

**Letters from County of Los Angeles
Dated May 11, 2016, March 23, 2016,
March 16, 2016, March 2, 2016,
and January 21, 2016
Related to Position on LAFCO 3202**

Attachment 3



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

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San Bernardino County

May 11, 2016

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415

Board of Supervisors

HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Ms. Rollings-McDonald:

**LAFCO 3202 – REORGANIZATION TO INCLUDE FORMATION OF THE
WRIGHTWOOD COMMUNITY SERVICES DISTRICT (CSD) AND
DISSOLUTION OF COUNTY SERVICE AREA 56**

The County of Los Angeles is providing the following response to your request for information on March 21, 2016, regarding services provided by CR&R Waste Services, the transfer of property taxes, and street lights on Highway 2.

1. CR&R has reported to the Los Angeles County Department of Public Works (DPW) that it serves 64 residential customers on the Los Angeles County side of the CSD, and provides two 64-gallon carts to each residential customer. CR&R has indicated that they do not provide any commercial bin service to Los Angeles County residents in the CSD area.

Should the Wrightwood CSD authorize a residential franchise collection contract, DPW requests the opportunity to review and provide comments on the draft scope of work prior to implementation, including to ensure the proposed service levels are:

- 1) Consistent with Los Angeles County's waste diversion goals, which apply Countywide, whether or not a DPW residential franchise exists. In 2014, the Los Angeles County Board of Supervisors adopted the "Roadmap to a Sustainable Waste Management Future" (dpw.lacounty.gov/epd/roadmap) that applies throughout unincorporated Los Angeles County, including within the Los Angeles County portion of the CSD area.
- 2) Comparable to the service requirements and standards contained within Los Angeles County residential franchise agreements.

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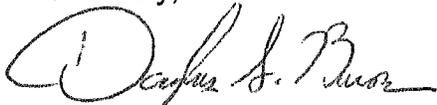
Ms. Rollings-McDonald
May 11, 2016
Page 2

DPW would like to reiterate that any commercial franchise service contract, including bin and roll-off rental to residential properties, affecting the Los Angeles County side should be non-exclusive to avoid conflict with the existing Los Angeles County Commercial Waste Collection Franchise.

2. As previously indicated in letters from the Chief Executive Office on March 16, 2016 and the Auditor-Controller on March 23, 2016, the County of Los Angeles reports no revenues and no costs related to the provision of parks and recreation, street lighting, and solid waste services in the Los Angeles County portion of the proposed Wrightwood CSD. Therefore, the County of Los Angeles would not be transferring a share of property taxes to the proposed CSD either under a direct transfer, or based on the cost of service calculation required by Government Code Section 56810.
3. The County of Los Angeles and the Wrightwood CSD Feasibility Committee have confirmed that there are no street lights along Highway 2 within the Los Angeles County portion of the Wrightwood CSD.

If you have any questions, please contact Jason Tajima at (213) 974-1145, or via e-mail at jtajima@ceo.lacounty.gov.

Sincerely,



DOUGLAS S. BARON
Interim Senior Manager
Asset Management Branch

DSB:DSP
JT:acn

- c: Michael D. Antonovich, Fifth Supervisorial District
John Naimo, Auditor-Controller
Mary C. Wickham, County Counsel
Gail Farber, Director of Public Works



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8533 FAX: (213) 229-0688

ADDRESS ALL CORRESPONDENCE TO:
PROPERTY TAX
APPORTIONMENT DIVISION
500 W. TEMPLE ST., ROOM 484
LOS ANGELES, CA 90012-3554

March 23, 2016

Kathleen Rollings-McDonald, Executive Director
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415

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MAR 29 2016
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San Bernardino County

Dear Ms. Rollings-McDonald:

**LAFCO 3202-REORGANIZATION TO INCLUDE FORMATION OF THE WRIGHTWOOD
COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 56**

Pursuant to your request dated February 29, 2016, for the above referenced proposed formation, the following is the FY 2014-2015 County of Los Angeles property tax revenue information in accordance with Government Code Section 56810(c).

Property Tax Revenues:	\$3.175 billion
General Purpose Revenues:	\$5.491 billion
Property Tax as a Percentage of General Purpose Revenues:	57.8%

As reported to you in a letter dated March 16, 2016, from the Los Angeles County Chief Executive Office, there is zero net cost related to the provision of services (parks and recreation, street lighting, and solid waste) provided by Los Angeles County to the proposed area. As such, we understand there will be no transfer of property tax revenue from Los Angeles County to the Wrightwood Community Services District.

If you have any questions, please contact Grace Kinoshita at (213) 974-7998 or gkinoshita@auditor.lacounty.gov.

