

<p>Recorded at the request of:  <b>LAFCO</b>  When recorded, mail to:  Local Agency Formation Commission  701 Ocean Street  Room 318 D  Santa Cruz CA 95060</p>	<div style="text-align: center;">  </div> <p style="text-align: right;">2022-0011609 04/11/2022 09:03:28 AM</p> <p style="text-align: right;">OFFICIAL RECORDS OF Santa Cruz County  Sean Saldavia Recorder  RECORDING FEE: \$0.00  COUNTY TAX: \$0.00  CITY TAX: \$0.00</p> <div style="text-align: center;">  </div> <p style="text-align: right;">CCOP  11 PGS  RCD176</p>
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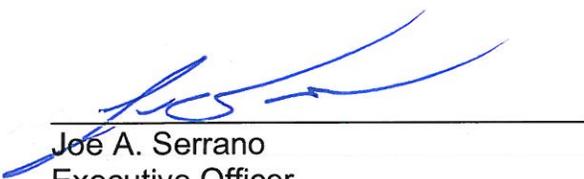
### CERTIFICATE OF COMPLETION

Pursuant to Government Code Section 57200, this Certificate is issued by the Executive Officer of the Local Agency Formation Commission of Santa Cruz County, California.

1. Short-form designation, as designated by LAFCO is:
  - **“Opal Cliffs Recreation District Reorganization” (LAFCO Project No. RO 21-18)**
2. The name of the public agency involved in this proposal is as follows:
  - City or District: **Opal Cliffs Recreation District and County Service Area 11**
  - Change of Organization: **Reorganization**
3. The reorganization will dissolve the Opal Cliffs Recreation District and concurrently annex the dissolved area into County Service Area 11 (County Parks)
4. The above listed agency(ies) are located within Santa Cruz County.
5. The subject territory is inhabited.
6. LAFCO Resolution No. 2022-02 was approved by the Local Agency Formation Commission of Santa Cruz County on February 9, 2022. The terms and conditions of the change of organization, as set forth in the LAFCO resolution approving the change, are contained in the attached resolution.
7. A description of the boundaries of the above cited agreement is shown on the attached resolution, marked **Exhibits A** and **B** by reference incorporated herein.

8. In accordance with Government Code Section 56895, a 30-day request for reconsideration was held from February 9 to March 11, 2022. LAFCO did not receive any requests to consider the Commission's approval during this period.
9. In accordance with Government Code Section 57025, a 21-day protest period was held from March 11 to March 31, 2022 to receive any written petitions of opposition. LAFCO held a protest hearing on March 31 as a final opportunity to file written protests. In total, LAFCO received zero petitions of opposition during this period. The Commission adopted LAFCO Resolution No. 2022-05 certifying the results of the protest proceeding on April 6, 2022.
10. The effective date of this action is April 11, 2022.

I, Joe Serrano, say that I am the Executive Officer of the Local Agency Formation Commission of Santa Cruz County (LAFCO), and as such make this verification on behalf of LAFCO; that I have read the above Certificate of Completion, and know the contents thereof, and that the facts stated therein are true. I declare under penalty of perjury that the foregoing is true and correct.



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Joe A. Serrano  
Executive Officer  
Local Agency Formation Commission  
of Santa Cruz County

Dated: April 11, 2022

cc: Jeff Gaffney, County Parks Department  
Matt Machado, County Public Works Department  
Jenae Replge, Opal Cliffs Recreation District

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2022-02

On the motion of Commissioner Manu Koenig  
duly seconded by Commissioner Justin Cummings  
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND ORDERING THE  
“OPAL CLIFFS RECREATION DISTRICT REORGANIZATION”  
(LAFCO PROJECT NO. RO 21-18)

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WHEREAS, an application requesting the dissolution of the Opal Cliffs Recreation District and concurrent annexation of the dissolved area into County Service Area 11 was filed by district resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the Opal Cliffs Recreation District (hereinafter referred to as “OCRD”) was formed pursuant to the Public Resources Code in 1949 for the purpose of providing recreational services to the Opal Cliffs community; and

WHEREAS, the OCRD service area is located in the coastal region of Santa Cruz County, south of the City of Capitola, north and west of the Pacific Ocean, and east of 41st Avenue; and

