

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 9, 2018

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
ROBERT ALDRICH, Consultant

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #13 - LAFCO 3217 – Sphere of Influence Amendment (Expansion) for the San Bernardino County Fire Protection District And Sphere of Influence Amendment (Reduction to Zero Sphere of Influence) Hesperia Fire Protection District

INITIATED BY:

Jointly initiated by the Board of Directors of the Hesperia Fire Protection District and the Board of Directors of the San Bernardino County Fire Protection District

RECOMMENDATION:

Staff recommends that the Commission make the following determinations:

1. Determine that the proposed sphere of influence amendments, submitted under the provisions of Government Code Section 56428, does not require a service review.
2. Certify that LAFCO 3217 is statutorily exempt from environmental review, and direct the Executive Officer to file a Notice of Exemption within five (5) days.
3. Approve the expansion of the sphere of influence for the San Bernardino County Fire Protection District to include the entirety of the Hesperia Fire Protection District and the reduction of the sphere of influence for the Hesperia Fire Protection District to a zero sphere of influence signaling the Commission's intent that a future action will dissolve the agency.

4. Adopt LAFCO Resolution No. 3265 reflecting the Commission's determinations and findings for the sphere of influence changes identified.

BACKGROUND:

The Hesperia Fire Protection District is a subsidiary district of the City of Hesperia. The five-member Hesperia City Council serves as the ex-officio board of directors of the District.

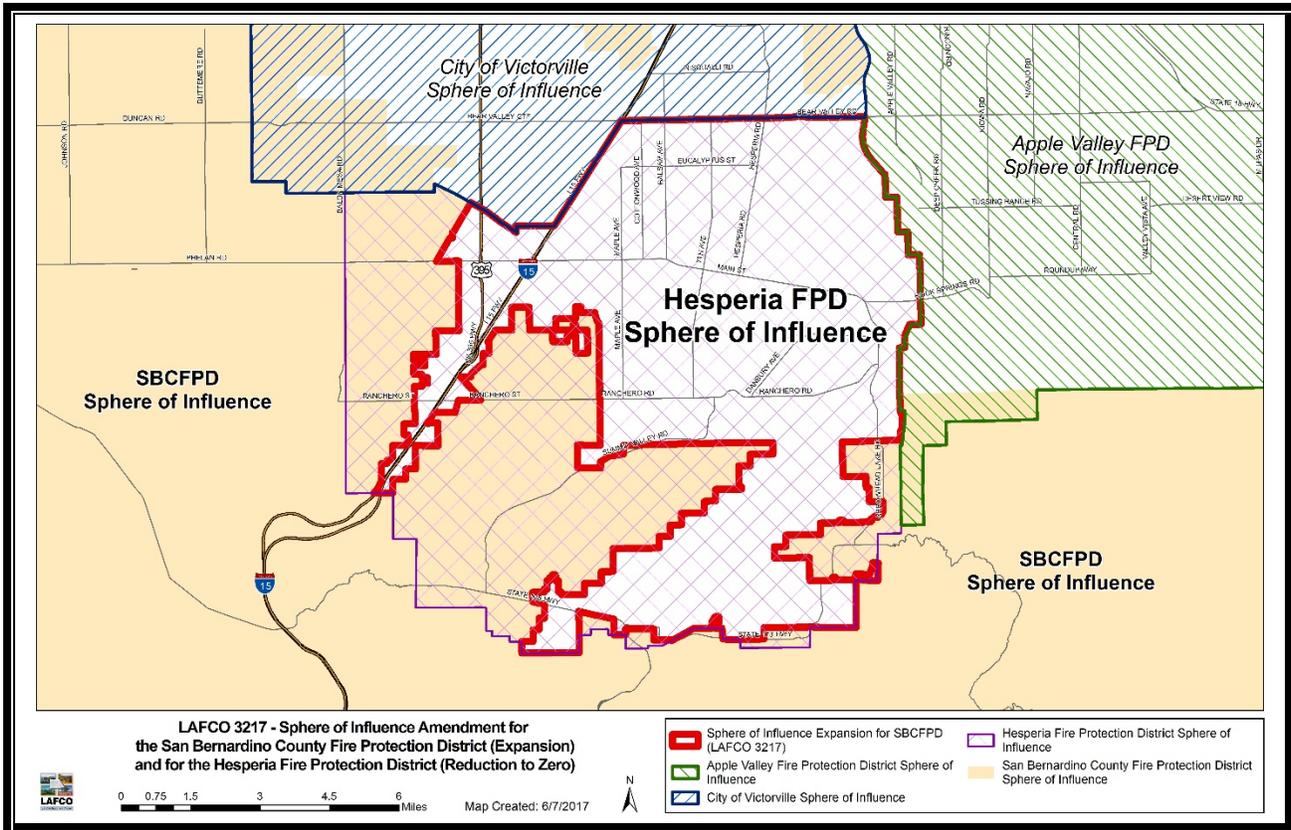
On November 1, 2016, the Board of Directors of the Hesperia Fire Protection District (hereafter "District" or "HFPD") adopted Resolution 2016-19 to initiate an application to: (1) expand the sphere of influence for the San Bernardino County Fire Protection District (hereafter "County Fire") to include the entirety of HFPD, and (2) annex HFPD to County Fire, its North Desert Service Zone, and divest fire/emergency medical response and ambulance functions from the HFPD. On April 18, 2017, County Fire adopted Resolution 2017-75 recognizing and supporting HFPD's resolution.