Sincerely,

Guy Zelenski
Division Chief
Property Tax Apportionment Division

GZ:KB:gk



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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MICHAEL D. ANTONOVICH
Fifth District

March 16, 2016

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415

Dear Ms. Rollings-McDonald:

**LAFCO 3202 – REORGANIZATION TO INCLUDE FORMATION OF THE WRIGHTWOOD
COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 56**

In response to your request on February 29, 2016, the County of Los Angeles reports no net costs related to the provision of parks and recreation, street lighting, and solid waste services in the Los Angeles County (County) portion of the proposed Wrightwood Community Services District (CSD). The County portion of the CSD consists of 209 parcels located generally along State Route 2, east of the San Bernardino County line and west of State Route 138 in the Angeles National Forest. More specific information is included as follows.

Parks and Recreation

The County's net cost for parks and recreation services in the CSD area is zero. The County has no local assets, regional assets, trails, or any programs offered in the Los Angeles County portion of the CSD. In addition, the area is not a part of any park special district such as a Landscape Maintenance District, or Landscaping and Lighting Act District.

Street Lighting

The County's net cost for street lighting services in the CSD area is zero. There are no street lights in the Los Angeles County portion of the CSD, and the area is not within any Los Angeles County street lighting district.

Solid Waste

The County's net cost for solid waste services in the CSD area is zero. The Los Angeles County portion of the CSD is not part of the County's Residential Trash Franchise, or Garbage Disposal District system. While the Los Angeles County portion of the CSD is within the County's Commercial Trash Franchise, there are no current Commercial accounts reported.

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Ms. Rollings-McDonald
March 16, 2016
Page 2

If you have any questions, please contact Jason Tajima at (213) 974-1145, or via e-mail at jtajima@ceo.lacounty.gov.

Sincerely,



Douglas S. Baron
Interim Senior Manager
Asset Management Branch

DSB:DSP
JT:acn

c: Supervisor Michael D. Antonovich, Fifth Supervisorial District
John Naimo, Auditor-Controller
Mary C. Wickham, County Counsel
John Wicker, Acting Director of Parks and Recreation
Gail Farber, Director of Public Works



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SACHI A. HAMAI
Chief Executive Officer

March 2, 2016

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Local Agency Formation Commission for San Bernardino County
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Fourth District

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Fifth District

Dear Ms. Rollings-McDonald:

LAFCO 3202 – Reorganization to Include Formation of the Wrightwood Community Services District and Dissolution of County Service Area 56

In response to your notice of filing, the County of Los Angeles has prepared the following comments on the proposed formation of the Wrightwood Community Services District (CSD) with the powers to provide street lighting, solid waste and park and recreation services, and dissolution of County Service Area 56, which currently provides street lighting and park and recreation services to a portion of the area that is within San Bernardino County. The Los Angeles County portion of the CSD consists of 209 parcels located generally along the Angeles Crest Highway (State Route 2), east of the San Bernardino County line, and west of State Route 138 in the Angeles National Forest. This letter includes summarized comments on behalf of the County Departments of Auditor-Controller, Public Works, Parks and Recreation, and Regional Planning.

General Comments

Application

- Any assessments in place with the current San Bernardino County special districts that are to be extended to the Los Angeles County side would constitute a tax increase from the current status for Los Angeles County residents, and require a Prop 218 vote. The Application and Amendment Wrightwood CSD Feasibility Plan do not address the process for extending existing assessments, or for establishing new assessments to the Los Angeles County side. For example, if San Bernardino County residents are already paying an existing assessment for the services proposed by the CSD, would an election only be held amongst Los Angeles County voters? If so, would this election be conducted by the Los Angeles County Registrar-Recorder/County Clerk?
- On page 1, "Land Use and Developmental Potential" Item 3, the approximate population of the proposed area is listed as 4,500 with "approximately 2000 registered voters

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according to the San Bernardino Registrar of Voters". Does the population of 4,500 include the residents in the Los Angeles County portion? If so, what is the estimated population, and what is the number of registered voters in the Los Angeles County portion of the proposed area?

- What measures are in place to properly notify and inform residents in the Los Angeles County portion regarding the details about the proposed CSD's services, and any potential assessments or taxes?
- On page 6, "Plan For Services – Street Lights" Item 4 states, "there are no additional costs to the community in changing from a County Service Area to a Community Services District." However, since street light services are currently funded by the County Service Area 56's assessments, if these assessments are extended to Los Angeles County residents, it would constitute a new cost.

Amendment Wrightwood CSD Feasibility Plan

- Street Lights: Since street light services are currently funded by the San Bernardino County Service Area 56's assessments, if these assessments are extended to Los Angeles County residents through the CSD, this action would constitute a new tax and require a Prop 218 election.

