

# LA SELVA BEACH RECREATION DISTRICT

## District Overview

La Selva Beach Recreation District (LSBRD) was formed in 1959. The purpose of the District is to serve the unincorporated communities of La Selva Beach through 3 recreational facilities (Triangle Park, Robin’s Park, and the La Selva Beach Clubhouse). The District also maintains an open space at the entrance of the community near the corner of San Andreas Road and Playa Boulevard as well as a strip of land between Vista Drive and the coastal bluff. LSBRD encompasses 816 parcels which totals approximately 500 acres (0.80 square miles). The County’s General Plan designates the vast majority of this area as Urban Low Residential with other various zones including but not limited to Existing Parks & Recreation and Urban Open Space. **Figure 18**, on page 44, is a vicinity map depicting LSBRD’s current jurisdictional and sphere boundaries. **Figure 19**, on page 45, shows the land use designations within LSBRD.

## Population & Growth

Based on staff’s analysis, the population of LSBRD in 2020 was approximately 1,600. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. 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%. **Table 15** shows the anticipated population within LSBRD.

### Population Projection

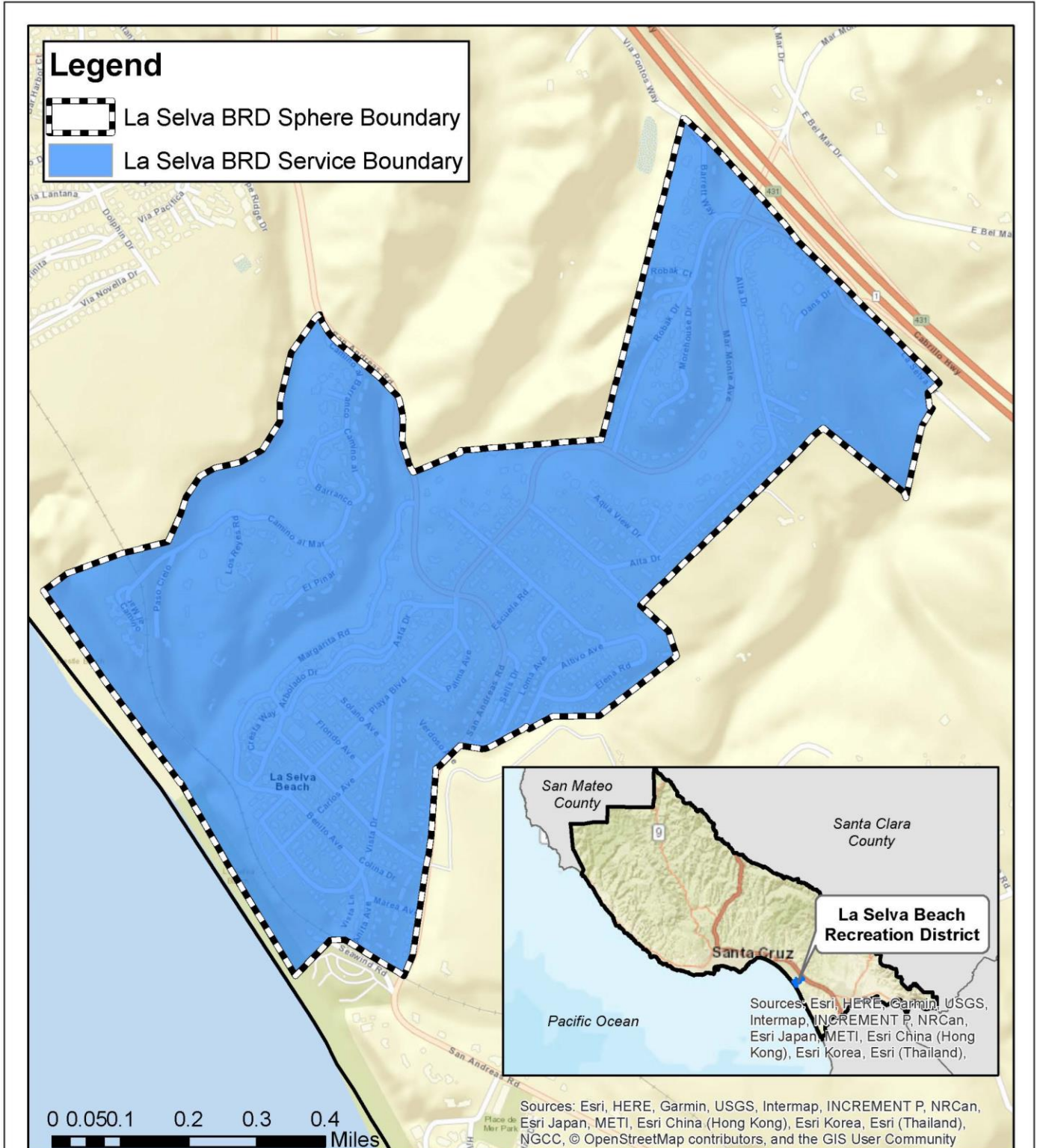
Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for LSBRD. LAFCO staff increased the District’s 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of LSBRD will be approximately 1,700 by 2040.

**Table 15: Projected Population**

	2020	2025	2030	2035	2040	Average Rate of Change
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645	0.86%
<b>La Selva Beach Recreation District</b>	<b>1,641</b>	<b>1,655</b>	<b>1,669</b>	<b>1,683</b>	<b>1,698</b>	<b>0.86%</b>

