

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: JANUARY 25, 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 currently faced with an uncertain future and has asked the Lake Arrowhead Community Services District (LACSD or District) to consider taking over the duties of enforcing the CC&Rs. LACSD is one of the few locally elected agencies in the area. Because of the laws that LACSD must adhere to, it is required to operate in a transparent and responsible manner. Also, LACSD has the authority to charge fees which can provide a more stable service to the community. LACSD's Board of Directors would like to gather public feedback from the community on this topic.

The development of Arrowhead Woods began in the 1920's. More than 80% of the homes were built prior to 1990. The CC&Rs predate the Davis-Sterling Common Interest Development Act (Act) which governs common interest development (Civil Code 4000-6150). The Act became effective on January 1, 1986 after the last of Arrowhead Wood's CC&Rs were developed. Because of this, AWAC was not formed as a Homeowners Association (HOA) and therefore does not have authority to charge traditional HOA fees to parcels that receive the benefit of the CC&Rs. The only revenue the organization receives is from application fees. This structure creates uncertainty when faced with

changing laws and conditions. With limited staff, the logistics of a ballot initiative to renew the CC&Rs in 2025 will be challenging for AWAC alone.

The citizens of Arrowhead Woods have exhibited a desire for local control over the character of their residential neighborhoods. Many of the CC&Rs do not have an expiration date but some do require a vote of the homeowners to extend them. The last ballot occurred in 2010 and all the tracts voted to extend the CC&Rs until 2025. Because the Lake Arrowhead community is unincorporated, building and planning services for Arrowhead Woods are conducted by the County of San Bernardino (County). While the County has various community plans covering its unincorporated areas, they do not govern the architectural style of new construction.

LACSD was formed in 1978 under the Community Services District (CSD) laws (Government Code 61000 et seq.) to take over and operate the privately owned water system in Arrowhead Woods. At the time, one of the conditions of approval by the Local Area Formation Commission (LAFCO) was that the District would “continue to explore possibilities of adding additional services at the earliest possible time” to serve the community. In 1980, the District took over the Lake Arrowhead Sanitation District from the County and added wastewater services to its authorized services.

In 2005, the CSD law was overhauled and CSDs that were already enforcing CC&Rs were authorized to keep those authorities (Government Code 61105(e)), essentially grandfathering them in. Based on the legislative history, the Work Group that provided input into the new CSD law discussed this issue and decided that, absent unique circumstances, it was more appropriate going forward for HOAs to enforce CC&Rs, rather than public entities. Subsequently, however, the Bel Marin Keys CSD was also granted these rights (Government Code 61105(f)).

Legislation would be 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. Both legislative representatives have been contacted: Assemblymember Thurston “Smitty” Smith and Senator Rosalicie Ochoa Bogh. District staff have also had discussions with the Arrowhead Lake Association and the local representative for the County Board of Supervisors. 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

None