Auditor-Controller

- On page 5, "Plan For Services – Park and Recreation" Item 4 states "there are no additional costs to the community in changing from a County Service Area to a Community Services District with the exception of the inclusion of properties on the LA County portion of the new district will involve current park and recreation property taxes. The LA County portion of applicable property tax will have to be calculated by that county and brought forth to the CSD." This statement is incorrect because the Los Angeles County Auditor-Controller (A-C) does not apportion any ad valorem property tax revenues towards parks and recreation services, nor is the proposed area within any special district that receives a share of property taxes.

As such, Los Angeles County would not transfer a share of property taxes to the CSD, and the formation of the CSD will not impact the Los Angeles County tax structure. As mentioned in the Amendment, in the Los Angeles County portion, the CSD's funding mechanism to provide services would be via direct assessments.

Department of Public Works

Environmental Programs Division

- The Los Angeles County portion of the CSD is not in Department of Public Works (DPW) Residential Franchise, or Garbage Disposal District system. It is in the open market where residents work with the waste hauler of their choice without DPW intervention or oversight. However, that area is subject to DPW's Commercial Franchise system. Please note that the Los Angeles County Residential Franchise system actually refers to a trash cart system, and the Commercial Franchise system is a dumpster system. This means that theoretically, a business can have the standard 96-gallon carts and be serviced by a Residential Franchise provider, and a home can have a dumpster and be serviced by a Commercial Franchise provider. CR&R Disposal Services may be providing cart service to Los Angeles County customers in the CSD area, and not pay any franchise fees, since the area is in the open market. However, if CR&R provides dumpster service to anyone on the Los Angeles County side, it must pay Los Angeles County Commercial Franchise fees.
- The application states that "the committee plans to continue to operate solid waste disposal and recycling in the community and to facilitate the service through a contract with CR&R Disposal Services, Inc. similar to the existing contract of CSF-15. All funding sources will be continued and the new contract would include the Los Angeles County portion of Wrightwood", and that the "franchise fee that will be extended on the LA County portion of the new district without creating fee increases." However, the Los Angeles County Commercial Franchise system allows customers to choose from one of the 40+ waste haulers who have signed Los Angeles County's commercial franchise agreement. It is not immediately clear whether Los Angeles County customers could be limited to only choosing the CSD's preferred option, CR&R. Also, it is not clear whether the 40+ haulers that have signed a franchise agreement could be banned from providing service to commercial customers on the Los Angeles County side. If a new franchise contract is proposed for the CSD, what if other service providers wanted to bid on the new contract?
- The future franchise agreement proposed in the Application should exclude providing dumpster service in the Los Angeles County portion of the CSD area, since the Los Angeles County Commercial Franchise system includes an agreement with over 40 waste haulers that allows them to provide dumpster service anywhere in unincorporated Los Angeles County. CR&R could still provide dumpsters in the Los Angeles County portion of the CSD since it is an authorized Los Angeles County Commercial Franchise hauler. However, it would have to be done through the Los Angeles County Commercial Franchise and not part of a separate franchise.

For a list of authorized Los Angeles County Commercial Franchise haulers, visit dpw.lacounty.gov/epd/swims/TrashCollection/docs/AuthorizedCommercialWasteHaulers-July-2015.pdf.

- Any solid waste collected from the Los Angeles County side is technically not supposed to be comingled with waste collected in San Bernardino County, but it is unlikely that the waste hauler would collect from the Los Angeles side and empty their trucks before they collected from the San Bernardino side. Additionally, any solid waste originating in Los Angeles County, but disposed of outside of Los Angeles County, is subject to Solid Waste Management fees. An agreement would have to be created between the Counties to allow a certain percentage of the total waste to be counted towards Los Angeles County-generated waste, and for fees to be paid on that negotiated percentage.

Traffic and Lighting Division

- The proposed CSD area is not in the Los Angeles County Lighting Maintenance District, and there are no existing streetlights in the Los Angeles County portion. However, the unincorporated Los Angeles County portion of the proposed CSD area is in the Rural Outdoor Lighting District, which means that if any streetlights were to be installed, they would have to comply with the Los Angeles County Rural Outdoor Lighting District requirements. For information on the Rural Outdoor Lighting District, visit <http://egis3.lacounty.gov/dataportal/2014/10/29/rural-outdoor-lighting-district-dark-skies/>.

Department of Parks and Recreation

- On page 5, "Plan For Services – Park and Recreation", Item 4 states that "there are no additional costs to the community in changing from a County Service Area to a Community Services District with the exception of the inclusion of properties on the LA County portion of the new district will involve current park and recreation property taxes. The LA County portion of applicable property tax will have to be calculated by that county and brought forth to the CSD". The Los Angeles County Department of Parks and Recreation (DPR) does not receive a dedicated property tax share for the parcels that are proposed to be included in the CSD. Additionally, there are no DPR facilities located in the proposed CSD area, and the area is not a part of a special district such as a Landscape Maintenance District, or Landscaping and Lighting Act District. As mentioned in the Amendment, to collect revenue from the Los Angeles County portion of the CSD, an assessment would have to be established.