Source: AMBAG 2018 Regional Growth Forecast

Figure 18: La Selva Beach Recreation District's Service & Sphere Boundaries

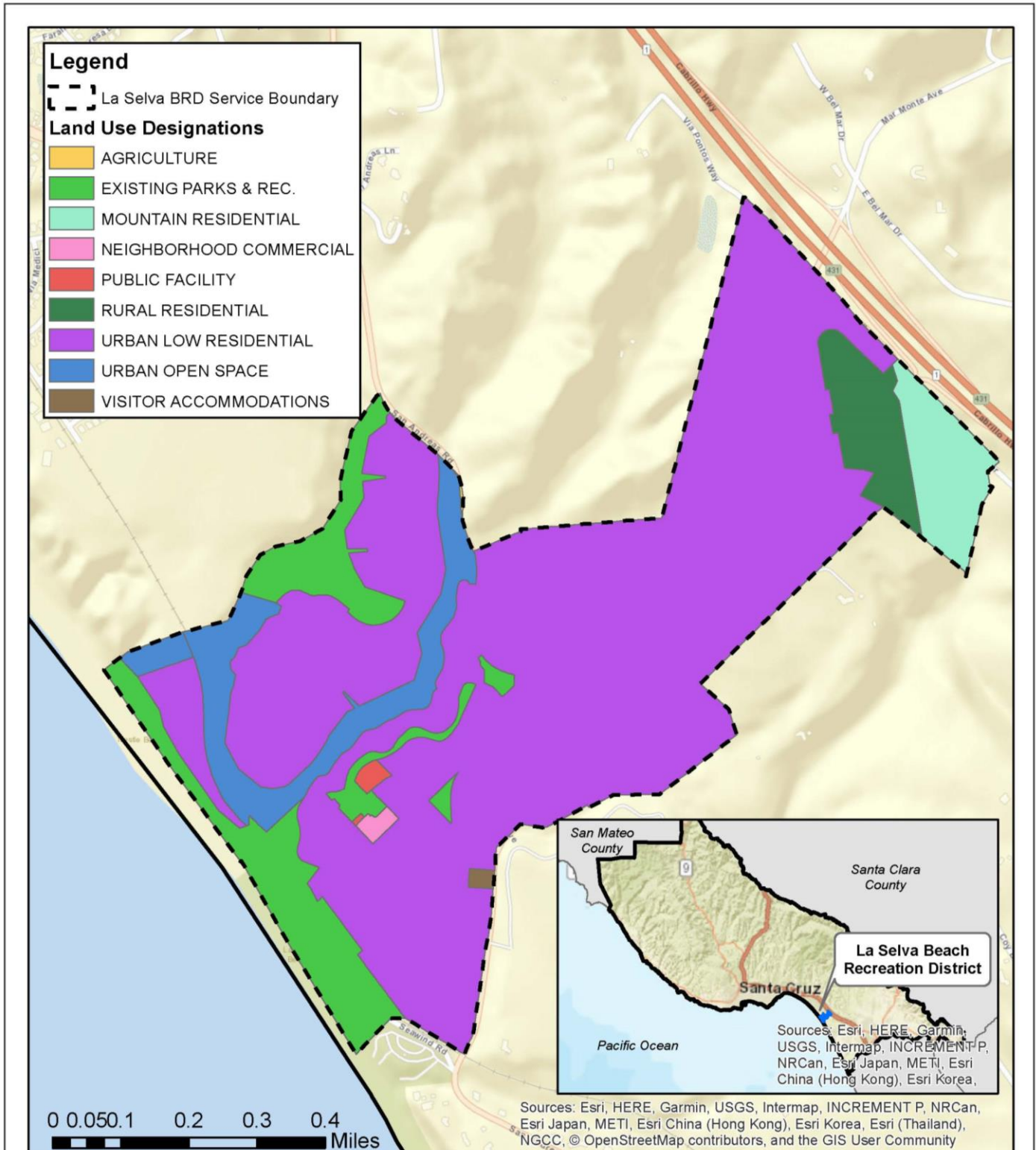


## La Selva Beach Recreation District Jurisdictional and Sphere Boundaries

Original Sphere Adopted on March 7, 1990  
 Sphere Reaffirmation on January 9, 2008  
 Sphere Reaffirmation on April 6, 2016  
 Latest Sphere Review on August 4, 2021



Figure 19: County General Plan's Land Use Designations



## La Selva Beach Recreation District Jurisdictional and Sphere Boundaries

Original Sphere Adopted on March 7, 1990  
 Sphere Reaffirmation on January 9, 2008  
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 Latest Sphere Review on August 4, 2021



## Services & Operations

LSBRD offers a variety of classes and events that require a varied level of fees and costs. This allows the District to make their programs accessible to more community members to participate. In total, LSBRD operates 5 locations within its jurisdictional boundary. **Table 16** provides an overview of each location served by the District.

**Table 16: LSBRD Facilities/Locations**

Facility	Location	Services
<b>Clubhouse</b>	314 Estrella Ave, Watsonville, CA 95076	May host a variety of events, including but not limited to baby showers, weddings, bar/bat mitzvahs, fundraisers, celebrations of life, etc. (Cost varies)
<b>Coastal Bluff</b>	331 Vista Drive, Watsonville, CA 95076	Includes open space and walking trails at no-cost to the public.  LSBRD does not rent out the Bluff and Bluff use is subject to rules outlined by the La Selva Beach Improvement Association. Under certain circumstances, members of the Association can arrange to have events at the Bluff, but LSBRD does not combine use of the Clubhouse with events at the Bluff.
<b>Open Space</b>	2 Playa Boulevard, Watsonville, CA 95076	Includes open space and walking trails at no-cost to the public.
<b>Robin's Park</b>	26 Florido Ave, La Selva Beach, CA 95076	Includes open space area at no-cost to the public (no picnic facilities).
<b>Triangle Park</b>	151-199 Playa Blvd, Watsonville, CA 95076	Includes picnic facilities and playground at no-cost to the public.

