

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

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DATE: APRIL 3, 2009

FROM: SAMUEL MARTINEZ, Senior LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4: LAFCO 3128 – Reorganization to Include City of Fontana Annexation No. 172 and Detachment from County Service Areas 70 and SL-1

INITIATED BY:

City of Fontana Council Resolution

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3128 by taking the following actions:

1. Adopt the Statutory Exemption that has been recommended for this proposal, and direct the Clerk to file a Notice of Exemption within five (5) days of this action;
2. Approve LAFCO 3128, with the following conditions:
 - a) All streetlights currently the responsibility of County Service Area SL -1 within the reorganization area shall be transferred to the City of Fontana upon successful completion of the annexation. The County Special Districts Department shall prepare the appropriate documentation to transfer the single light, LAFCO staff shall verify the data, and the City of Fontana shall sign the authorization form requesting Southern California Edison to transfer the specific light to a City of Fontana account.
 - b) Standard terms and conditions that include the “hold harmless” clause for potential litigation costs, continuation of fees, charges, assessments, and the identification that the transfer of utility accounts will occur within 90 days of the recording of the Certificate of Completion.

3. Adopt LAFCO Resolution #3055, setting forth the Commission’s findings, determinations, and conditions for the proposal.

BACKGROUND INFORMATION:

In November 2008, the City of Fontana (hereinafter the “City”) submitted to LAFCO a City-initiated reorganization application which proposes to annex approximately 5+/- acres to the City. LAFCO 3128 is a reorganization proposal located along the east side of Calabash Avenue, generally between Foothill Boulevard and Ivy Avenue, in the City’s western sphere of influence (location and vicinity maps are included as Attachment #1 to this report). The reorganization area includes the southern portion of the Sierra Vista Mobile Estates, an existing mobilehome park. The northern portion of the mobilehome park is already in the City.

The City’s purposes in submitting this proposal, as outlined in its application, are as follows:

1. To annex an area that was inadvertently omitted from a previous annexation; and,
2. To provide municipal services to the area and to alleviate any confusion regarding service delivery – especially to the entire mobilehome park.

In 2005, the Commission considered and approved LAFCO 2968, an annexation to the City that was comprised of two (2) separate areas, encompassing approximately 93+/- acres generally located south of Foothill Boulevard, extending from East Avenue at the City of Rancho Cucamonga city limits to Cherry Avenue on the east. The hatched area shown on Figure 1 below illustrates the portion that was annexed through approval of LAFCO 2968.

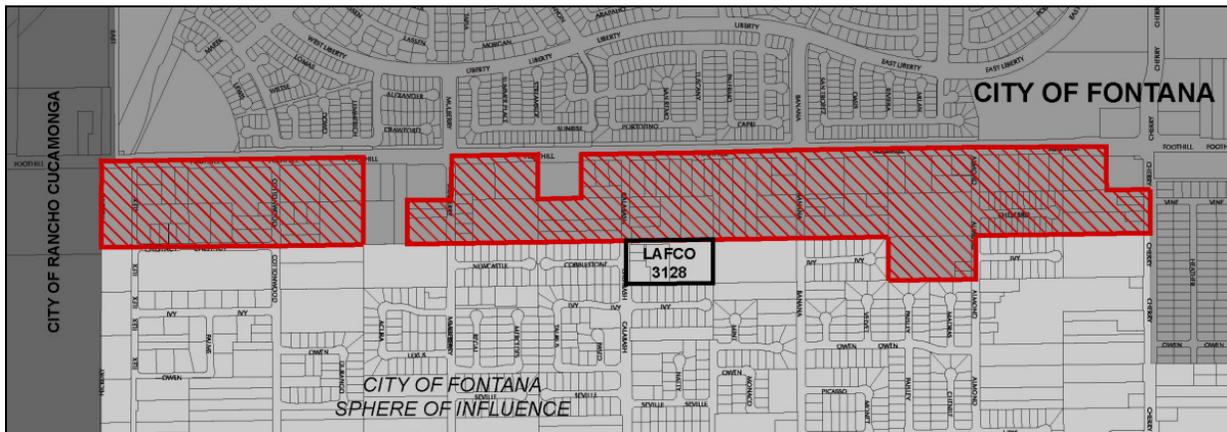


Figure 1

In reviewing LAFCO 2968, LAFCO staff and/or the City staff failed to notice that the annexation boundary had divided the identified mobilehome park. Since the boundary for LAFCO 2968 ran along parcel lines, it was automatically perceived as separate parcels - not a group of parcels making up a single mobilehome park.

Therefore, LAFCO 3128 is a reorganization proposal that has been submitted to annex the balance of the mobilehome park. The City also included the parcels along Calabash Avenue to provide for an easily identifiable boundary.

