

**November 8, 2016 City Council  
Agenda Item Related to  
Begin the Process of Initiating the  
Five North Rialto Islands**

**Attachment 2**



Legislation Details (With Text)

File #: 16-730 Version: 1 Name: D.2  
 Type: Agenda Item Status: Agenda Ready  
 File created: 10/18/2016 In control: City Council  
 On agenda: 11/8/2016 Final action:  
 Title: Request City Council to Set a Public Hearing for November 22, 2016, to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).  
 Sponsors: Development Services Department, Gina Gibson  
 Indexes:  
 Code sections:  
 Attachments: [Five North Rialto Islands](#)  
[4-11-2016 DRAFT Rialto Islands Plan for Service and Fiscal Analysis \(2\)](#)  
[Reso 3222](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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For City Council Meeting [November 8, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Set a Public Hearing for November 22, 2016, to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).

**BACKGROUND:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs annexations (Section 56000 et seq. of the Government Code). There are nine (9) county islands in the City:

| Area   | No. of Parcels |
|--------|----------------|
| 1      | 120            |
| 2      | 94             |
| 3      | 271            |
| 4      | 129            |
| 5      | 2              |
| 6      | 36             |
| 7      | 4              |
| 8      | 1              |
| 9      | 30             |
| Total: | 687            |

When the LAFCO Commission approved the Lytle Creek Annexation (Annexation No. 170/ LAFCO 320) they conditioned the City to annex five (Exhibit 'A') of the nine unincorporated county islands on or before May 18, 2017 (LAFCO Resolution No. 3229).

**ANALYSIS:**

***Resolution of Application by City***

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, codified as Government Code Sections 56000 et seq., governs annexation of unincorporated areas to a city. Government Code Section 56654 requires that the City Council of Rialto to adopt a resolution to initiate the application process for the Annexation Area. The City must then submit a resolution of application to the San Bernardino Local Agency Formation Commission (LAFCO) along with a plan for services.

***Pre-Zoning***

LAFCO requires that the City pre-zone all proposed annexation areas prior to filing. Section 18.02.080 of the Rialto Municipal Code states that newly annexed areas are automatically placed in the "R-1 A" single-family zone, and shall remain in that zone until the land use zoning map for the area has been adopted by the Planning Commission and City Council. The Planning Division will prepare a zone change application to pre-zone the island areas as Single Family Residential R-1A in accordance with the Code. The zoning designation will become effective upon filing of the Certificate of Completion by LAFCO.

***Action Plan***

The Planning Division developed a 10-point action plan to facilitate the annexation process:

| Task |  | Responsibility                                   | Tentative Timeframe      |
|------|--|--|--------------------------|
| 1    | Land Survey to identify parcels and property owners with photographs   | Planning Division                                | November - December 2016 |
| 2    | Update Plan for Services including Infrastructure Needs Assessment & Fiscal Impact Analysis                          | Consultant                                       | January 2017             |
| 3    | Present Survey, Infrastructure and Plan for Services to Economic Development Committee, Commissions and City Council | Planning Division                                |                          |
| 4    | Identify Annexation Task Force members   | Economic Development Committee/Planning Division | February 2017            |
| 5    | Prepare social media information for distribution and web access including an "Annexation Myths" fact sheet          | Planning Division                                |                          |
| 6    | Host a series of public information meetings throughout the community  | Planning Division/ Task Force                    | March 2017               |
| 7    | Prepare LAFCO annexation application and California Environmental Quality Act document                               | Planning Division                                | March 2017               |
| 8    | Schedule Pre-Annexation application for review by the EDC and Planning Commission                                    | Planning Division                                | March 2017               |
| 9    | Schedule Pre-Annexation application for review by the City Council   | Planning Division                                | April 2017               |

| Task |  | Responsibility    | Tentative Timeframe |
|------|--|-------------------|---------------------|
| 10   | File annexation application with LAFCO | Planning Division | May 2017            |

The target date for submission to LAFCO is May of 2017.

**Community Outreach**

Item number 6 of the action plan tasks the City with a series of community meetings to inform stakeholders about the annexation process, introduce the annexation task force and answer any questions from stakeholders and the general public.

### *Task Force*

A task force consisting of one team member from the following Divisions and Departments is needed to facilitate the annexation process:

- Rialto Police Department
- Rialto Fire Department
- Development Services - Planning
- Development Services - Building
- Development Services - Code Enforcement
- Administrative and Community Services - Finance
- Administrative and Community Services - IT
- Public Works

Task force team members will be responsible for responding to inquires during the annexation process and implementation for the respective fields of expertise when the boundaries are modified.