### La Selva Beach Clubhouse

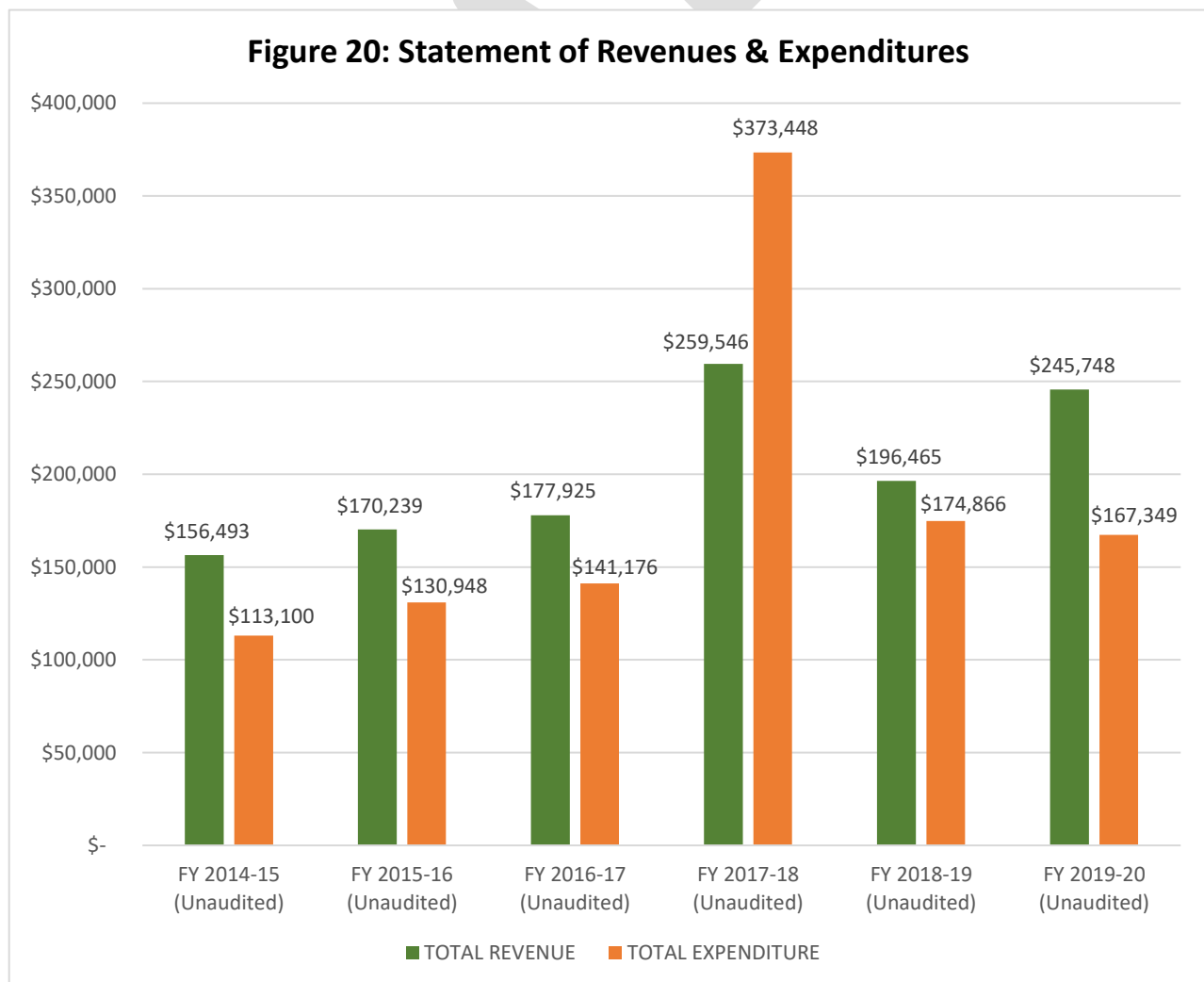
The clubhouse was constructed in the 1930s and continues to be a centerpiece of the community, providing space for community events, after-school and summer children's programs, craft fairs, wedding receptions, and educational opportunities. At present, the clubhouse can accommodate up to 150 guests.

The clubhouse is currently in the process of being renovated after evaluations by contractors and structural engineers revealed significant structural flaws. LSBRD sponsored a ballot measure in 2018 (Measure P) to collect the necessary funds and address the structural issues. This ballot measure asked the La Selva community to vote on whether or not to levy a tax of \$50 per parcel per year from July 2019 to June 2026. Measure P passed on November 6, 2018 with approximately 80% approval (783 voted yes out of 981 ballots). LSBRD is anticipated to collect around \$280,000 for renovation of the Clubhouse. That amount, plus funds being set aside from current operating money, is expected to be enough to make the necessary repairs.

