

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

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DATE: NOVEMBER 12, 2002
FROM: JAMES M. RODDY, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: Agenda Item #3a and #3b: LAFCO #2896 and LAFCO #2902--
Service Reviews and Sphere of Influence Studies for the City of
Montclair and the Monte Vista Fire Protection District**

INITIATING AGENCY:

Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO #2896 and LAFCO #2902 are statutorily exempt from environmental review, and direct the Clerk to file Notices of Exemption within five days;
2. Make findings related to a service review required by Government Code Section 56430 (service review factors), and determine that the sphere of influence for the City of Montclair should not be changed (LAFCO #2896);
3. Determine that none of the service review factors for the Monte Vista Fire Protection District are applicable since the District functions are provided by the City of Montclair, and determine that the sphere of influence of the Monte Vista Fire Protection District shall be coterminous with the sphere of the City of Montclair;
4. Initiate proceedings for the dissolution of the Monte Vista Fire Protection District and schedule those proceedings subsequent to the successful annexation of an unincorporated island to the City of Upland with the following findings required by Government Code Section 56881:

- a. Public service costs of such a proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service; and,
 - b. The proposed dissolution promotes public access and accountability for community services needs and financial resources.
5. Adopt LAFCO Resolution #2743 (City of Montclair) and LAFCO Resolution #2751 (Monte Vista Fire Protection District) setting forth the Commission's findings and determinations.

BACKGROUND INFORMATION:

These proposals were initiated by the Local Agency Formation Commission in response to new state mandates requiring service reviews and sphere of influence updates for all cities and special districts on a rotating five-year schedule. LAFCO #2896 is a service review and sphere of influence update for the City of Montclair. LAFCO #2902 is a service review and sphere of influence update for the Monte Vista Fire Protection District.

Attached for Commission review is the response from the City of Montclair to the factors required by Government Code Section 56430 for the conduct of service reviews. For the sake of brevity, those responses are not duplicated in this report, but are instead contained within the draft resolution (#2743) which is also attached for Commission review. The important points are that the City of Montclair is not proposing any changes to its sphere of influence (which has been in effect for more than thirty years), and none of the adjacent or overlaying agencies have identified any concerns with that long-established sphere. The reader is referred to the draft resolution and the written response from the City of Montclair for further discussion of the sphere/service review findings.

The Monte Vista Fire Protection District, however, requires a different response. The MVFPD overlays the unincorporated sphere of influence of the City of Montclair, in addition to a small unincorporated island of territory located within the City of Upland sphere of influence. The total District land area is approximately one and one-half square miles.

For at least the last twenty years, the District has contracted with the City of Montclair for fire protection and emergency medical response services. In essence, the contract requires the City to provide these services at a level commensurate with the level of services provided within the City. In exchange, the City receives the property tax revenues that are generated by the District in the unincorporated area. Thus, the Monte Vista Fire

Protection District is a "paper" district whose existence is not broadly recognized, particularly by the residents within the area.

As such, virtually all of the findings required by law for a service review of the Monte Vista Fire Protection District are not applicable or relevant in this case, because the District does not function except as a conduit for transfer of property tax revenues to the City (approximately \$231,448 in FY 01-02), and it does not provide any services. One finding that is relevant to this review, however, relates to "government structure options" as identified in Section 56430.

Terry Smith, Assistant Chief of the County Fire Department, notes in his response (which is attached for Commission review) that, "There is no indication that its [the District's] revenue will ever support a fire station within the District, so it will always remain dependent on service from the current provider [the City of Montclair] or other nearby agencies." The property tax revenue generated by the District is simply insufficient to fund the operation of a District station within the study area. It should also be noted that Chief Smith indicates that the District "is not contiguous with or operationally integrated with any other Board of Supervisors'-governed fire agencies."

This indicates that the only readily available service option within the unincorporated Montclair sphere of influence is for the City to continue to provide fire protection and emergency medical response to the study area. Based on this finding, dissolution of the District, and the designation of the City of Montclair as the successor in interest to the District's functions and share of property tax revenues seems to be a logical and reasonable outcome of the District's service/sphere review.

Government Code Section 56375(a) authorizes the Commission to initiate dissolution proceedings if it makes findings that the proposal would result in service costs that are less than or substantially equal to available alternatives, and that the proposal would promote public access and local accountability. Staff submits that these findings can be readily made.

It should be noted that the District boundaries, which are almost entirely within the Montclair sphere of influence, also include a small unincorporated island of territory (roughly 10 acres) within the City of Upland sphere of influence. Staff has been advised that Upland is preparing the necessary paperwork for initiation of annexation proceedings for that island, so it would make sense to process that application prior to consideration of any dissolution proceedings.

CONCLUSION:

The findings and factors of consideration contained within the attached draft resolutions support affirmation of the City of Montclair sphere of influence, and staff wishes to commend the City staff for their prompt and thorough response to the new statutory requirements. Those factors and findings, however, also support Commission initiation of a proposal to dissolve the Monte Vista Fire Protection District. Simply put, the District serves no useful purpose, other than providing a bureaucratic means for the transfer of property tax revenues to the City.

It should be stressed, though, that the staff recommendation does nothing more than initiate a proposal for future Commission consideration, and staff suggests that such a consideration should not be scheduled until the City of Upland has completed annexation proceedings for the island of territory located within that City's sphere. Once the dissolution issue is finally scheduled for hearing, the Commission will retain discretion to approve, modify, or deny the proposal based on testimony provided by the public and further comment from interested local agencies. Moreover, a protest petition signed by 10% or more of the registered voters within the District would force an election on the question.

