

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

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490  
• (909) 387-5866 • FAX (909) 387-5871  
E-MAIL: lafco@lafco.sbcounty.gov  
www.sbclafco.org

---

**DATE:** MAY 6, 2005  
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT: Agenda Item #11: LAFCO 2974 – County Service Area (CSA) 110  
Dissolution**

---

**INITIATED BY:**

Local Agency Formation Commission

**RECOMMENDATION:**

1. Determine that LAFCO 2974 is statutorily exempt from environmental review and direct the Clerk of the Commission to file a Notice of Exemption within five days of this action;
2. Approve LAFCO 2974 - Dissolution of CSA 110, subject to the following terms and conditions, omitting the standard condition for legal defense responsibility as the Commission is the applicant:
  - a) Authorize the completion of these proceedings pursuant to Government Code Section 57113, without an election, unless 10% of the registered voters or 10% of the number of landowners who own at least 10% of the assessed value of land within the District submit written protest to this proposal.
  - b) All special assessment revenue attributable to the District, including delinquent assessments, and any and all other collections or assets of the District to be dissolved shall accrue and be transferred to County Service Area 70 Improvement Zone EV-1, created as a service entity within the unincorporated area of CSA 110.

- c) Pursuant to the provisions of Government Code Section 56885.5(a)(4), the County of San Bernardino, as governing body of CSA 110, is prohibited from taking the following actions unless an emergency situation exists as defined in Section 54956.5:
  - 1) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency;
  - 2) Appropriating, encumbering, expending, or otherwise obligating any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the Commission.
3. Adopt LAFCO Resolution #2879, setting forth the Commission’s findings and determinations concerning this proposal.

**BACKGROUND:**

LAFCO 2974 is a proposal to dissolve County Service Area 110 (hereinafter “CSA 110” or “District”) initiated by the Commission following completion of the service review for this agency in September 2004. The service area of CSA 110 encompasses approximately 4,480 acres and includes unincorporated County area and areas within the Cities of Redlands and Loma Linda. Location and vicinity maps are included as Attachment #1 to this report.

CSA 110 was formed in 1984 as a mechanism to fund the study of the East Valley Corridor Specific Plan. The development of the Plan was funded through a one-time special assessment against each parcel within the District’s boundaries. While its primary purpose was to provide master planning and preliminary design of the Specific Plan, the potential to facilitate financing for the operation and maintenance of public facilities within the study area was also anticipated for the District. Therefore, the District was authorized the powers to provide the services of: planning, water, sewer, roads, streetlights, parkway facilities and services, fire protection and soil conservation. While both Cities consented to the overlay of the District through adoption of resolutions, it was with the agreement that CSA 110 would “neither construct, nor operate, nor maintain any capital improvement or physical facility, other than administrative facilities without prior written approval from the City Council of the affected City”. Overall operation of CSA 110 was to be managed by the County in consultation with a nine-member advisory body which was comprised of three members from each entity involved - three from the County, three from the City of Redlands, and three from the City of Loma Linda.

On September 15, 2004, the Local Agency Formation Commission considered LAFCO 2930 – Service Review and Sphere of Influence Update for CSA 110. The service review indicated that the East Valley Corridor Specific Plan was funded, studied and adopted by the County and the Cities of Loma Linda and Redlands in 1989. Subsequent to that adoption, CSA 110 became, for all intents and purposes, a paper district only accruing the receipts of unpaid assessments for the preparation of the Specific Plan. The Service Review found that CSA 110 had no budget, provided no service, and had no existing source of revenues. At that hearing the Commission determined to initiate dissolution proceedings as allowed by Government Code Section 56375(a). In doing so, the Commission made the following findings pursuant to Government Code Section 56375(a):

- a. No change in service costs is applicable, as CSA 110 provides no service and accrues no revenues; therefore, service costs are less than or substantially equal to available alternatives.
- b. The change will promote public access and local accountability since it will remove an agency which has held no election, has had no public discourse, and has had no budget in over ten years.

At the September 15, 2004 hearing, the Commission officially took action to initiate the dissolution of the CSA 110. The balance of the report will address the four factors required for review: boundaries, financial considerations, service considerations and environmental considerations.

**DISTRICT BOUNDARIES:**

The dissolution proposed will have no direct effect on the boundaries of the existing service providers within the area. This area may benefit in the future through the removal of this agency as it will allow for possible Tax Rate Area consolidations.

**FINANCIAL CONSIDERATIONS:**

The District was funded by a one-time special assessment on the parcels within its boundaries. Following 1989, it accrued the receipts of unpaid assessments for the preparation of the Specific Plan. During Fiscal Year 2000-01, the balance of those funds, \$74,469, was transferred to a trust account, identified as “Water Allocation Development Trust”, CSA 70 (VHD-105). At the present time, the District has no budget; it has no continuing source of revenue but has a fund balance within the County Treasury of \$1,681 within Account No. SFS-150—CSA 110 and the \$74,469 within VHD-105 Water Allocation Development Trust. These fund balances will require redistribution and the only existing entity within the unincorporated area of CSA 110 is County Service Area 70, Improvement Zone EV-1. A condition of approval has been

included to transfer these revenues to CSA 70 EV-1 for its use to provide its range of services and provides for continuing transfer of the special assessment revenues in the future as they are received.