The rest of the report will provide the Commission with the information related to the four major areas of consideration required for consideration for a jurisdictional change – boundaries, land uses, service delivery and the effect on other local governments, and environmental considerations.

BOUNDARIES:

The reorganization area encompasses approximately 5+/- acres and is generally bordered by Calabash Avenue on the west, parcel lines (existing City boundary) on the north, and parcel lines on the east and south.

In the past, the Commission had expressed its concern regarding the piecemeal approach to annexations and its direction to review the expansion of any proposal submitted to create a more logical and efficient boundary.



Figure 2

However, as depicted clearly on Figure 2, it is LAFCO staff’s position that LAFCO 3128 cannot be expanded westerly towards Mulberry Avenue without the potential risk of having the proposal terminated due to protest. Likewise, expanding the reorganization area easterly towards Banana Avenue would either create a more noticeable peninsula of unincorporated area or run the risk of having the proposal terminated due to protest if expanded even further east.

Again, LAFCO 3128 was submitted to annex the balance of the mobilehome park placing the entire mobilehome park within the City's jurisdiction. Given the limitations for expansion outline above, it is LAFCO staff's position that the reorganization area is a logical boundary since it runs along the centerline of Calabash Avenue (which includes the parcels westerly of the mobilehome park that front Calabash Avenue) and the mid-block line between Calabash and Banana Avenues, which are easily identifiable boundaries for service delivery.

LAND USE:

Existing Land Uses:

The reorganization area is entirely developed. Those developments include a mobilehome park and single-family residential development. Existing land uses directly surrounding the area include the remainder of the existing mobilehome park to the north (within the City), and residential development to the east, south and west (within the unincorporated County area).

County Land Use Designation:

The County's current land use designation for the area is Multiple Residential (RM), which allows for multiple residential uses, mixed residential uses, and similar and compatible non-residential uses and activities.

City's General Plan:

The City's General Plan designation for the area is Single-Family Residential (R-SF), which permits 2.1 to 5 dwelling units per acre. As outlined above, the land use determinations between the City and County are generally compatible.

City's Pre-Zone Designation:

The City has pre-zoned the reorganization area R-1 (Single-Family Residential). This pre-zone designation was determined through the City's consideration of Ordinance No. 1444, which was adopted on March 16, 2004, for the pre-zoning of its sphere of influence. This land use designation is consistent with the City's General Plan designation for the area and is also consistent with surrounding land uses. Pursuant to the provisions of Government Code Section 56375(e), this zoning designation shall remain in effect for a period of two (2) years following annexation. The law allows for a change in designation if the City Council makes the finding, at a public hearing, that a substantial change has occurred in circumstance that necessitates a departure from the pre-zoning outlined in the application made to the Commission.

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. Current County service providers within the reorganization area include County Service Area SL-1 (streetlighting entity), and County Service Area 70 (multi-function entity Countywide). In addition, the Fontana Fire Protection District (fire protection/paramedics), the Inland Empire Utilities Agency (wastewater treatment services), and the Metropolitan Water District of Southern California (the State Water Contractor) overlay the entire reorganization area. The Fontana Water Company, a private water company that provides retail water service, also overlays the reorganization area.

The City has provided a "Plan for Service" for this proposal as required by law and Commission policy. The City's Plan for Service includes a Fiscal Impact Analysis which indicates that the property tax revenues anticipated to be received, motor vehicle in-lieu fees, and other assessments within the City are sufficient to fund the delivery of its services. The Plan is attached to this report for Commission review as part of Attachment #2, and in general, identifies the following:

- The City provides for the sewage collection system within its boundaries, while the treatment of wastewater is the responsibility of the Inland Empire Utilities Agency. The single-family residences within the reorganization area and the mobilehome park will not be required to connect to sewer following the annexation unless a septic system failure occurs.
- Water service is currently provided by the Fontana Water Company, a private water company regulated by the Public Utilities Commission. No change will occur for this service provider on the basis of this annexation.
- Law enforcement responsibilities will shift from the San Bernardino County Sheriff's Department and California Highway Patrol to the City of Fontana Police Department. The City has indicated that there will be no additional modifications to its Police Department through approval of this annexation and that it has sufficient personnel and equipment to adequately serve the area.
- Solid waste services are currently provided within the reorganization area and within the City of Fontana by Burrtec Waste Industries. No change in service provider will occur through the annexation. As of September 2008, the residential monthly rate in the City is \$22.26, which is \$0.18 less than the current unincorporated rate. In addition, the annexed area will be offered a more comprehensive service, which includes automated pickup of green waste, frail/handicapped service, free curbside used oil and filter pickup, and free additional recycling bins.