WHEREAS, on October 5, 1988, the Commission adopted a zero sphere of influence for OCRD. The zero sphere boundary was reaffirmed on January 9, 2008 and April 6, 2016 as part of the last two service and sphere review cycles; and

WHEREAS, on August 4, 2021, the Commission reaffirmed the zero sphere of influence for OCRD as a result of the findings outlined in the 2021 Countywide Park and Recreation Service and Sphere Review; and

WHEREAS, a zero sphere of influence indicates that OCRD should be dissolved and service responsibilities should be transferred to another local agency. Based on the Commission’s analysis, County Service Area 11 (County Parks) was identified as the most logical service provider of recreational services to the Opal Cliffs community; and

WHEREAS, on August 17, 2021, the OCRD Board of Directors adopted a District Resolution (No. 21-1) to request a reorganization consisting of the dissolution of OCRD and the simultaneous annexation to the County Service Area 11 (hereinafter referred to as “CSA 11” and “successor agency”); and

WHEREAS, the dissolution and concurrent annexation proposal (hereinafter referred to as the “Reorganization”) was assigned LAFCO Project No. RO 21-18 and is referred to as the “Opal Cliffs Recreation District Reorganization”; and

WHEREAS, OCRD includes 440 parcels, consisting of approximately 67 acres, as shown in “Exhibit A” (hereinafter referred to as the “subject territory”); and

WHEREAS, 11 out of the 440 subject parcels are currently located within the City of Capitola and should be excluded from annexation into CSA 11 since the City has its own recreational department; and

WHEREAS, the annexation area will only include 429 parcels, consisting of approximately 61 acres, as shown in “Exhibit B,” since the 11 parcels within the City of Capitola will be excluded from annexation to prevent an overlap in services; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors acting as the authorizing body for OCRD and CSA 11 regarding property tax adjustments adopted a property tax exchange agreement on January 25, 2022; and

WHEREAS, the Executive Officer reviewed the Reorganization for conformance under the California Environmental Quality Act (“CEQA”) and determined that the Reorganization is consistent with the determinations of a Class 20 Categorical Exemption under Section 15320 of the State CEQA Guidelines; and

WHEREAS, the Executive Officer conducted an analysis on the proposal and prepared a report including staff’s recommendations thereon, and presented staff’s findings for Commission consideration; and

WHEREAS, a public hearing by the Commission was held on February 9, 2022; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

NOW, THEREFORE, the Local Agency Formation Commission of Santa Cruz County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. Application for this Reorganization is made subject to Government Code Section 56654 by unanimous resolution of the OCRD Board of Directors.

Section 3. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15320, Class 20(b), “Changes in organization of local agencies,” because the dissolution does not change the geographical area in which previously existing powers are exercised. The Commission, as a lead agency, will record a Notice of Exemption on February 10, 2022.

Section 4. The Commission considered the requirements set forth for the Reorganization in the Cortese-Knox-Hertzberg Act, Government Code Section 56668, and found the proposal to be consistent with those requirements as outlined below:

- a) Population: Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. Based on this slow growth trend, the population for unincorporated lands is expected to increase by 0.86%. Under this assumption, LAFCO’s projections indicate that the entire population of OCRD will be approximately 726 by 2040. No changes will occur as part of this Reorganization.