### ENVIRONMENTAL IMPACT:

Filing an annexation application is not a “Project” as defined by CEQA and is therefore not subject to further environmental review. Pursuant to Section 15378 of the CEQA Guidelines, a “project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### GENERAL PLAN CONSISTENCY:

The General Plan covers the entire City of Rialto and its sphere of influence.

The sphere of influence is an unincorporated area within the jurisdiction of the County of San Bernardino that may have a bearing on planning activities in Rialto. The islands are located in the sphere of influence areas. This request is consistent with the following goals and polices of the Rialto General Plan:

- Goal 2-6: Encourage the annexation of San Bernardino County unincorporated areas into Rialto.
  - Policy 2-6.1: Work with the County of San Bernardino to require that the City of Rialto’s building and zoning regulations be applied to new development within unincorporated County islands and other areas within Rialto’s Sphere of Influence.
- Goal 2-7: Encourage all annexations that will provide a positive benefit to the City.
  - Policy 2-7.1: Require an approved specific plan for all new large unincorporated areas of vacant land prior to annexation into Rialto.
  - Policy 2-7.2: Require a fiscal impact statement for any new large planned development to ensure that Rialto receives financial benefit from annexation.

- Policy 2-7.3: Require sufficient impact fees on new planned development to assure timely construction of public facilities and provision of expanded City services.
- Policy 2-7.4: Require that land be set aside for community parks and other public facilities as appropriate for any large planned development.

LEGAL REVIEW:

The City Attorney reviewed and approved the Plan for Services and the agenda report.

FINANCIAL IMPACT:

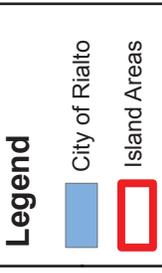
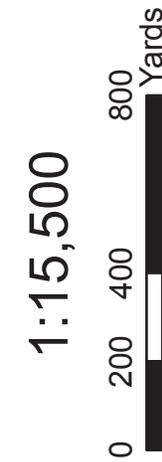
Annexation of Sphere of Influence Areas into Rialto poses the following issues:

1. Operating Budget Impacts. The islands produce an annual operating deficit to the City of Rialto of \$518,000 to \$798,000, depending upon the status of the utility tax.
2. Neighborhood Infrastructure Deficiencies. The Public Works Department estimated the cost of upgrading localized infrastructure to current Rialto standards at \$8.1 million (current \$). The City's Development Agreement with Lytle Creek contributes \$630/unit toward these deficiencies for a total contribution of \$3,943,800 (non-discounted) at project build out. There remains a significant gap between needed infrastructure and available funding.
3. The North Rialto Islands will result in major operating budget Impacts. The islands produce an *annual operating deficit to the City of Rialto of \$518,000 with the utility tax and \$798,000 without the utility tax*. A significant portion of the operating deficit relates to fire service and the County CAO has proposed mitigation that is still in discussion.
4. Neighborhood Infrastructure Deficiencies. Constituents in newly annexed areas expect infrastructure and service level improvements as a benefit of annexation. The Rialto Public Works Department estimated the *cost of upgrading localized infrastructure to current Rialto standards at \$8.1 million*. Rialto anticipated a cost to correct the deficiency by including a developer contribution of \$630/unit in the Development Agreement. However, the \$3,943,800 (2.8 million in present value dollars) at project build out will leave a significant gap between needed infrastructure and available funding.
5. Immediate decrease in service levels threatening the public convenience, health and general welfare of Rialto citizens. The need for capital facilities is based upon a per capita standard. Adding the population from the islands will not only increase the scale of required facilities, it will create an immediate and irreparable deficiency for the following capital facilities including but not limited to: fire, police, and parks. *Off-site requirements total \$11.2 million based on our current development impact fees and the existing unit count within the island areas*.

