

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: APRIL 8, 2005
FROM: SAMUEL MARTINEZ, LAFCO Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO 2979 – Reorganization to Include Annexations to the City of Highland and the East Valley Water District (Tentative Tract 16914)

INITIATED BY:

City Council Resolution, City of Highland

RECOMMENDATION:

1. Certify that the Commission has reviewed and considered the City's environmental assessment and Mitigated Negative Declaration for this proposal, take the actions identified in the staff report, and direct the Clerk to file a Notice of Determination within five days;
2. Approve LAFCO 2979 – Reorganization to Include Annexations to the City of Highland and the East Valley Water District (Tentative Tract 16914);
3. Waive protest proceedings, as permitted by Government Code Section 56663(c), with 100% landowner support and concurrence from the City of Highland and the East Valley Water District; and,
4. Adopt LAFCO Resolution #2871, setting forth the Commission's findings, determinations, and conditions of approval concerning this proposal.

BACKGROUND:

LAFCO 2979 is a proposal to annex two separate areas, identified as follows:

- Annexation to the City of Highland

The annexation proposal to the City of Highland was submitted to process Tentative Tract 16914, which includes the development of 59 single-family residential units on a total of 54.3 +/- acres. However, a portion of the total project area (approximately 7.51 +/- acres) is already within the City's boundaries. Thus, LAFCO 2979 is a reorganization proposal to annex approximately 46.79 +/- acres of unincorporated territory to the City of Highland. This annexation will bring the entire project area of Tentative Tract 16914 within the corporate boundaries of the City.

The study area is bordered by parcel lines on the north and east; parcel lines on the south, generally located at the terminus of San Benito Street which is north of Greenspot Road (existing City of Highland boundaries); and parcel lines on the west, generally located east of Plunge Creek (existing City of Highland boundaries) within the City's northeastern sphere of influence. The annexation area is mostly vacant land that includes a non-productive citrus and avocado grove, an abandoned irrigation system and one existing mobilehome unit. Location and vicinity maps are included as Attachment #1 to this report.

- Annexation to the East Valley Water District (hereinafter referred to as the "District" or "EVWD")

The annexation to the EVWD is a function of this reorganization. The District's annexation area is only a portion of the entire City's annexation boundary since 39.75 +/- acres of the City's 46.79 +/- acres annexation proposal are already in the District's boundaries. Thus, LAFCO 2979 is a reorganization proposal to annex approximately 7.04 +/- acres to the District. This annexation will bring the entire project area of Tentative Tract 16914 within the boundaries the District.

The District's annexation, which is generally the eastern portion of the City's annexation boundary, is bordered by parcel lines on the north and east; parcel lines on the south (existing District boundaries) and parcel lines on the west (existing District boundaries), within the District's northeastern sphere of influence. The District's annexation area is mostly vacant land characterized by steep slopes located on the eastern edge of the project proposal. Again, location and vicinity maps are included as Attachment #1 to this report.

The reorganization area is surrounded by vacant land on the north and east (San Bernardino National Forest), vacant land on the west, and single-family residences and vacant land on the south. This vacant land to the south is the portion of the Tentative Tract that is already within the City's boundaries.

The County's land use designation for the reorganization area is RS-1 (single-family residential, 1 acre minimum lot size). The City's General Plan land use designation and pre-zoning of the area is Low Density Residential (10,000 sq. ft. minimum lot size), Open Space, and Public/Quasi Public for park purposes. These land uses and pre-zone designations are consistent with surrounding land uses.