Department of Regional Planning

- On page 2, "Land Use and Development Potential", Item 6 discusses the existing land use and the applicant replied: "The primary land use is Rural Mountain Community Living with a variety of other uses, such as Commercial in the center of the community. The Pacific Crest Trail is close to the community, and hikers frequently stop for provisions." The relevant land use information for the Los Angeles County portion of the CSD area was not included.

Ms. Rollings-McDonald
March 2, 2016
Page 5

The Los Angeles County land use categories and their consistent uses in the Los Angeles County portion of the CSD are:

Rural Commercial (CR): Limited, low-intensity commercial uses that are compatible with rural and agricultural activities, including retail, restaurants, and personal and professional offices.

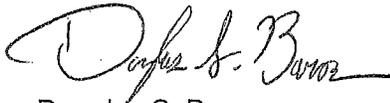
Rural Lands 10 and Rural Lands 20 (RL 10/RL 20): Single-family residences; equestrian and animal uses; and agricultural and related activities. RL 10 has a maximum density of one residential unit for each 10 gross acres of land, and RL 20 has a maximum density of one residential unit for each 20 gross acres of land.

Public and Semi-Public Facilities (P): Public and semi-public facilities and community-serving uses.

Open Space-National Forest (OS-NF): Areas within the National Forest and managed by the National Forest Service.

If you have any questions, please contact Jason Tajima at (213) 974-1145, or via e-mail at jtajima@ceo.lacounty.gov.

Sincerely,



Douglas S. Baron
Interim Senior Manager
Asset Management Branch

DSB:DSP
JT:acn

c: Michael D. Antonovich, Fifth Supervisorial District
John Naimo, Auditor-Controller
Mary C. Wickham, County Counsel
John Wicker, Acting Director of Parks and Recreation
Gail Farber, Director of Public Works
Richard J. Bruckner, Director of Regional Planning



Board of Supervisors County of Los Angeles

MICHAEL D. ANTONOVICH
SUPERVISOR

January 21, 2016

Mr. Paul Bauer
Email: Paul_Bauer@mthigh.com
Community of Wrightwood

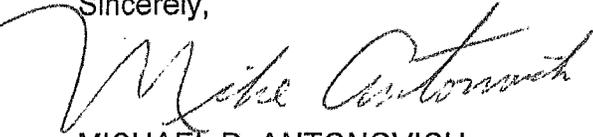
Dear Mr. Bauer:

This letter is to express support for establishing Wrightwood as a Community Services District (CSD). A CSD will provide the local control and flexibility that is vital to a community such as Wrightwood. In addition, residents will have the opportunity to participate in important decision-making and planning regarding developments that affect their local community.

Wrightwood will stand as one of the few CSDs that will transcend a county line, which is an important distinction for its establishment. My office, along with the Los Angeles County Local Agency Formation Commission (LAFCO), will collaborate with San Bernardino County Supervisor Robert Lovingood (1st District) and the San Bernardino LAFCO to provide any information and assistance needed.

We will continue to offer our support toward this effort and look forward to the voters' decision regarding the establishment of the CSD and its Board of Directors.

Sincerely,


MICHAEL D. ANTONOVICH
Supervisor

MDA:evo

cc: Natalie Lopiccolo



Board of Supervisors County of Los Angeles

MICHAEL D. ANTONOVICH
SUPERVISOR

January 21, 2016

Ms. Natalie Lopiccolo
Email: wrightwoodcsd@gmail.com
Community of Wrightwood

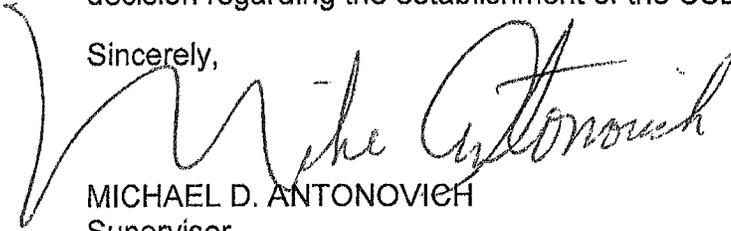
Dear Ms. Lopiccolo:

This letter is to express support for establishing Wrightwood as a Community Services District (CSD). A CSD will provide the local control and flexibility that is vital to a community such as Wrightwood. In addition, residents will have the opportunity to participate in important decision-making and planning regarding developments that affect their local community.

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Sincerely,


MICHAEL D. ANTONOVICH
Supervisor

MDA:evo

cc: Paul Bauer