

Geological Hazard Abatement Districts Report

Introduction

Geological Hazard Abatement Districts (GHADs), enabled by the Beverly Act of 1979 (SB 1195), California State Statute, Division Resources Code, Sections 26500-26654, provides a mechanism to deal with prevention, mitigation, abatement and control of geological hazards. The Beverly Act defines a geological hazard as an actual or threatened landslide, land subsidence, soil erosion, earthquake, or any other natural or unnatural movement of land or earth.

A proposal for a GHAD can be made by a petition signed by property owners or by a resolution of a local legislative body. A Plan of Control is required describing the geological hazard and the plan to abate it. After a public hearing the district is formed and a board of directors appointed. The GHAD may purchase and dispose of property, acquire property by eminent domain, levy and collect assessments, sue and be sued, and construct and maintain improvements.

By utilizing a GHAD under the Beverly Act, homeowners are able to cooperate in solving a common problem by having one Plan of Control across property boundaries, joint financing and arms-length protection against liability pursuing the remediation and/or prevention of landslide hazards.

The Plan of Control sets forth the rationale for:

- periodic site inspection, instrumentation, and documentation of property conditions
- a maintenance control plan
- who administers the plan, and how it will be implemented
- initial annual cost of the plan, and how the plan will be funded in the long term

Scope

The Grand Jury sought to:

- discover the purpose and function of a GHAD
- explain reasons for development
- identify the current districts within Santa Cruz County

Fieldwork

The Grand Jury did the following fieldwork:

1. Interviewed the Commissioner of the Local Agency Formation Commission (LAFCO)
2. Interviewed the Administrator of the Office of Emergency Services (O.E.S.)

3. Reviewed Federal Emergency Management Agency (FEMA) website (www.fema.gov)
4. Reviewed Beverly Act (SB 1195), California State Statute, Division Resources Code, Sections 26500-26654
5. Reviewed Olashansky, R.B., 1986, "Geological Hazard Abatement Districts": *California Geology*, v. 39:7, p. 158-159
6. Reviewed Gregory, Moser Esq., 2002, "Formation of Geological Hazard Abatement District", Beach & Bluff Conservancy, 2002

Findings

1. There are three Geological Hazard Abatement Districts in Santa Cruz County. The County manages one GHAD and private property owners manage the other two.

Response: Santa Cruz County Board of Supervisors PARTIALLY AGREES

There are three County districts: Corralitos, Mid-County, and Heartwood Hill. There are two private districts.

2. The County managed GHAD is composed of ten separate properties in Aptos, Boulder Creek, and Watsonville. The properties were severely damaged by landslides and are now uninhabitable or remain at risk of further landslide activity. The County of Santa Cruz acquired the properties through FEMA's Hazard Grant Mitigation Program. The property owners were compensated \$1,941,000, which was 75% of the assessed value of the properties (\$2,588,000). The remaining dwellings on the properties were demolished; the County maintains and holds the land as open space.

Response: Santa Cruz County Board of Supervisors AGREES

3. The demolition and maintenance of the county properties as open space is intended to contribute to public safety.
4. The GHADs located in Santa Cruz County that are managed by private property owners are Pajaro Dunes in Watsonville and Depot Hill in Capitola.

Response: Santa Cruz County Board of Supervisors

The County has no jurisdiction over privately managed GHADs and cannot comment on the accuracy of this finding.

5. The success or failure of a GHAD plan managed by private property owners is contingent on those involved within the District.
6. Liability protection and the ability to levy assessments through property taxes are two features that make a GHAD attractive. GHADs offer guarantees with respect to the

security of property values, because the GHAD is sued (rather than individual property owners) and the property thus becomes more marketable.

7. There are some disadvantages to GHADs. For example GHADs:
 - cannot be easily dissolved
 - can be added to by a vote of 51% of the adjacent property owners, forcing some reticent parties to be a part
 - cannot compensate members for “soft” losses, such as emotional distress or diminution in value
 - can be enjoined in legal action by disgruntled members or adjacent parcel owners, increasing operating costs

8. Property owners can evaluate if the geological hazard is worth the disadvantages of possible lawsuits or infighting prior to creating a GHAD.

Conclusions

1. The County has helped to ensure the health, safety, and welfare of the community by creating GHADs in high-risk landslide areas.

2. Creation of a GHAD provides private property owners with a means of preserving their property values by the successful implementation and maintenance of the Plan of Control.

Recommendations

None

Responses Required

| Entity | Findings | Recommendations | Respond Within |
|---|-----------------|------------------------|-----------------------------|
| Santa Cruz County Board of Supervisors GHAD | 1, 2, 4 | None | 60 Days (Sept. 2, 2003) |
| Pajaro Dunes GHAD | 1, 3-6 | None | 90 Days (Sept. 30, 2003) |
| Depot Hill GHAD | 1, 3-6 | None | 90 Days (Sept. 30, 2003) |

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