The City of Highland and the District have submitted plans for the extension of services as required by law, and those plans are included as Attachments #2 and #3 to this report. In general, the Plan identifies the following:

- Sewage collection services will be available through the EVWD and can be readily extended to the study area from an existing sewer main located north of the Oak Creek Flood Control Channel, in line with San Benito Street, or from an existing sewer main located on Calle De Rio Street. In particular, upon annexation to the City, sewer service will be extended to the 59 lots being proposed for development through the Tentative Tract.
- Water service is presently provided within majority of the area by the EVWD and will not change as a result of the reorganization. At present, only the portion of the park located on the east side of San Benito Street is within the District's boundaries. Thus, the proposed annexation to the District will provide water service to that portion of the park currently outside the District's boundaries.
- Fire protection is currently being provided by County Service Area 38 through the County's Consolidated Fire Agency. This proposal would replace that service with City service provided through contract with the California Department of Forestry and Fire Services (CDF), to provide fire protection and paramedic services. Upon annexation, all residential units built within the reorganization area are subject to the special paramedic tax which currently is \$19.00 per household per year.

In addition, completion of this reorganization will remove the State Responsibility Area (SRA) designation for wildland fire protection from the area. While the City contracts with CDF for its fire services, wildland fire protection will become the financial responsibility of the City upon completion of this reorganization as outlined in State law. The supplement to the City's Plan for Service indicates that the City has established an "Emergency Fund" to mitigate this potential financial burden and it has an automatic aid agreement with the U.S. Forest Service related to wildland fire protection.

- Law enforcement responsibilities are currently provided by the San Bernardino County Sheriff's Department, which will continue to serve the area following the reorganization. The City contracts for its law enforcement services with the County Sheriff's Department.

The Registrar of Voters has certified that the study area is legally uninhabited and the County Assessor's Office has determined that it possesses 100% landowner consent to the reorganization. Staff has requested the City and the District's concurrence to waive the protest proceeding for this proposal as allowed under Government Code Section 56663. The City and the District have indicated their consent; therefore, staff is recommending that the Commission approve this proposal, waive further protest proceedings, and direct the Executive Officer to complete the action. Copies of the landowner consent forms and the City and District's responses are included as Attachment #4 to this report.

The City of Highland conducted an environmental assessment for LAFCO #04-001 (annexation), General Plan Amendment #04-002, Zone Change #04-002 (pre-zoning), Subdivision #04-001 and approval of Tentative Tract Map 16914 to construct 59 single-family residential units. The assessment has been reviewed by the Commission's environmental consultant, Tom Dodson and Associates. Mr. Dodson has determined that the City documents are adequate for Commission use and has indicated that the necessary environmental actions to be taken by the Commission, as a responsible agency under CEQA, are as follows:

- Acknowledge that the Initial Study and Mitigated Negative Declaration prepared by the City of Highland have been independently reviewed and considered by the Commission, its staff, and its environmental consultant;
- Determine that these environmental documents are adequate for the Commission's use as a CEQA Responsible Agency for its determination related to the reorganization;
- Determine that the Commission does not intend to adopt alternatives or mitigation measures for this project, and that the mitigation measure included in the City's environmental documents are the responsibility of the City and others, not the Commission; and
- Direct the Clerk to file a Notice of Determination within five days.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal.

1. The Registrar of Voters Office has certified that the study area is legally uninhabited, containing zero (0) registered voters as of January 3, 2005.
2. The study area is within the sphere of influence assigned for the City of Highland and EVWD.
3. The County Assessor has determined that the assessed value of land and improvements within the reorganization area is \$1,190,862 (land - \$1,157,544 -- improvements - \$33,318) and that there is 100% landowner consent to the reorganization.
4. Commission review of this proposal has been advertised in *The Sun* and *The Highland Community News*, newspapers of general circulation within the study area. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
5. LAFCO staff has provided individual notices to the landowners within the reorganization area (2 notices), and to landowners and registered voters surrounding the reorganization area (totaling 199 notices) in accordance with State law and adopted Commission policies. To date, no comments or protest have been received regarding the consideration of this proposal.
6. The City of Highland adopted by ordinance a General Plan Amendment (#04-002) and Zone Change (#04-002) for the designation and pre-zoning of the project identified as Tentative Tract 16914. Of the 47 acres proposed for annexation, the City pre-zoned the study area to: R-1, 10,000 (Single-Family Residential, 10,000 sq. ft. minimum lot sizes) for approximately 18.1 acres, P/Q (Public/Quasi-Public – for park purposes) for approximately 3.3 acres, and OS (Open Space) for approximately 25.6 acres. The entire Tentative Tract, which encompasses a total of 54.3 acres, is being proposed for the development of 59 single-family residential units with a density of 1.09 units per acre. These zoning designations conform to the adopted General Plan for the City of Highland and are consistent with surrounding land uses.

Pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. As a function of its review of LAFCO #04-001 (annexation), General Plan Amendment #04-002, Zone Change #04-002, Subdivision #04-001 and approval of Tentative Tract Map 16914 to construct 59 single-family residential units, the City of Highland acted as the lead agency for the environmental assessment for the reorganization proposal. The Commission's environmental consultant, Tom Dodson and Associates, has reviewed the City of Highland's Initial Study and Mitigated Negative Declaration and determined that they are adequate for the Commission's review of the proposed reorganization as a responsible agency. A copy of the City's environmental documents and Mr. Dodson's response are included as Attachment #5 to this report. The actions required by the Commission as a responsible agency are included in the narrative portion of the report.

8. The area in question is presently served by the following local agencies:

County of San Bernardino
East Valley Water District (portion)
East Valley Resource Conservation District
San Bernardino Valley Municipal Water District
County Service Area 38 (fire protection)
County Service Area 70 (multi-function unincorporated area
Countywide)

Annexation to the EVWD of the area not currently within its jurisdiction is a function of the reorganization. Detachment of CSA 38 and CSA 70 will automatically occur upon successful completion of this proposal pursuant to the provisions of Government Code Section 25210.90. None of the other agencies are affected by this proposal.

9. The City of Highland and EVWD have submitted plans for service, as required by law and Commission policy. These plans, included as Attachment #2 and #3 to this report, outline that the City and the District can maintain and/or improve the level and range of services currently available in the study area. Upon annexation, the City, District, and all other affected agencies will extend their services as required by the development. The "TTM 16914" Fiscal Impact Analysis (by Stanley R. Hoffman Associates), prepared for the project proposal, identifies the anticipated revenues and costs for the project and indicates that the recurring revenues will generally cover the operating and maintenance costs after buildout. The developer will be responsible for the construction of the park and open space slopes and trail facilities including a cash payment equivalent to one year of maintenance associated with park and other landscaped areas. Annexation into the City's Consolidated Landscape and Lighting District No. 96-1 will be

required for funding park operations and maintenance, the landscaped areas, trails and streetlights; and the annexation to the City's Street Drainage Maintenance District No. 96-01 will be required for storm drain maintenance funding.

10. The reorganization proposal complies with Commission policies that indicate the preference for areas proposed for development at an urban-level land use to be included within a City and its family of Special Districts so that the full range of municipal services can be planned, funded, extended and maintained.
11. The reorganization area can benefit from the availability and extension of services from the City of Highland and EVWD.
12. This proposal will assist the City's ability to achieve its fair share of the regional housing needs upon development of Tentative Tract 16914 which proposes to create 59 new single-family residences.
13. The County of San Bernardino and the City of Highland have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

CONCLUSION

Staff supports the City's proposal on the basis that the proposed Tentative Tract 16914, which includes the development of 59 single-family residential units, will benefit from the full range of services provided by the City of Highland and EVWD. For this reason, and those outlined within the staff report, staff recommends approval of LAFCO 2979.

KRM/sm

Attachments:

1. Vicinity Maps and Annexation Area Maps
2. City of Highland Application, Supplement to Plan for Service, Plan for Service, and Fiscal Analysis
3. East Valley Water District Plan for Service
4. Landowner Consent Forms including the City and District's Concurrence to Waive Protest Proceedings

5. Response from Tom Dodson and Associates including City of Highland's Environmental Documents
6. Draft Resolution #2871