 (commencing with Section
10 56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5, which
11 may include completion terms deemed appropriate by the
12 commission, to enforce covenants, conditions, and restrictions for
13 a tract, and to assume the duties of the architectural control
14 committee for that tract.

15 (E) Adopt an ordinance assuming the power to enforce
16 covenants, conditions, and restrictions for a tract, and to assume
17 the duties of the architectural control committee for that tract,
18 provided that the ordinance requires:

19 (i) The property owners within the tract to finance the
20 enforcement of the covenants, conditions, and restrictions, and the
21 duties of the architectural control committee.

22 (ii) The tract's property owners' association or homeowners'
23 association to indemnify the district for the costs of any litigation,
24 settlements, injuries, damages, or judgments arising from
25 enforcement of the covenants, conditions, and restrictions, and the
26 district's duties as the architectural control committee.

27 (2) The Bel Marin Keys Community Services District may, by
28 ordinance, divest itself of the power undertaken under this
29 subdivision.

30 (g) The Bear Valley Community Services District, the Bell
31 Canyon Community Services District, the Cameron Estates
32 Community Services District, the Lake Sherwood Community
33 Services District, the Saddle Creek Community Services District,
34 the Wallace Community Services District, and the Santa Rita Hills
35 Community Services District may, for roads owned by the district
36 and that are not formally dedicated to or kept open for use by the
37 public for the purpose of vehicular travel, by ordinance, limit access
38 to and the use of those roads to the landowners and residents of
39 that district.

1 (h) Notwithstanding any other provision of law, the transfer of
2 the assets of the Stonehouse Mutual Water Company, including
3 its lands, easements, rights, and obligations to act as sole agent of
4 the stockholders in exercising the riparian rights of the
5 stockholders, and rights relating to the ownership, operation, and
6 maintenance of those facilities serving the customers of the
7 company, to the Hidden Valley Lake Community Services District
8 is not a transfer subject to taxes imposed by Part 11 (commencing
9 with Section 23001) of Division 2 of the Revenue and Taxation
10 Code.

11 (i) The El Dorado Hills Community Services District and the
12 Rancho Murieta Community Services District may each acquire,
13 construct, improve, maintain, and operate television receiving,
14 translating, or distribution facilities, provide television and
15 television-related services to the district and its residents, or
16 authorize the construction and operation of a cable television
17 system to serve the district and its residents by franchise or license.
18 In authorizing the construction and operation of a cable television
19 system by franchise or license, the district shall have the same
20 powers as a city or county under Section 53066.

21 (j) The Mountain House Community Services District may
22 provide facilities for television and telecommunications systems,
23 including the installation of wires, cables, conduits, fiber optic
24 lines, terminal panels, service space, and appurtenances required
25 to provide television, telecommunication, and data transfer services
26 to the district and its residents, and provide facilities for a cable
27 television system, including the installation of wires, cables,
28 conduits, and appurtenances to service the district and its residents
29 by franchise or license, except that the district may not provide or
30 install any facilities pursuant to this subdivision unless one or more
31 cable franchises or licenses have been awarded under Section
32 53066 and the franchised or licensed cable television and
33 telecommunications services providers are permitted equal access
34 to the utility trenches, conduits, service spaces, easements, utility
35 poles, and rights-of-way in the district necessary to construct their
36 facilities concurrently with the construction of the district's
37 facilities. The district shall not have the authority to operate
38 television, cable, or telecommunications systems, except as
39 provided in Section 61100. The district shall have the same powers

1 as a city or county under Section 53066 in granting a franchise or
2 license for the operation of a cable television system.

3 (k) (1) The Lake Arrowhead Community Services District may
4 enforce all or part of the covenants, conditions, and restrictions
5 for a tract, and assume the duties of the Arrowhead Woods
6 Architectural Committee, to the extent that a tract's covenants,
7 conditions, and restrictions are legally enforceable by the
8 Arrowhead Woods Architectural Committee. Before the district
9 can enforce covenants, conditions, and restrictions, and assume
10 the duties of the Arrowhead Woods Architectural Committee for
11 a tract, the board of directors shall do all of the following:

12 (A) Receive a written request from the board of directors of the
13 Arrowhead Woods Architectural Committee, *with a petition signed*
14 *by not less than a majority of the property owners of the parcels*
15 *within the tracts covered by the Arrowhead Woods Architectural*
16 *Committee*, requesting the district to enforce the covenants,
17 conditions, and restrictions for those tracts and assume the duties
18 of the Arrowhead Woods Architectural Committee for those tracts.

19 (B) Conduct a public hearing on the question, after giving mailed
20 notice to each affected property owner of the date, time, and
21 location of the meeting.

22 (C) Submit an application to the local agency formation
23 commission pursuant to Section 56824.10, specifying the exact
24 nature and scope of the intended services to be provided by the
25 district.

26 (D) Receive the approval of the local agency formation
27 commission, pursuant to Article 1.5 (commencing with Section
28 56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5, which
29 may include completion terms deemed appropriate by the
30 commission, to enforce covenants, conditions, and restrictions for
31 a tract, and to assume the duties of the Arrowhead Woods
32 Architectural Committee for those tracts.

33 (E) Adopt an ordinance assuming the power to enforce
34 covenants, conditions, and restrictions for a tract, and to assume
35 the duties of the Arrowhead Woods Architectural Committee for
36 those tracts, provided that the ordinance requires both of the
37 following:

38 (i) The property owners within the tracts to finance, in
39 compliance with other state and local law, the enforcement of the
40 covenants, conditions, and restrictions, and the duties of the

1 Arrowhead Woods Architectural Committee through fees, regular
 2 or special assessments that may be enforced either pursuant to the
 3 authority of the Arrowhead Woods Architectural Committee under
 4 its founding documents or applicable law, or pursuant to the
 5 authority of the Lake Arrowhead Community Services District,
 6 and using any of the procedures set forth in Section 61122 in order
 7 to accomplish the purposes authorized herein. ~~This clause shall
 8 not be construed to restrict the discretionary authority of the district
 9 to use legally available, unrestricted revenues for such purposes
 10 if the district determines a public purpose exists for doing so.~~

11 (ii) The Arrowhead Woods Architectural Committee to
 12 indemnify the district for the costs of any litigation, settlements,
 13 injuries, damages, or judgments arising from enforcement of the
 14 covenants, conditions, and restrictions, imposition of any fees,
 15 assessments, or other financing mechanism authorized in clause
 16 (i), and the district’s duties on behalf of the Arrowhead Woods
 17 Architectural Committee.

18 (2) The Lake Arrowhead Community Services District may use
 19 the procedures in Section 61115 for the enforcement of any fee,
 20 charge, or assessment authorized herein.

21 (3) The Lake Arrowhead Community Services District may, by
 22 ordinance, divest itself of the power undertaken under this
 23 subdivision.

24 (4) *The Lake Arrowhead Community Services District shall not
 25 enforce any covenants, conditions, or restrictions for a tract, or
 26 assume the duties of the Arrowhead Woods Architectural
 27 Committee, until all unlawfully restrictive covenants are removed
 28 from the covenants, conditions, and restrictions of the properties
 29 in those tracts pursuant to the process in Section 12956.2.*

30 SEC. 2. The Legislature finds and declares that a special statute
 31 is necessary and that a general statute cannot be made applicable
 32 within the meaning of Section 16 of Article IV of the California
 33 Constitution because of the unique circumstances facing the Lake
 34 Arrowhead Community Services District.