- b) Present & Future Needs: OCRD was formed in 1949. The primary purpose of the District is to maximize and provide public beach access to Opal Cliffs Park, a small neighborhood park located at 4524 Opal Cliffs Drive in unincorporated county territory. The park contains several parking spots, an entrance gate, a coastal viewing area, a walkway down the cliff to the beach. The Reorganization will maintain the same level of service.
- c) Social and Economic Interests: Due to the District's ongoing financial constraints, in conjunction with OCRD's interest in transferring service responsibilities to another local agency, LAFCO supports the Reorganization to ensure that the social and economic interests are adequately met regarding park and recreational services.
- d) Commission Policies: The Reorganization is consistent with the requirements outlined in the Commission's adopted policies including but not limited to the Spheres of Influence Policy and the Standards for Evaluating Proposals Policy.
- e) Agricultural Lands: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. No changes will occur as part of this Reorganization.
- f) Proposed Boundaries: OCRD includes 440 parcels, consisting of approximately 67 acres, including 11 parcels located within the City of Capitola. The Reorganization would dissolve OCRD and concurrently annexed the dissolved area, excluding the 11 parcels within the City of Capitola, into CSA 11.
- g) Regional Transportation Plan: The Regional Transportation Commission (RTC) is responsible for developing, implementing and regularly updating the Regional Transportation Plan for Santa Cruz County. The RTC adopted the 2040 Santa Cruz County Regional Transportation Plan and the corresponding environmental documents in June 2018. No changes will occur as part of this Reorganization.
- h) General and Specific Plans: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. It is important to note that the District's service area also contains a portion of the City of Capitola. No changes will occur as part of this Reorganization.
- i) Sphere of Influence: The original sphere of influence was adopted in October 1988 and consisted of a zero boundary as a precursor to dissolution. The zero sphere boundary was reaffirmed in January 2008, April 2016, and August 2021.
- j) Comments from Affected or Interested Agencies: The Reorganization application was submitted to LAFCO on October 11, 2021. A notification letter was sent to all interested and affected agencies on October 21, 2021. LAFCO received no written opposition from any affected or interested agency.
- k) Ability to Provide Services: While the park is now more accessible to the public following action by the Coastal Commission, LAFCO has identified significant issues on how OCRD is operating and providing services to the Opal Cliffs community. LAFCO staff has identified CSA 11 as the most logical provider of park and recreational services to the community.

- l) Water Supplies: The Opal Cliffs community currently receives water services from the Soquel Creek Water District. No changes will occur as part of this Reorganization.
- m) Regional Housing Needs: The Association of Monterey Bay Area Governments prepares the Regional Housing Need Allocation (RHNA) plan for Santa Cruz County. The RHNA plan establishes the total number of housing units that each city and county must plan for within an eight-year planning period. The amount of housing a region must plan for is largely determined by the California Housing and Community Development Department's housing need assessment. No changes will occur as part of this Reorganization.
- n) Comments from Landowners, Registered Voters, or Residents: During the process for the Countywide Park & Recreation Service & Sphere Review and subsequent Reorganization, LAFCO staff did not receive any written or verbal comments from landowners, registered voters, or residents within the Opal Cliffs community.
- o) Existing Land Use Designations: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. It is important to note that the District's service area also contains a portion of the City of Capitola. In total, OCRD encompasses 440 parcels totaling 67 acres (0.10 square miles).
- p) Environmental Justice: Electronic key cards to operate the gate were previously available from a local surf shop. The annual key rentals cost were \$50 for district property owners and \$100 for non-constituents. This practice was discontinued in April 2019 after a lengthy process with the Coastal Commission. At present, any member of the public now has accessibility to the park.
- q) Local Hazard Mitigation Plan: Santa Cruz County has a plan titled "County of Santa Cruz Local Hazard Mitigation Plan, 2021 - 2026" which was reviewed and revised in 2021 to reflect current information, changes in development, progress in local mitigation efforts, and changes in priorities. No changes will occur as part of this Reorganization.

LAFCO analyzed these and other factors as part of the Countywide Park & Recreation Service and Sphere Review adopted on August 4, 2021.

Section 5. The Commission considered the requirements set forth for the Reorganization in the Cortese-Knox-Hertzberg Act, Government Code Section 57450, and found the proposal to be consistent with those requirements as outlined below:

- a) Cease of Effective Date: On and after the effective date of the dissolution of a district, the district shall be dissolved, disincorporated, and extinguished, its existence shall be terminated, and all of its corporate powers shall cease, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district and as otherwise provided in this chapter.
- b) Successor Agency: For the purpose of winding up the affairs of a dissolved district and continuing the level of services upon dissolution, the successor of the dissolved district shall be County Service Area 11 (County Parks) in accordance with Government Code Section 57451(d).

- c) Transfer of Functions and Responsibilities: Upon the effective date of the Reorganization, the functions of OCRD will transfer to CSA 11 as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by OCRD for the successor agency prior to the effective date shall remain in effect after the Reorganization until superseded, amended, modified or deleted by the successor agency.
- d) Transfer of Assets & Liabilities: All equipment, assets, liabilities, debts, obligations, facilities, property, cash, fund balances, or other fiscal matters of OCRD shall accrue to the successor agency.
- e) Successor Agency Revenue Source: The successor agency will be financed by the property taxes, benefit assessment, special assessments, special taxes fees, and charges currently in effect and being collected by OCRD. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within OCRD and/or CSA 11 shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency. The successor agency shall have full authority to impose, administer, and collect said special taxes and benefit assessments in the same manner within the existing jurisdictional boundaries of the successor agency. Therefore, the reorganization will extend the previously authorized \$8.50 annual parcel tax to the annexation to ensure consistency with the other county residents under CSA 11 and make certain that the level of service expected at the Opal Cliffs Park continues to be fulfilled by CSA 11.