## Finances

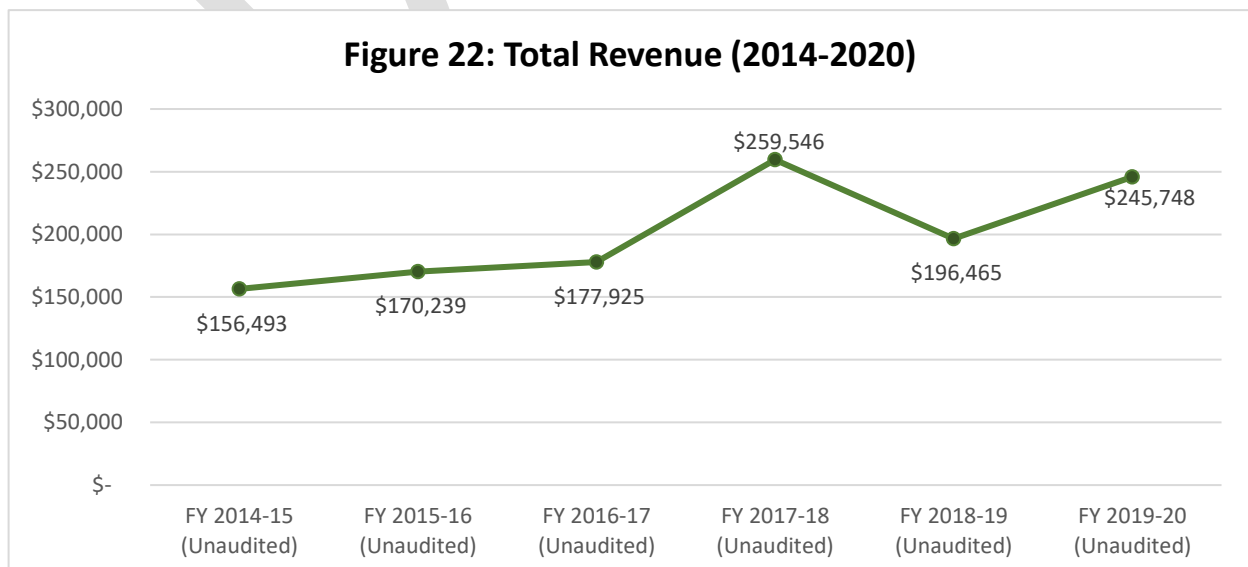
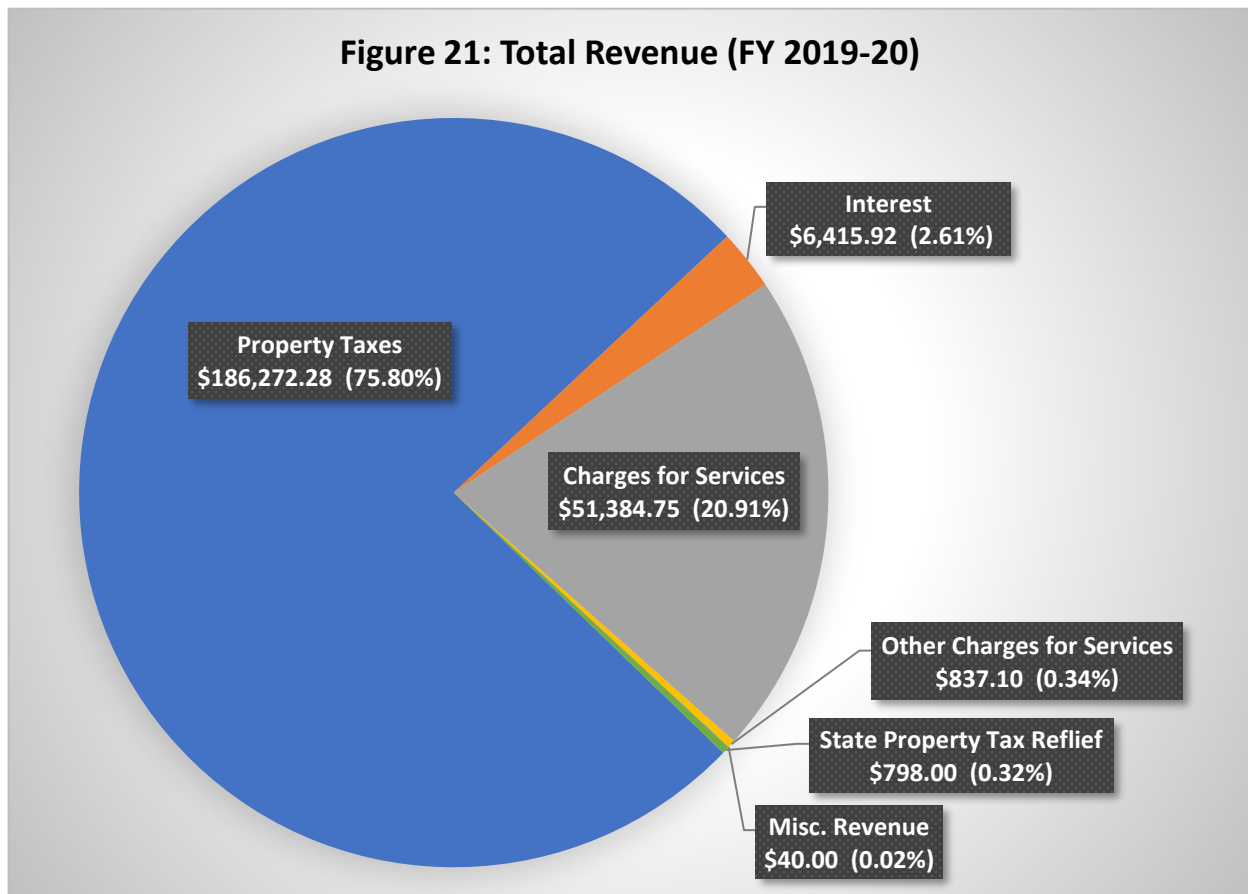
State law requires special districts to conduct an annual audit. The law also requires special districts to file a report of the completed audit to the State Controller’s Office and LAFCO (Government Code Section 56036). Based on staff’s research, LAFCO has not received a report or copy of the District’s audits in the last six years. In addition, the audits were not available on the District’s website as statutorily required (Government Code Sections 6270.6 and 53087.8). Therefore, LAFCO staff completed an internal investigation to complete this financial analysis. This section will highlight LSBRD’s financial performance during the most recent fiscal years based on information retrieved. Specifically, LAFCO evaluated LSBRD financial health from FY 2014-15 to FY 2019-20. A comprehensive analysis of the District’s financial performance during the past six years is shown on page 51.

At the end of FY 2019-20, total revenue collected was approximately \$246,000, representing a 25% increase from the previous year (\$196,465 in FY 2018-19). Total expense for FY 2019-20 was approximately \$167,000, which decreased from the previous year by 4% (\$174,866 in FY 2018-19). The District has ended with an annual surplus since 2014, excluding FY 2017-18, as shown in **Figure 20**. LAFCO believes that this positive trend will continue based upon the District’s ongoing conservative budgetary practices ensuring that their total revenues cover total expenses on an annual basis.