**SERVICE CONSIDERATIONS:**

The District does not provide any service within its boundaries. All services that the District is authorized to provide are currently being provided by other entities within this area. Below is a summary of the services that the District is authorized with a description of the entities that currently provide them within its boundaries.

<b>Service</b>	<b>Agency/Entity Providing Service</b>
a. Planning	<ul style="list-style-type: none"> <li>▪ City of Redlands (within City’s boundaries)</li> <li>▪ City of Loma Linda (within City’s boundaries)</li> <li>▪ San Bernardino County (for unincorporated areas)</li> </ul>
b. Water	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> <li>▪ San Bernardino Valley Municipal Water District (wholesale/state project water)</li> </ul>
c. Sewer	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> </ul>
d. Roads	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> <li>▪ CSA 70 EV-1</li> </ul>
e. Streetlights	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> <li>▪ CSA 70 EV-1</li> </ul>
f. Parkway Facilities and Services	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> <li>▪ CSA 70 EV-1</li> </ul>
g. Fire Protection	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> </ul>
h. Soil Conservation / Drainage Control	<ul style="list-style-type: none"> <li>▪ City of Redlands</li> <li>▪ City of Loma Linda</li> <li>▪ East Valley Resource Conservation District</li> <li>▪ County Flood Control</li> </ul>

Therefore, no service will be impacted by the dissolution of the District since:  
 a) the District is not actively providing any of the services it was authorized;  
 and b) all the services that it was authorized to provide are currently provided by others.

**ENVIRONMENTAL CONSIDERATIONS:**

As the CEQA lead agency, the Commission’s Environmental Consultant, Tom Dodson and Associates, has reviewed the proposed dissolution of CSA 110 and recommended that this application is statutorily exempt from environmental review. A copy of Mr. Dodson’s response is included as Attachment #4 to this report. It is recommended that the Commission determine that the proposal is statutorily exempt from environmental review under Section 15061(b) (3) of CEQA and direct the Clerk to file a Notice of Exemption within five days.

**FINDINGS:**

The following findings are required to be provided by Commission policy and Government Code Section 56668:

1. The Registrar of Voters Office has certified that the study area is legally inhabited, containing 1,656 registered voters as of April 1, 2005.
2. The County Assessor has determined that the assessed value of land and improvements within the District is \$874,136,846 (land - \$326,414,966 - improvements - \$547,721,880).
3. Notice of this hearing has been provided through publication in The Sun and the Redlands Daily Facts, 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.
4. In compliance with Commission policy, and allowed by Government Code Section 56157, notice of the hearing has been provided by publication of an eighth-page legal ad in The Sun, a newspaper of general circulation in the area and the Redlands Daily Facts, a local newspaper. No comments from landowners or any affected local agency have been received to date regarding the proposed dissolution.
5. The Commission’s Environmental Consultant has reviewed this proposal and recommends that a statutory exemption be issued for LAFCO #2974. Mr. Dodson’s response is included as Attachment #4 to this report.
6. The area within CSA 110 is presently served by the following local agencies:

San Bernardino County  
City of Redlands

City of Loma Linda  
San Bernardino Valley Municipal Water District  
San Bernardino Valley Water Conservation District (portion)  
East Valley Resource Conservation District  
Redlands Redevelopment 76 Annex  
Redlands Redevelopment Project  
Loma Linda Sanitation District  
Loma Linda Redevelopment Project  
Loma Linda Redevelopment Project No. 2  
Inland Valley Development Authority (Redevelopment agency for  
reuse of the former Norton Air Force Base, now known as the  
San Bernardino International Airport)  
CSA 38 (fire protection)  
CSA 70 (multi-function county service area)  
CSA 70 Improvement Zone EV-1 (water, sewer, streetlighting, park  
and recreation, road maintenance & drainage control)

None of the agencies listed above are affected by this dissolution proposal.

7. A plan for service prepared by LAFCO staff indicates that no service will be impacted by the dissolution of the District. The District does not provide a service and the services that it was authorized to provide are currently available within the District's boundaries through other entities. This plan is included as part of Attachment #2 to this report.
8. This proposal and its anticipated effects comply with adopted Commission policies.
9. All notices required by law have been provided. To date, no protest to this proposal has been submitted.
10. Pursuant to the provisions of Revenue and Taxation Code Section 99, the County Board of Supervisors has adopted a property tax resolution indicating that there is no property tax revenue to be transferred as a result of this proposal. The basis for this determination is that CSA 110 does not receive a share of the existing ad valorem property tax and no successor agency is being proposed since the District does not provide any service.
11. The map is in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

**CONCLUSION**

As indicated in the Service Review/Sphere of Influence Update for CSA 110, staff supports this dissolution on the basis that the district no longer serves a useful purpose. It currently does not provide any services, its revenue was a one-time special assessment for the purpose of preparing a Specific Plan which has been completed, and it has no current revenue stream other than past due assessments. Moreover, all the services that it was authorized to provide are already provided by other entities within the District's boundaries and its formation documents restrict its ability to build and operate facilities. For these reasons, and those outlined within the staff report, staff recommends approval of LAFCO 2974.

KRM/sm

Attachments:

1. Map of CSA 110
2. Dissolution Application, Including Plan for Service
3. September 2004 Staff Report for LAFCO 2930 Service Review/Sphere of Influence Update for County Service Area 110 (Without Attachments)
4. Environmental Review from Tom Dodson and Associates
5. Draft Resolution #2879