Section 6. The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Proposals and Sphere Amendments as outlined below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request. The County, on behalf of CSA 11, provided a Support Letter to LAFCO on January 3, 2022. The County has continued to express support throughout the LAFCO process.
- b) Fee Deposit: The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The applicant submitted a fee deposit of \$1,250 as part of the application packet.
- c) Map & Legal Description: A map of any proposed boundary changes shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The State Board of Equalization indicated on January 3, 2022 that dissolutions with concurrent annexations do not require a geographic description. A vicinity map depicting the Reorganization is shown in Exhibit B.
- d) Sphere Amendment: LAFCO adopted OCRD's first sphere in 1988. The Commission designated a zero sphere. A zero sphere (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. The adoption of a zero sphere indicates that the

district should ultimately be dissolved and service responsibilities be transferred to another local agency. The Commission reaffirmed the zero sphere in 2021 and designated CSA 11 as the most logical service provider for the Opal Cliffs community.

Section 7. The applicant shall agree, as a condition of the approval of the application for dissolution and concurrent annexation, to be bound by the LAFCO Indemnification and Defense Form signed on October 10, 2021.

Section 8. The Certificate of Completion for the proposal shall not be issued until all of the following terms and conditions are met:

- a) LAFCO Processing Fees: The applicant shall pay any remaining processing fees in the Commission's Schedule of Fees and Deposits.
- b) Notification to Affected and Interested Agencies: A notification letter was sent to the following affected agencies on October 21, 2021: Opal Cliffs Recreation District and CSA 11. A notification letter was sent to the following interested agencies on October 21, 2021: the Cities of Capitola and Santa Cruz, California Department of Parks & Recreation, the County of Santa Cruz, Santa Cruz High School District and Soquel Union Elementary School District, Central Fire District, Resource Conservation District, and the Santa Cruz County Sanitation District.
- c) Certificate of Filing: Pursuant to Government Code Section 56658(f), the Executive Officer shall issue a certificate of filing when the application has been deemed complete and ready for Commission consideration. The certificate will indicate when the proposal shall be heard by the commission. The Executive Officer signed the certificate of filing on January 12, 2022 and indicated that the proposal would be considered by the Commission on February 9, 2022.
- d) Public Notice: Pursuant to Government Code Section 56157(h), the total number of notices required to be mailed to landowners and registered voters within the Opal Cliffs community exceeded 1,000 (634 registered voters and over 440 landowners). A public notice was then advertised in the Santa Cruz Sentinel on January 18, 2022 indicating that the Reorganization will be considered by LAFCO on February 9, 2022.
- e) Commission Hearing: The Commission shall consider the Reconsideration after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal and scheduled the Reorganization for Commission consideration on February 9, 2022.
- f) State Board of Equalization: The Executive Officer shall provide a vicinity map and complete the necessary form to meet the State Board of Equalization requirements.

Section 9. The Reorganization shall be effective as of the date of recordation of the Certificate of Completion.

Section 10. The Commission shall approve, disapprove, or approve with conditions the proposed Reorganization. If the proposal is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration. If the Commission denies a request, a similar application cannot be re-filed for one year unless the Commission grants an exception to this rule.

Section 11. The Executive Officer will hereby conduct a 30-day request for reconsideration in accordance with Government Code Section 56895. The reconsideration period is scheduled for February 9 to March 11, 2022.

Section 12. The Executive Officer will hereby conduct a 21-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for March 11 to March 31, 2022.

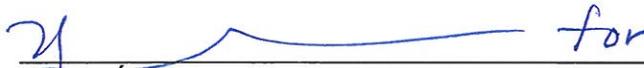
Section 13. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 9th day of February 2022.