## District Revenues

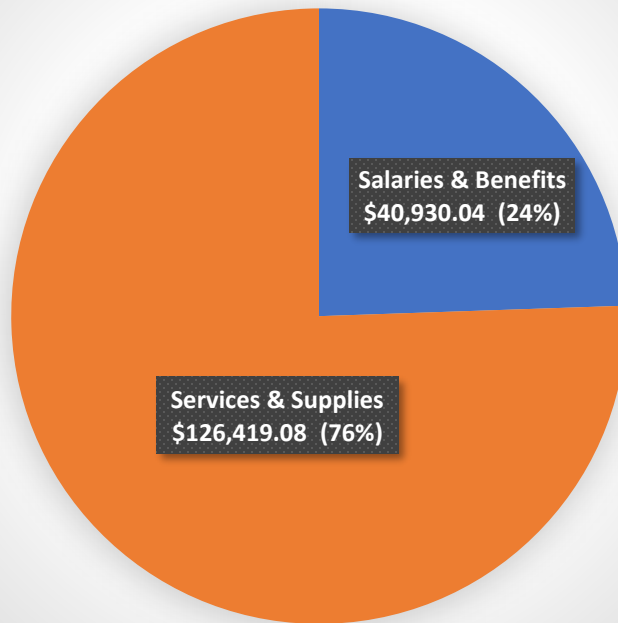
LSBRD's primary source of revenue is from Property Taxes. In FY 2019-20, Property Taxes (approximately \$186,000) represented about 76% of the District's entire revenue stream. Other revenue sources include Charges for Services (21%), Interest (2.6%), Other Charges for Services (0.34%), State Homeowners' Property Tax Relief (0.32%), and Miscellaneous Revenue (0.02%). **Figure 21** shows a breakdown of each revenue source received in FY 2019-20. **Figure 22** shows the total revenue received during the last six years. As the figure shows, total revenue has increased over the years. Total revenue has been above \$156,000 since 2014.



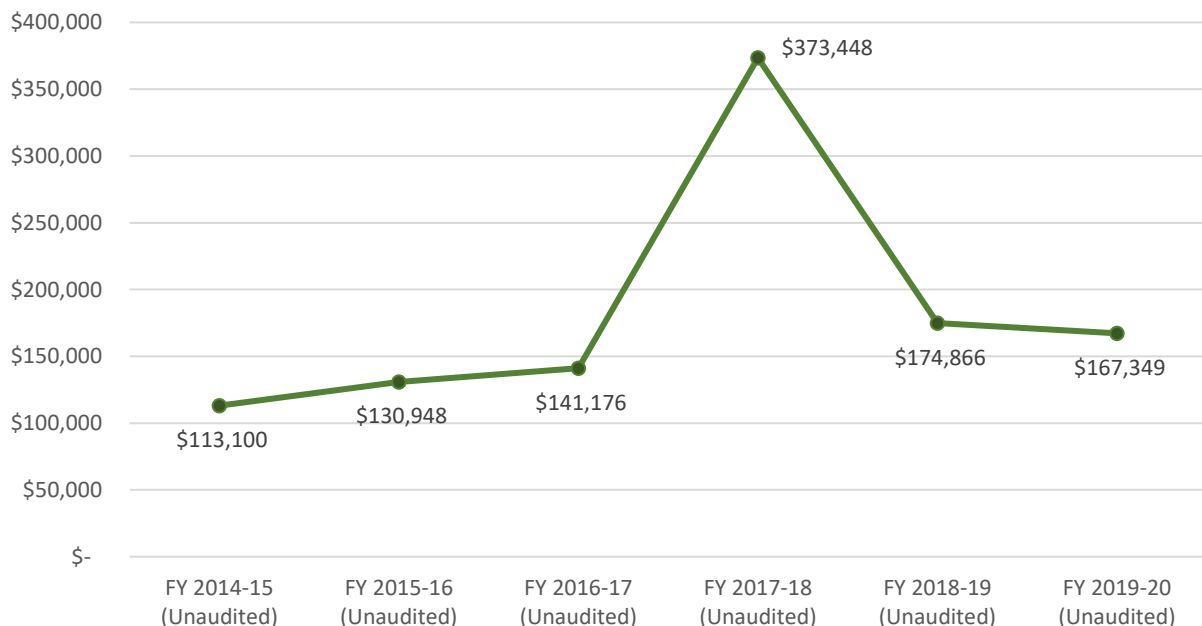
## District Expenditures

LSBRD's total expenditures can be categorized into 2 budgetary groups: Salaries & Benefits and Services & Supplies. **Figure 23** below distinguishes the cost and percentage per category. As shown below, Services & Supplies is the primary budgetary expense for the District, which is uncommon for public agencies. Typically, Salaries & Benefits is the highest overall expense for a local agency. **Figure 24** shows the total expenditure modest increase over the last six years, excluding FY 2017-18. It is important to note that the District began repairing the La Selva Beach Clubhouse in FY 2017-18, which is why there is a significant increase during that timeframe.

**Figure 23: Total Expenditure (FY 2019-20)**



**Figure 24: Total Expenditure (2014-2020)**





### Fund Balance/Net Position

As of June 30, 2020, the total fund balance is approximately \$382,000. **Table 17** highlights the net position balance from 2014 to 2020. The District’s fund balance has fluctuated slightly over the years but has maintained an annual balance above \$300,000. Based on this historical trend, LAFCO staff believes the positive balance will continue. This healthy amount will be critical in the event that the District faces any unintended expenses, major capital improvement projects, or emergency repairs. As previously stated, FY 2017-18 was the timeframe in which LSBRD began construction to renovate the La Selva Beach Clubhouse following the approval of Measure P. The overall financial performance of LSBRD during the last six years can be found on **Table 18** on page 51.

**Table 17: Fund Balance/Net Position**

	FY 14-15 (Unaudited)	FY 15-16 (Unaudited)	FY 16-17 (Unaudited)	FY 17-18 (Unaudited)	FY 18-19 (Unaudited)	FY 19-20 (Unaudited)
<b>Net Position (Ending Balance)</b>	<b>\$317,494</b>	<b>\$358,700</b>	<b>\$395,448</b>	<b>\$282,272</b>	<b>\$303,871</b>	<b>\$382,269</b>
Change in (\$) from previous year		\$41,206	\$36,749	<b>-\$113,176</b>	\$21,598	\$78,399
Change in (%) from previous year		3%	3%	<b>-29%</b>	3%	3%