If approved, the annexation of HFPD would result in the complete assumption of fire suppression, rescue, prevention, emergency medical response and ambulance services by County Fire within the boundaries of the HFPD. HFPD will remain as the sole vehicle to fund continuing retirement obligations for its former employees. These actions were taken in recognition of HFPD's challenging financial position and its inability to pay for the ongoing costs of contracting with County Fire over the long-term.

At LAFCO's September 2015 hearing, the Commission determined that it will not require a municipal service review for the sphere of influence amendments proposed for County Fire. At that hearing, the Commission supported staff's position that sphere of influence "amendments" submitted under the provisions of Government Code Section 56428 do not require a service review.

Expansion of the sphere of influence will allow for the annexation of the entirety of the HFPD by County Fire and its North Desert Service Zone and the divestiture of functions from the HFPD for all its service obligations while retaining the entity for repayment of obligations for legacy retirement costs by separate action (LAFCO 3218). This item will be heard following consideration of the proposed sphere expansion and reduction. This set of proposals is intended to maintain adequate fire protection, emergency medical response and ambulance service within the HFPD given the ongoing revenue challenges that continue to face the District.

The vicinity map which follows identifies the Hesperia FPD, and its existing sphere of influence (currently a part of County Fire) representing the larger Hesperia community.



The data and analysis, below, address the factors of consideration required for a sphere of influence amendment as outlined in Government Code Section 56425. Each of these requires a determination adopted by the Commission.

SPHERE OF INFLUENCE DETERMINATIONS:

HPFD has submitted an application requesting that LAFCO amend the sphere of influence of County Fire to include the entirety of the District which encompasses approximately 48,000 acres (75 square miles) and is generally coterminous with the City of Hesperia. As a part of the initial processing of this proposal, LAFCO staff expanded the consideration to include a sphere of influence reduction for the HFPD recommending the designation of a “zero” sphere of influence. Such a sphere of influence designation by Commission policy is a signal that a change of organization to dissolve the entity should occur in the future.

The proposal, along with a concurrent application (LAFCO 3218) to annex the entirety of the HFPD by County Fire and its North Desert Service Zone, will allow for the residents of Hesperia to continue to receive adequate long-term fire and emergency medical/ambulance services. The HFPD’s immediate and long-term financial constraints preclude the District from continuing to provide this service at acceptable service levels. Therefore, LAFCO staff is recommending that the Commission:

1. Expand the sphere of influence of the San Bernardino County Fire Protection District to include the entirety of the Hesperia Fire Protection District; and,
2. Reduce the sphere of influence of the Hesperia Fire Protection to a zero designation

The following address the mandatory factors as outlined in Government Code Section 56425:

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

The land area proposed to be included in the sphere of influence of County Fire includes the entirety of the HFPD. The HFPD's boundary is generally coterminous with the City of Hesperia's jurisdictional boundary. The subject land area, approximately 75 square miles in size, includes a full range of land uses including rural residential, residential, commercial, industrial, public facilities, agricultural and four specific plans (which provide for specialized zoning designations to accommodate distinct residential and commercial developments). According to the City, approximately 51% of the land area is currently residential, 7% is commercial, 6% is industrial, 3% is agricultural, 6% is classified as "other uses" (airport uses, railroad corridors, aqueducts, utility corridors, etc.), and 27% is vacant. As of January 1, 2017, the City's population is 94,133 according to the State Department of Finance/Demographic Research Unit.

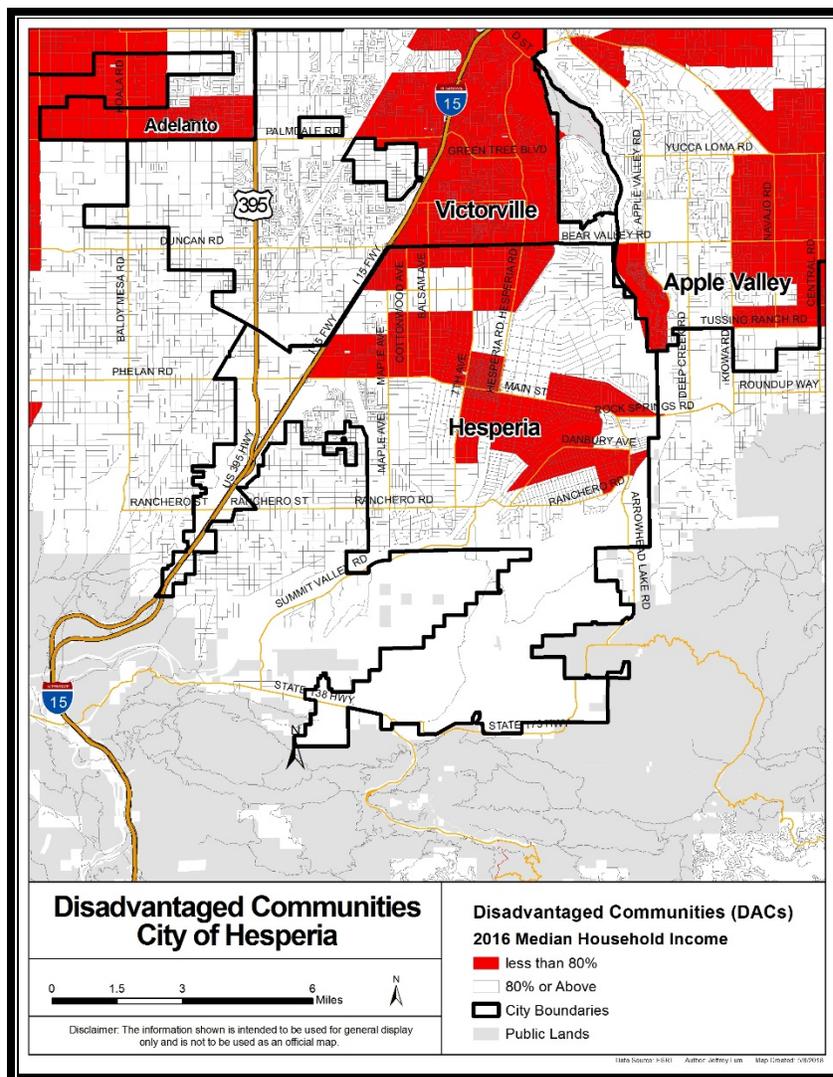
Population projections prepared by the City indicate that by 2040 Hesperia's population will reach 136,517. These population projections include development assumptions for the Tapestry Project – a master planned community in southern Hesperia.

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

As referenced earlier in this report, HFPD has experienced ongoing revenue challenges primarily due to falling property values which have resulted in the decline of property tax-related revenues. Despite efforts to reduce expenditures whenever possible and reorganizing positions to minimize increases in the annual contract for fire protection services with the County, District reserves were ultimately depleted, nine County Fire positions were eliminated, and Fire Station 301 was closed in January 2012. Ongoing fiscal pressures continue to threaten the ability of HFPD to provide adequate levels of fire suppression and emergency services response to Hesperia residents.