AYES: Commissioners Jim Anderson, Roger Anderson, Ed Banks, Yvette Brooks, Ryan Coonerty, Justin Cummings, Manu Koenig

NOES: N/A

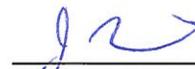
ABSTAIN: N/A

  
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RACHEL LATHER, CHAIRPERSON

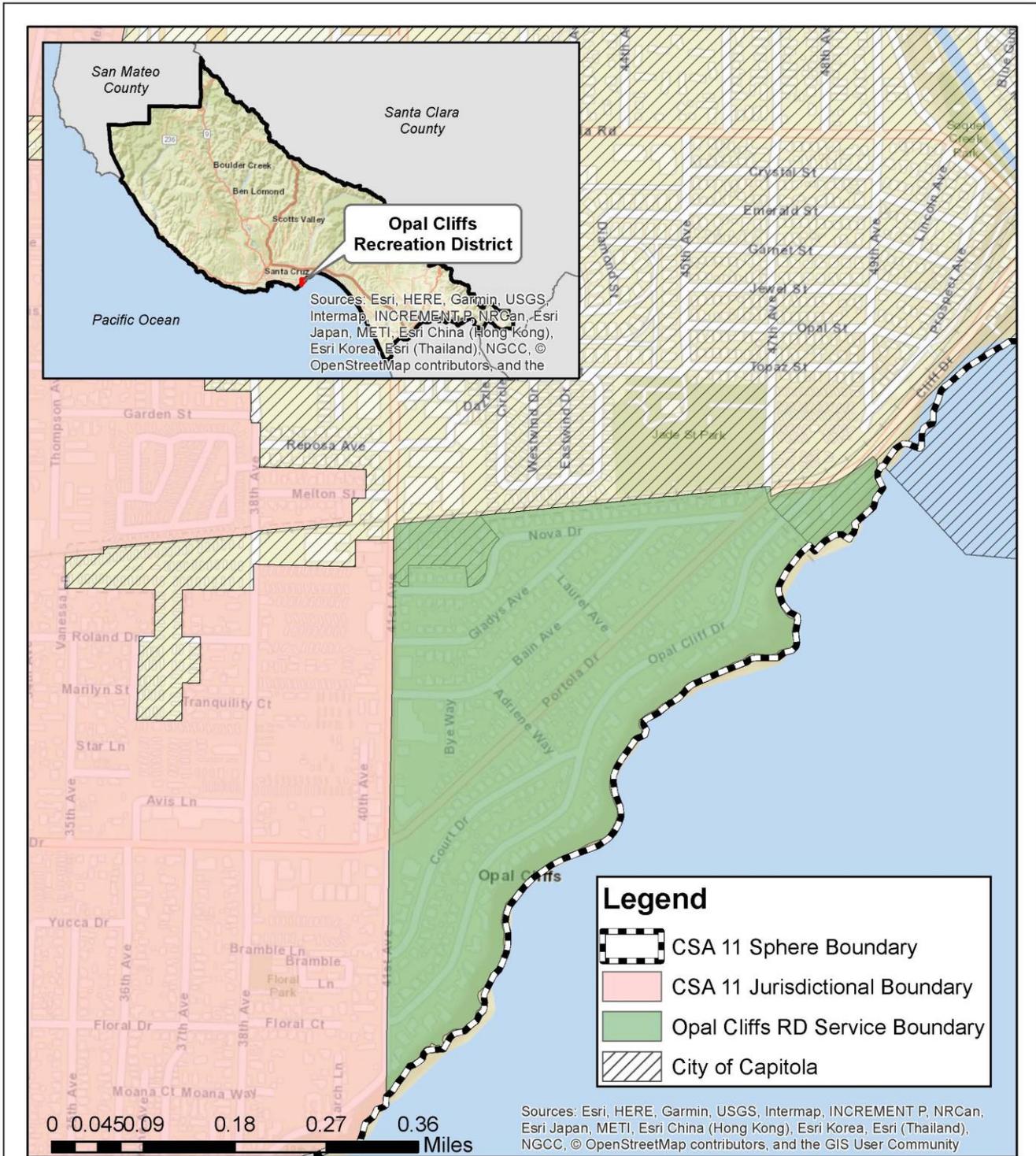
Attest:

  
\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

Approved as to form:

  
\_\_\_\_\_  
Joshua Nelson  
LAFCO Counsel

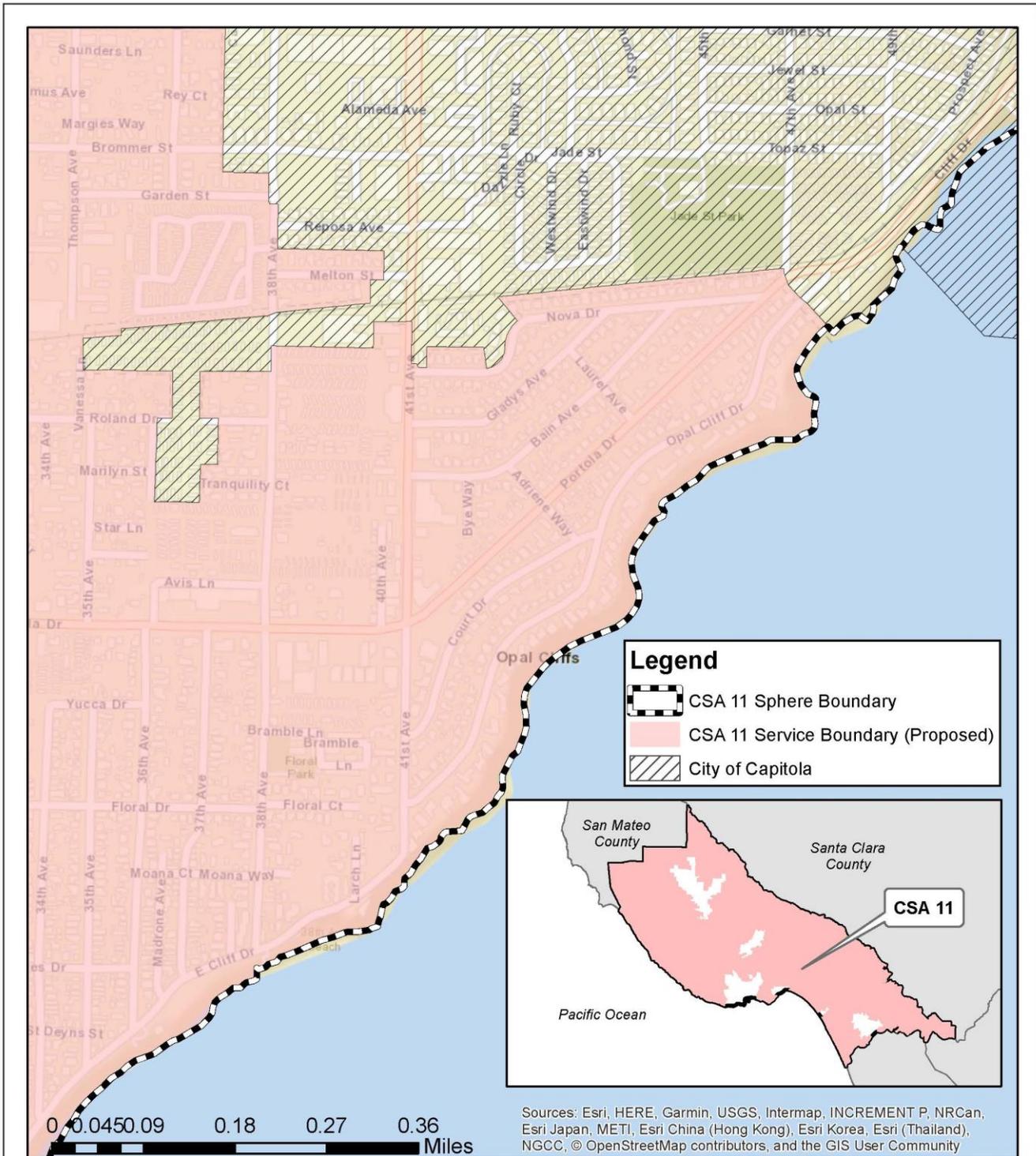
## EXHIBIT A: CURRENT BOUNDARIES



### "Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)

The reorganization, if approved, would complete two actions:  
 (1) dissolve the Opal Cliffs Recreation District and (2) Concurrently annex the dissolved area into CSA 11 (County Parks). The annexation will exclude the areas located within the City of Capitola.

## EXHIBIT B: PROPOSED BOUNDARIES



### "Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)



The reorganization, if approved, would complete two actions: (1) dissolve the Opal Cliffs Recreation District and (2) Concurrently annex the dissolved area into CSA 11 (County Parks). The annexation will exclude the areas located within the City of Capitola.