

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE : JULY 11, 2011
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #8 and #9 – Review of Policy and Procedure Manual and Review and Possible Action on Island Annexation Policies and Implementation Directives

RECOMMENDATION:

Staff recommends that the Commission continue consideration of the discussion and possible amendment to the Policy and Procedure Manual and Policy #29 – Island Annexation Policy and Directives to the September 28, 2011 Hearing.

BACKGROUND:

Following the reconsideration hearing on LAFCO 3067 San Bernardino Islands in February 2010 and again at the August 2010 Workshop, the Commission directed staff to bring back a discussion of its Island Annexation Policy and its directions and practices for implementation. In addition, at the August 2010 Workshop the Commission directed staff to provide a full review of the Policy and Procedure Manual with development of a mission statement. At the January 2011 hearing, staff requested continuance of the items to allow for further review with affected cities and the County.

During the processing of the efforts to amend the Policy and Procedure Manual for the Commission two items have occurred that require a continuance of the matter:

1. In June, LAFCO staff discussed the efforts to revamp and reorganize the Commission's Policy and Procedure Manual with the Commission's Environmental Consultant and Legal Counsel. That discussion culminated in a recommendation that an environmental assessment be conducted for the review and consideration of this document, akin to the reviews required for General Plan amendments. Staff was unable to accomplish this analysis for the July hearing and due to the presentation of the Bear Valley Service Review on the August agenda, is recommending that the matter be continued to the September hearing.

2. On June 30th the San Bernardino Associated Governments (SANBAG) and the County Board of Supervisors adopted the Countywide Vision Statement. The statement reads:

“We envision a complete county that capitalizes on the diversity of its people, its geography, and its economy to create a broad range of choices for its residents in how they live, work, and play.

We envision a vibrant economy with a skilled workforce that attracts employers who seize the opportunities presented by the county’s unique advantages and provide the jobs that create countywide prosperity.

We envision a sustainable system of high-quality education, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure, in which development complements our natural resources and environment.

We envision a model community which is governed in an open and ethical manner, where great ideas are replicated and brought to scale, and all sectors work collaboratively to reach shared goals.

From our valleys, across our mountains, and into our deserts, we envision a county that is a destination for visitors and a home for anyone seeking a sense of community and the best life has to offer.”

The staff position is that this unifying statement should be included in the Commission’s mission statement. Redrafting of the statement and introduction section of the policy and procedure manual will need to be undertaken, again prompting the staff’s recommendation for continuance.

3. In reference to the Island Annexation policy discussion, Agenda Item #9, on July 1, 2011 SB 89 became effective removing the discretionary VLF funding for inhabited annexations and incorporations which occurred after 2004. This reduction was the State Budget mechanism to guarantee the continuation of the COPS Grants. This legislation was apparently drafted in the dark of night on Monday June 27 without a serious vetting to address issues, passed by the Legislature on Tuesday June 28, and signed by the Governor on June 30, effective July 1. Attached to this report is the information prepared by Mr. Michael Coleman, Financial Policy Analyst for the California League of Cities, outlining the effects of this legislation. The effects in our County are most dramatic for the City of Fontana which processed LAFCO 3048 addressing the full range of its islands, removing a total of \$1,397,806 VLF funding with a return of \$298,859 COPS grant, a loss of more than \$1,000,000. In Riverside County it is anticipated that there will be a probable four disincorporations – Wildomar, Menifee, Eastvale and Jurupa Valley -- in the near future since as much as 50% of these new cities funding has been removed.

It has been identified in several local newspapers that this was an unintended consequence of the legislation but was effective as of July 1, 2011. However, without a legislative fix these additional losses will need to be addressed by the local agencies, many of whom just completed painful budget discussion and actions. From the LAFCO side, staff will need to provide the Commission with an analysis of the impacts of this legislation on the Island Annexation Policy and other areas of current Commission practices and directions regarding the question of sustainability. Therefore, staff is recommending continuance of the item to consider Policy #29 – Island Annexation Policy to the September 28th hearing to allow for completion of this analysis.

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Attachment:

1. [Countywide Vision Statement and Background Material](#)
2. [Outline of Impacts of SB 89 Prepared by Mr. Michael Coleman, Fiscal Policy Advisor for the California League of Cities, Excerpt from Chart Showing San Bernardino and Riverside Counties, Copy of SB 89](#)