

Senate Bill No. 1405

CHAPTER 309

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

[Approved by Governor September 13, 2022. Filed with
Secretary of State September 13, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1405, 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.

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

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

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

(b) (1) The Los Osos Community Services District may borrow money from public or private lenders and lend those funds to property owners within the district to pay for the costs of decommissioning septic systems and constructing lateral connections on private property to facilitate the connection of those properties to the district's wastewater treatment system. The district shall lend money for this purpose at rates not to exceed its cost of borrowing and the district's cost of making the loans. The district may require that the borrower pay the district's reasonable attorney's fees and

administrative costs in the event that the district is required to take legal action to enforce the provisions of the contract or note securing the loan. The district may elect to have the debt payments or any delinquency collected on the tax roll pursuant to Section 61116. To secure the loan as a lien on real property, the district shall follow the procedures for the creation of special tax liens in Section 53328.3 of this code and Section 3114.5 of the Streets and Highways Code.

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

(ii) Upon resuming the powers pursuant to subdivision (i), the Los Osos Community Services District may continue the program to offset assessments or charges for very low or low-income households with funding sources, including, but not limited to, grants, adopted pursuant to subdivision (g) of Section 25825.5. If the county has not implemented that program, the Los Osos Community Services District may adopt a program that complies with subdivision (g) of Section 25825.5 to offset assessments or charges for very low or low-income households. The Los Osos Community Services District shall not include in an assessment or charge an amount to cover the costs to the county in carrying out the offset program.

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

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

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

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

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

(c) The Heritage Ranch Community Services District may acquire, construct, improve, maintain, and operate petroleum storage tanks and related facilities for its own use, and sell those petroleum products to the district's property owners, residents, and visitors. The authority granted by this subdivision shall expire when a private person or entity is ready, willing, and able to acquire, construct, improve, maintain, and operate petroleum storage tanks and related facilities, and sell those petroleum products to the district and its property owners, residents, and visitors. At that time, the district shall either (1) diligently transfer its title, ownership, maintenance,

control, and operation of those petroleum tanks and related facilities at a fair market value to that private person or entity, or (2) lease the operation of those petroleum tanks and related facilities at a fair market value to that private person or entity.

(d) The Wallace Community Services District may acquire, own, maintain, control, or operate the underground gas distribution pipeline system located and to be located within Wallace Lake Estates for the purpose of allowing a privately owned provider of liquefied petroleum gas to use the underground gas distribution system pursuant to a mutual agreement between the private provider and the district or the district's predecessor in interest. The district shall require and receive payment from the private provider for the use of that system. The authority granted by this subdivision shall expire when the Pacific Gas and Electric Company is ready, willing, and able to provide natural gas service to the residents of Wallace Lake Estates. At that time, the district shall diligently transfer its title, ownership, maintenance, control, and operation of the system to the Pacific Gas and Electric Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) The Mountain House Community Services District may provide facilities for television and telecommunications systems, including the

installation of wires, cables, conduits, fiber optic lines, terminal panels, service space, and appurtenances required to provide television, telecommunication, and data transfer services to the district and its residents, and provide facilities for a cable television system, including the installation of wires, cables, conduits, and appurtenances to service the district and its residents by franchise or license, except that the district may not provide or install any facilities pursuant to this subdivision unless one or more cable franchises or licenses have been awarded under Section 53066 and the franchised or licensed cable television and telecommunications services providers are permitted equal access to the utility trenches, conduits, service spaces, easements, utility poles, and rights-of-way in the district necessary to construct their facilities concurrently with the construction of the district's facilities. The district shall not have the authority to operate television, cable, or telecommunications systems, except as provided in Section 61100. The district shall have the same powers as a city or county under Section 53066 in granting a franchise or license for the operation of a cable television system.

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

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

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

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

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

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

(i) The property owners within the tracts to finance, in compliance with other state and local law, the enforcement of the covenants, conditions, and restrictions, and the duties of the Arrowhead Woods Architectural Committee through fees, regular or special assessments that may be enforced either pursuant to the authority of the Arrowhead Woods Architectural Committee under its founding documents or applicable law, or pursuant to the authority of the Lake Arrowhead Community Services District, and using any of the procedures set forth in Section 61122 in order to accomplish the purposes authorized herein.

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

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

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

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

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