**Table 18: Total Revenues & Expenditures**

LA SELVA BEACH RECREATION AND PARK DISTRICT						
	FY 2014-15 (Unaudited)	FY 2015-16 (Unaudited)	FY 2016-17 (Unaudited)	FY 2017-18 (Unaudited)	FY 2018-19 (Unaudited)	FY 2019-20 (Unaudited)
<b>REVENUE</b>						
Property Taxes	\$ 110,759.30	\$ 118,500.31	\$ 124,213.87	\$ 130,814.21	\$ 141,280.97	\$ 186,272.28
Interest	\$ 1,319.81	\$ 2,205.09	\$ 3,184.88	\$ 3,578.08	\$ 5,623.92	\$ 6,415.92
Charges for Services (Rents & Concessions)	\$ 43,583.97	\$ 48,707.66	\$ 49,718.29	\$ 44,951.00	\$ 44,227.00	\$ 51,384.75
Other Charges for Services	\$ -	\$ -	\$ -	\$ 477.00	\$ 662.00	\$ 837.10
Park Dedication Fees	\$ -	\$ -	\$ -	\$ 78,432.00	\$ -	\$ -
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ 502.50	\$ -	\$ 40.00
State Homeowners' Property Tax Relief	\$ 830.00	\$ 826.36	\$ 807.78	\$ 791.62	\$ 4,671.00	\$ 798.00
<b>TOTAL REVENUE</b>	<b>\$156,493.08</b>	<b>\$170,239.42</b>	<b>\$177,924.82</b>	<b>\$ 259,546.41</b>	<b>\$196,464.89</b>	<b>\$245,748.05</b>
<b>EXPENDITURE</b>						
<u>Salaries &amp; Benefits</u>						
Salaries (Regular Pay)	\$ 20,675.90	\$ 20,755.11	\$ 20,675.90	\$ 35,791.79	\$ 36,000.12	\$ 37,603.96
Retirement (Social Security)	\$ 1,581.70	\$ 1,587.76	\$ 1,581.70	\$ 2,738.07	\$ 2,754.01	\$ 2,876.71
Unemployment Insurance	\$ 175.91	\$ 238.35	\$ 203.50	\$ 245.00	\$ 125.98	\$ 149.37
Workers Compensation	\$ 2,609.50	\$ 1,505.35	\$ 1,992.98	\$ -	\$ -	\$ 300.00
<b>Total Salaries &amp; Benefits</b>	<b>\$ 25,043.01</b>	<b>\$ 24,086.57</b>	<b>\$ 24,454.08</b>	<b>\$ 38,774.86</b>	<b>\$ 38,880.11</b>	<b>\$ 40,930.04</b>
<u>Services &amp; Supplies</u>						
Telephone	\$ 2,616.60	\$ 2,385.27	\$ 2,032.61	\$ 2,225.41	\$ 1,744.15	\$ 1,948.47
Household Expenses (Janitorial Services)	\$ 678.21	\$ 966.69	\$ -	\$ -	\$ -	\$ 6,600.00
Liability Insurance	\$ 8,032.68	\$ 7,137.52	\$ 7,484.74	\$ 7,445.92	\$ 8,793.60	\$ 9,775.60
Maintenance - Office Equipment	\$ -	\$ -	\$ -	\$ 363.00	\$ -	\$ 130.00
Maintenance - Building & Improvements	\$ 36,573.07	\$ 70,486.00	\$ 67,761.20	\$ 283,893.41	\$ 45,043.88	\$ 59,833.15
Memberships	\$ 800.00	\$ 198.49	\$ 1,012.56	\$ 230.10	\$ 642.57	\$ 651.58
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -
Supplies	\$ 2,986.95	\$ 2,453.17	\$ 3,664.24	\$ 1,785.54	\$ 1,952.44	\$ 11,893.52
Accounting & Auditing Fees	\$ 1,726.29	\$ 1,914.37	\$ 9,350.21	\$ 2,066.79	\$ 10,087.34	\$ 1,793.28
Professional Services	\$ 18,508.60	\$ 11,182.13	\$ 14,839.09	\$ 14,437.18	\$ 45,355.96	\$ 6,129.18
Special Departmental Expense	\$ 486.08	\$ -	\$ -	\$ -	\$ 1,829.41	\$ 8,063.56
Transportation & Travel	\$ 528.84	\$ 321.56	\$ 374.16	\$ 469.58	\$ 682.98	\$ 1,204.68
Utilities	\$ 9,054.87	\$ 9,815.97	\$ 10,203.27	\$ 21,755.97	\$ 19,754.02	\$ 18,396.06
<b>Total Services &amp; Supplies</b>	<b>\$ 81,992.19</b>	<b>\$106,861.17</b>	<b>\$116,722.08</b>	<b>\$ 334,672.90</b>	<b>\$135,986.35</b>	<b>\$126,419.08</b>
<u>Fixed Assets</u>						
Buildings & Improvements	\$ 6,065.00	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Fixed Assets</b>	<b>\$ 6,065.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURE</b>	<b>\$113,100.20</b>	<b>\$130,947.74</b>	<b>\$141,176.16</b>	<b>\$ 373,447.76</b>	<b>\$174,866.46</b>	<b>\$167,349.12</b>
<b>Surplus/(Deficit)</b>	<b>\$ 43,392.88</b>	<b>\$ 39,291.68</b>	<b>\$ 36,748.66</b>	<b>\$ (113,901.35)</b>	<b>\$ 21,598.43</b>	<b>\$ 78,398.93</b>
<b>NET POSITION</b>						
<b>Ending Balance</b>	<b>\$ 317,494</b>	<b>\$ 358,700</b>	<b>\$ 395,448</b>	<b>\$ 282,272</b>	<b>\$ 303,871</b>	<b>\$ 382,269</b>
Change (\$)		\$ 41,206	\$ 36,749	\$ (113,176)	\$ 21,598	\$ 78,399
Change (%)		13%	10%	-29%	8%	26%

## Governance

The La Selva Beach Recreation District is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, or when there is a vacancy, seats are appointed by the County Board of Supervisors in lieu of conducting the election. **Table 19** shows the current board members for La Selva Beach Recreation District.