- Fire protection and paramedic services are currently provided by the Fontana Fire Protection District, a subsidiary district of the City. No change will occur to this service provider through the reorganization.
- Streetlighting is currently funded within the reorganization area through County Service Area SL-1. While the Plan for Service does not outline this service, the Commission's adopted policy requires documentation of the transfer of this responsibility through verification of lighting facilities to be transferred and requiring the City to submit a signed form authorizing the transfer upon completion of the annexation. LAFCO staff has verified that there is one (1) light to be transferred and it is estimated that the annual cost of operation of a single light is approximately \$100 per year. The property tax transfer from CSA SL-1 to the City is \$247, which can fund the cost of operating the light.

It is the position of staff that LAFCO 3128 is a straightforward and logical extension of service delivery by the City of Fontana. As required by Commission policy and State law, the Plan for Service submitted by the City of Fontana indicates that the extension of its services will maintain, and/or exceed, current service levels provided by the County.

ENVIRONMENTAL CONSIDERATIONS:

The Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has indicated that the review of LAFCO 3128, is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the reorganization proposal has no potential to cause any adverse effect on the environment; and therefore, the proposals are exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3).

CONCLUSION:

It is staff's position that this reorganization is a straightforward item of consideration and should be supported. Staff supports approval of LAFCO 3128 for the following reasons:

- The reorganization annexes an area that was inadvertently omitted from a previous annexation;
- Upon annexation, the entire Sierra Vista Mobile Estates will become a part of the City of Fontana, which will eliminate any confusion regarding service delivery within the mobilehome park;
- The area will benefit from the full range of services to be provided by the City of Fontana; and,

- The reorganization area provides a logical boundary since it runs along the centerline of Calabash Avenue (which includes the parcels westerly of the mobilehome park that fronts Calabash Avenue) and the mid-block line between Calabash and Banana Avenues, which are easily identifiable boundaries for service delivery.

For these reasons, and those outlined throughout the staff report, the staff supports approval of LAFCO 3128.

FINDINGS:

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

1. The County Registrar of Voters Office has determined that the reorganization area is legally inhabited, containing 43 registered voters as of March 19, 2009.
2. The County Assessor has determined that the total assessed value of land and improvements within the reorganization area is \$1,632,512 (land - \$559,294 -- improvements - \$1,073,218).
3. The area is within the sphere of influence assigned the City of Fontana.
4. Commission review of this proposal has been advertised in *The Sun*, a newspaper of general circulation within the reorganization 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 notice to the landowners and registered voters within the reorganization area (totaling 46) and to landowners and registered voters surrounding the reorganization area (totaling 352) in accordance with State law and adopted Commission policies. To date, no written comments in support or opposition have been received.
6. The City has pre-zoned the reorganization area to R-1 (Single-Family Residential). This zoning designation is consistent with the City's General Plan designation for the area. Pursuant to the provisions of Government Code Section 56375(e), this zoning designation shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated that the review of LAFCO 3128 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b) (3). A copy of Mr. Dodson's report is included for the Commission's review as Attachment #3.
8. The area in question is presently served by the following local public agencies:

County of San Bernardino
Metropolitan Water District of Southern California
Inland Empire Resource Conservation District
Inland Empire Utilities Agency (formerly known as Chino Basin
Municipal Water District) and its Improvement District C
Fontana Fire Protection District
County Service Area SL-1 (streetlighting)
County Service Area 70 (multi-function unincorporated area
Countywide)

CSA SL-1 and CSA 70 will be detached as a function of this reorganization. The transfer of streetlight responsibilities of CSA SL-1 to the City is a condition of approval. None of the other agencies are affected by this proposal as they are regional in nature.

9. The City of Fontana has submitted a plan for the extension of municipal services to the reorganization area, as required by law. The financial information presented within the Plan for Service indicates that the extension of services can be maintained and operated within the existing revenue resources available through the transfer of property taxes, extension of commercial utility tax, and fees for service. This Plan is attached for Commission review and indicates that the City can, at a minimum, maintain the level of service delivery and can improve the level and range of selected services currently available in the area.
10. The reorganization proposal is consistent with State law and 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 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 municipal services from the City.

12. This proposal will not assist the City in achieving its fair share of the regional housing needs since the entire reorganization area is already developed.
13. With respect to environmental justice, LAFCO staff believes that the reorganization area would benefit from the extension of services and facilities from the City and, at the same time, will not result in the unfair treatment of any person based on race, culture or income.
14. The County of San Bernardino and the City of Fontana have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this annexation. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
15. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

KRM/sm

Attachments:

1. Vicinity Maps and Reorganization Area Maps
2. City's Application and Plan for Services
3. Response from Tom Dodson and Associates
4. Draft Resolution No. 3055