HFPD and County Fire have submitted a Plan of Service and Fiscal Impact Analysis for the proposed sphere of influence amendment/annexation proposal. According to the District's Plan of Service, annexation to County Fire will allow the operations of the HFPD to fully integrate into County Fire and take advantage of the economies of scale available within the broader fire organization. Hesperia FPD will remain the vehicle to fund continuing retirement obligations for its former employees.

In addition, Government Code Section 56425(e)(5) directs the Commission to evaluate the present and probable need for the delivery of structural fire protection within a disadvantaged unincorporated community. LAFCO 3217 addresses the Hesperia Fire Protection District, which represents an incorporated city area not required for evaluation by the code section but the questions for assurance of service delivery to a disadvantaged community should also be addressed in this situation. The 2016 Disadvantaged Community Maps maintained by LAFCO identify that portions of the central and northern core of the District are disadvantaged and the Commission has an inherent responsibility to assure the continuation of this critical public health and safety service. The map which follows outlines the disadvantaged areas meeting the criteria of State law as earning less than \$50,043 for 2016 (less than 80% of Statewide median income):



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

County Fire operates 75 fire stations serving approximately 1,000,000 residents in approximately 19,130 square miles of unincorporated territory plus ten incorporated cities including Adelanto, Fontana, Grand Terrace, Hesperia, Needles, San Bernardino, Twentynine Palms, Upland, Victorville, and Yucca Valley. County Fire provides a full range of emergency services, including ladder trucks, fire boats for water rescues, snow cats for winter operations, heavy equipment for flooding and earth moving, ambulance transportation in seven ambulance operating areas, paramedics and large incident command and control capability. County Fire is the largest provider of pre-hospital care in the County and the second largest ambulance provider.

The package of applications submitted by HFPD and County Fire is intended to ensure adequate, long-term fire protection, emergency response and ambulance services for the residents of Hesperia. The District can no longer afford to continue funding these services at appropriate levels.

4. The existence of any social or economic communities of interest as determined by the Commission to be relevant to the agency:

The County Fire District currently provides fire protection and emergency services to 1,000,000 residents. In addition to 19,130 square miles of unincorporated territory, the District serves ten incorporated cities - Adelanto, Fontana, Grand Terrace, Hesperia, Needles, San Bernardino, Twentynine Palms, Upland, Victorville, and Yucca Valley. The implementation of a fiscally sustainable agency to provide adequate levels of fire protection, emergency response and ambulance service to the City of Hesperia residents over the long-term is critical for the safety and well-being of City residents.

Services of the Agency:

Government Code Section 56425(i) requires that during a sphere of influence amendment or update for a Special District, the Commission is required to review and identify the range of services to be provided, as well as the nature and location of those services. At present, the Commission's Policy and Procedure Manual "Chapter 3 Listing of Special Districts within San Bernardino LAFCO -- Authorized Functions and Services" identifies the following services for the Hesperia Fire Protection District:

Fire protection	Structural, watershed, suppression, prevention, ambulance, paramedic
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Following approval of LAFCO 3218 including divestiture, the authorized functions and services of the Hesperia Fire Protection District will be limited to:

requirement for retention of the CalPERS contract with HFPD, it must remain. Therefore, the staff has proposed the reduction of the HFPD sphere to a zero designation signaling the need for a future action to dissolve the agency once this obligation is resolved. For all the reasons outlined in this report, LAFCO staff supports the change in sphere of influence designation to expand the sphere for County Fire and its related service zone and the reduction of the HFPD sphere to zero.

Attachments:

1. [Vicinity Map and Map of Proposed Sphere Expansion](#)
2. [Hesperia Fire Protection District Application for Sphere of Influence Expansion](#)
3. [Letter from Commission Environmental Consultant Tom Dodson of Tom Dodson an Associates dated May 7, 2018](#)
4. [Draft LAFCO Resolution No. 3265](#)