**Table 19: Board of Directors**

Board Member	Title	Term of Office Expiration
Greg Bailey	Treasurer	First Elected: November 2018 Next Election: General 2022
Mary Flores	Rental Director	First Appointed: February 2020 Next Election: General 2024
Jim Rhodes	Secretary	First Elected: November 2016 Next Election: General 2024
Ashley Winn	Chair	First Elected: November 2018 Next Election: General 2022
Anthony Young	Maintenance Director	First Appointed: May 2019 Next Election: General 2024

## Public Meetings

Prior to the COVID-19 pandemic, the Board of Directors would typically meet on the second Wednesday of each month at 7:00 p.m. Meetings were held at the District's main location (314 Estrella Avenue, La Selva Beach). The LSBRD Board held 15 public meetings in 2020 – the most when compared to the other park and recreation districts.



## **Opportunities & Challenges**

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Independent special districts are tasked to operate in an efficient and transparent manner on a regular basis. It is LAFCO staff's position that public agencies should always prepare and consider future opportunities and potential challenges in order to properly provide services to their constituents. The following section explores possible actions that should be considered by the District.

### **Bi-Annual Audits**

LAFCO staff determined that the County conducts bi-annual audits on behalf of LSBRD in accordance with Government Code Section 26909(b)(1). Under this provision, the County may conduct a bi-annual audit on behalf of a special district. The law also states a special district can replace an annual audit with a bi-annual audit if the following actions occur: (1) an annual unanimous request of the governing board (ex. LSBRD Board) and (2) an annual unanimous approval of the Board of Supervisors. It is important that the County and LSBRD maintain this yearly practice if bi-annual audits continue to be produced.

***LAFCO Staff Recommendation:*** *The District should include copies of past and future bi-annual audits on their website and provide copies to LAFCO once adopted.*

### **Website Requirements**

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 states that the Internet Web Site, maintained by the independent special district, shall conform with various laws in Government Code Sections 6270.5, 53893, 53908, 54954.2, and Section 32139 of the Health and Safety Code. In summary, the District's Internet Website is required to have the following:

- Access to past and current, agendas, staff reports, and minutes
- Adopted budgets;
- Contact information;
- List of current board members;
- Information regarding public meetings (Brown Act);
- Service Reviews adopted by LAFCO;
- Recipients of grant funding or assistance provided by the district, if any;
- Audits (pursuant to GCS 26909);
- Adopted annual policies; and
- Any other information the board deems relevant

The District currently has an operating website and fulfills most of the requirements listed above. However, there are still opportunities to include more information that would benefit the residents in understanding the governance of LSBRD as a special district, specifically the availability of financial documentations such as budgets and audits.

LSBRD should also consider including the adopted version of this service and sphere review on their website as another valuable resource.

**LAFCO Staff Recommendation:** *The District should continue updating its website to fulfill the legal requirements under SB 929.*

### Capital Improvement Plan

The purpose of a Capital Improvement Plan (CIP) is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner over the next five-plus years of growth and change. At present, the District does not have a CIP in place. The adoption of a long-term maintenance plan, such as a CIP, would help budget for future improvements and provide more transparency to its constituents.

**LAFCO Staff Recommendation:** *The District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.*

### Sphere of Influence

Santa Cruz LAFCO adopted BCRPD's first sphere of influence on March 7, 1990. **Appendix C** provides a copy of the 1990 resolution that implemented the first sphere of influence for LSBRD.

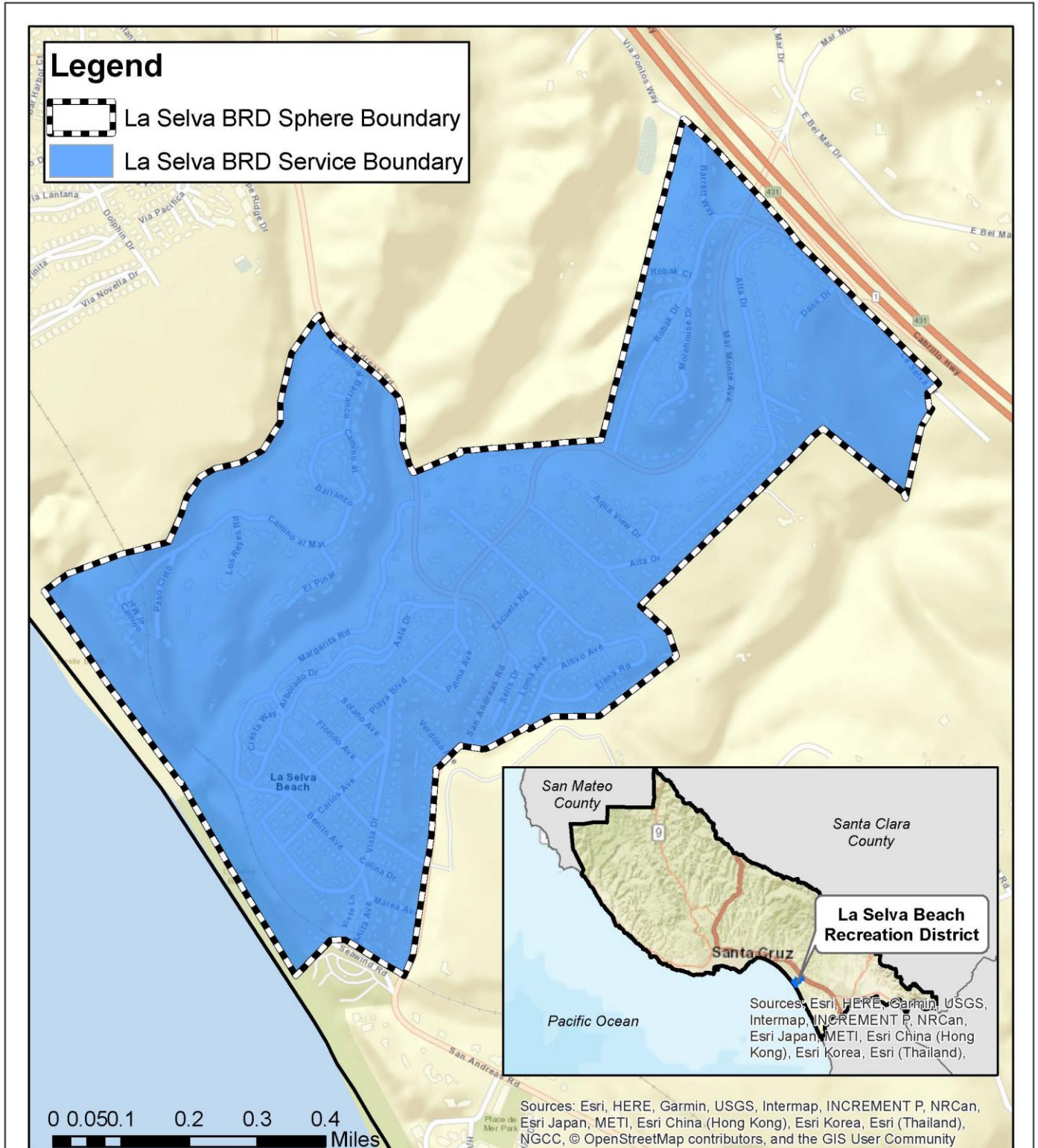
The current sphere is coterminous with the District's jurisdictional boundary. The last sphere review occurred in April 2016 during the last service and sphere review cycle. Based on our analysis and findings, staff is not recommending any changes to the current sphere. **Figure 25** on page 55 shows the proposed sphere reaffirmation for La Selva Beach Recreation District.