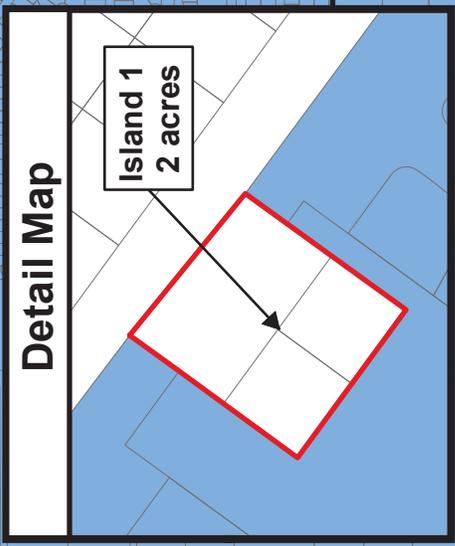
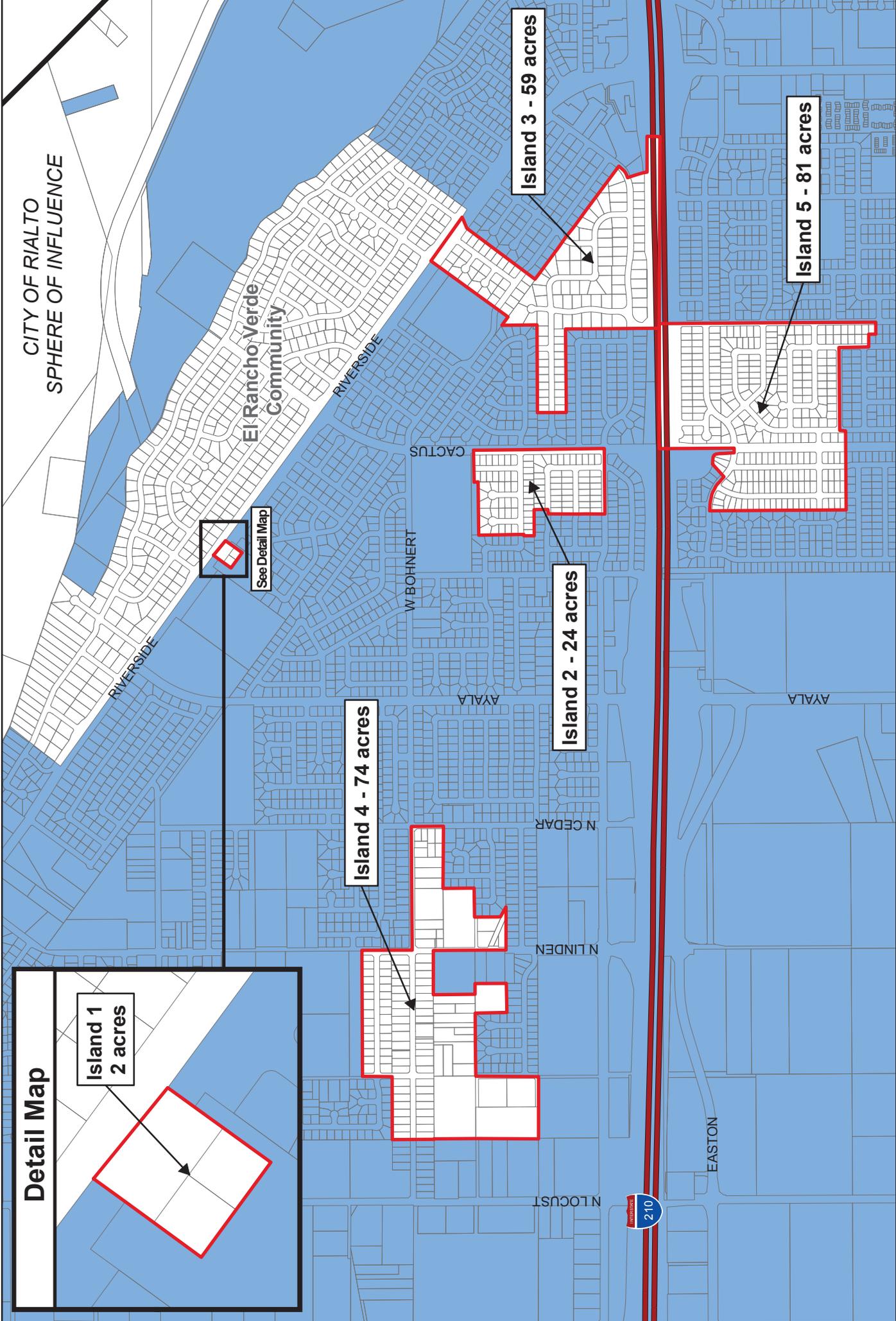
The annexation request will include the CEMEX cement property, which may have a positive contribution toward the annexation burdens.

RECOMMENDATION:

Staff recommends that the City Council Set the Public Hearing for November 22, 2016.



# Five North Rialto Islands



See Detail Map

Island 1  
2 acres

Island 4 - 74 acres

Island 2 - 24 acres

Island 3 - 59 acres

Island 5 - 81 acres

CITY OF RIALTO  
SPHERE OF INFLUENCE

El Rancho Verde  
Community

RIVERSIDE

RIVERSIDE

CACTUS

W BOHNERT

AYALA

N CEDAR

N LINDEN

N LOCUST

EASTON