LSBRD – Robin's Park



**Figure 25: Proposed Sphere Reaffirmation (Coterminous With District Boundary)**



## La Selva Beach Recreation District Jurisdictional and Sphere Boundaries

Original Sphere Adopted on March 7, 1990  
 Sphere Reaffirmation on January 9, 2008  
 Sphere Reaffirmation on April 6, 2016  
 Latest Sphere Reaffirmation on August 4, 2021

## District Summary

La Selva Beach Recreation District	
<b>Formation</b>	Public Resources Code, Division 5 (Parks and Monuments), Chapter 4 (Recreation and Park Districts); Section 5780
<b>Board of Directors</b>	5 members, elected at-large to four-year terms
<b>Contact Person</b>	Eden M. Serrano, General Manager
<b>Employees</b>	1 Full-Time Employee
<b>Facilities</b>	5 Locations (Triangle Park, Robin's Park, Open Space Area, Coastal Bluff and the La Selva Beach Clubhouse).
<b>District Area</b>	512 acres (0.80 square miles)
<b>Sphere of Influence</b>	Current sphere of influence is coterminous with the District's jurisdictional boundary.  <b>Proposed Designation:</b> Reaffirm Existing Sphere Boundary.
<b>FY 2019-20 Budget</b>	Total Revenue = \$245,748.05 Total Expenditure = \$167,349 Projected Net Position (Beginning Balance) = \$382,269
<b>Contact Information</b>	Mailing Address: 314 Estrella Ave. La Selva Beach, CA 95076 Phone Number: (831) 254-3625 Email Address: <a href="mailto:manager@lsbrd.org">manager@lsbrd.org</a> Website: <a href="https://www.lsbrd.org/">https://www.lsbrd.org/</a>
<b>Public Meetings</b>	Meetings are typically held on the second Wednesday of each month at 7:00 p.m.
<b>Mission Statement</b>	N/A

## **Service and Sphere Review Determinations**

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The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

### **Service Provision Determinations**

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

**1. Growth and population projections for the affected area.**

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. Under this assumption, LAFCO's projections indicate that the entire population of LSBRD will be approximately 1,700 by 2040.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

LAFCO did not identify any DUCs within or contiguous to the District. It is important to note that the District does not provide water, sewer, or fire protection.

**3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

The District was formed in 1959. The purpose of LSBRD is to serve the unincorporated communities of La Selva Beach through 3 recreational facilities (Triangle Park, Robin's Park, and the La Selva Beach Clubhouse). The District also maintains an open space area and a coastal bluff.

**4. Financial ability of agencies to provide services.**

The District has ended with an annual surplus since 2014, excluding FY 2017-18. LAFCO believes that this positive trend will continue based upon the District's ongoing conservative budgetary practices ensuring that their total revenues cover total expenses on an annual basis.

**5. Status of, and opportunities for, shared facilities.**

The District is a member of the California Special Districts Association (CSDA), which is a non-profit association that was formed in 1969 to promote good governance for all types of independent special districts. Other park and recreation districts may benefit learning from LSBRD, such as Boulder Creek Recreation and Park District.

**6. Accountability for community service needs, including governmental structure and operational efficiencies.**

The District is currently renovating the La Selva Clubhouse, which is a centerpiece of the community, providing space for community events, after-school and summer children's programs, craft fairs, wedding receptions, and educational opportunities. At present, the clubhouse can accommodate up to 150 guests.

**7. Any other matter related to effective or efficient service delivery, as required by commission policy.**

No additional local LAFCO policies are specifically relevant to this service and sphere review.

## **Sphere of Influence Determinations**

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

**1. The present and planned land uses in the area, including agricultural and open-space lands.**

LSBRD encompasses 816 parcels which totals approximately 500 acres (0.80 square miles). The County's General Plan designates the vast majority of this area as Urban Low Residential with other various zones including but not limited to Existing Parks & Recreation and Urban Open Space.

**2. The present and probable need for public facilities and services in the area.**

The District currently operates 5 recreational areas to serve the entire La Selva Beach community. Implementing a capital improvement plan would help ensure adequate funds are earmarked to maintain and repair the existing facilities.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The La Selva Beach Clubhouse is currently in the process of being renovated after evaluations by contractors and structural engineers revealed significant structural flaws. Measure P was approved by the residents which allows the District to levy a \$50 parcel tax from July 2019 to June 2026. LSBRD is anticipated to collect around \$280,000 for renovation of the clubhouse.

**4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

LAFCO staff is not aware of any social or economic communities of interest in the area.

**5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

LAFCO did not identify any DUCs within or contiguous to the District. It is important to note that the District does not provide water, sewer, or fire protection.