Thus, Commission initiation of a dissolution proposal does not mean that it is a foregone conclusion. The recommended initiation simply places this issue on a future agenda for public hearing.

Accordingly, staff recommends that the Commission affirm the existing sphere of influence for the City of Montclair and adopt the findings required for a service review included within the draft resolution #2743. Staff also recommends that the sphere of influence of the Monte Vista Fire Protection District be coterminous with the Montclair sphere, and that the Commission initiate dissolution proceedings for the District. Such a review would be scheduled subsequent to the processing of an application by the City of Upland to annex a small unincorporated island which is currently within the boundaries of the District.

Attachments:

1. Response from the City of Montclair
2. Response from the Monte Vista Fire Protection District
3. Draft Resolution #2743 (City of Montclair)
4. Draft Resolution #2751 (Monte Vista Fire Protection District)
5. Responses from Tom Dodson and Associates

**RESPONSE FROM
THE CITY OF MONTCLAIR**

Attachment 1



MONTCLAIR

RECEIVED

JUN 14 2002

LAFCO
San Bernardino County

June 13, 2002

James M. Roddy, Executive Officer
Local Agency Formation Commission
175 W. Fifth Street, 2nd Floor
San Bernardino, CA 92415-0490

Dear Mr. Roddy:

Sphere of Influence Service Review

In response to the changes in Government Code Sections 56425 and 56430 enacted by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, a draft response to LAFCO's service review survey is attached. The response is somewhat brief, as the City has no intention of altering its sphere of influence boundaries. The responses to the survey assume changes or development that will take place over the next five years, the interval for which LAFCO is required to undertake sphere service reviews. If you require additional or more detailed information, or would like the responses to reflect an alternate timeframe, please let me know.

Sincerely,

Steve Lustro
City Planner

Attachment

c: Robert W. Clark, Director of Community Development

CITY OF MONTCLAIR

5111 Benito Street, P.O. Box 2308, Montclair, CA 91763 (909) 626-8571 FAX (909) 621-1584

Mayor Paul M. Eaton • Mayor Pro Tem Leonard Paulitz • Council Members: Carolyn Raft, J. John Dutrey, Bill Ruh • City Manager Lee C. McDougal

CITY OF MONTCLAIR
Response to
Sphere of Influence Service Review Survey

Summary

The City of Montclair corporate boundaries and existing sphere of influence (SOI) are surrounded by the City of Upland corporate boundary and SOI on the north, the corporate boundaries of Upland and Ontario on the east, the City of Chino and its SOI on the south, and the Los Angeles County cities of Pomona and Claremont on the west. The City of Montclair believes its present SOI boundary is logical and has no intention of requesting that it be modified.

Infrastructure Needs and Deficiencies

Capital Improvement Plans

The City intends to pursue two major capital improvement projects partially or wholly within its unincorporated SOI:

- Mission Boulevard street improvements – The City is in the process of entering into a joint redevelopment project agreement with the County of San Bernardino, one goal of which is to construct physical improvements along the Mission Boulevard corridor within the City and the County. The first phase of the project, at and adjacent to the Ramona Avenue intersection (entirely within the City limits) is expected to be completed within a year. While there is no timetable for the rest of the corridor, the City desires to implement the streetscape plan from the County line east to Benson Avenue at the earliest possible date.
- Monte Vista Avenue grade separation – The City expects to receive environmental clearance on this project by July, 2002, at which time design and right-of-way acquisition may commence. This project, in concert with the Ramona Avenue grade separation project, is vital for improved vehicular circulation within Montclair and its SOI, particularly as rail traffic increases with the completion of the Alameda Corridor project.

While no other capital projects are planned within the City's SOI at this time, various infrastructure improvements (pavement, sidewalks, curbs and gutters, streetlights, utility undergrounding) may be requested as part of the City's review of new projects proposed in the SOI.

Master Service Plans

Master service plans have been prepared for the following to facilitate implementation of the City of Montclair General Plan to ultimately provide service or facilities within the corporate boundaries of Montclair and the SOI:

- Sanitary sewers and storm drain facilities
- Arterial and collector streets (as part of the Circulation Element)
- Open space
- Public safety facilities (police and fire)

Sanitary Sewer

The City has been processing Irrevocable Annexation Agreements for the past 10 years, which allow property owners in the SOI to connect to the City's sewer system. However, this agreement is only available to owners whose property is located on a street with an existing sewer. The City has no plans at this time to extend sewer service to areas in the SOI not currently served. However, the City will request that developers of major new projects within the SOI extend City sewer mains as necessary at their cost to serve their developments. If property owners in a neighborhood not currently served by sewer were to express an interest in establishing a benefit assessment district to construct new sewer mains, the City would have no objection to discussing the cost of such a project with property owners.

Growth and Population

According to the Housing Element of the Montclair General Plan, there were approximately 2,125 dwelling units in the City's SOI in 1998 with a population of about 8,300. The total population of the City and the SOI in 1998 was 38,412. Staff believes the built-out population projection of 39,697 indicated in the General Plan for the City and its SOI in 2015 has likely been exceeded already, given the California Department of Finance estimate that the City's population on January 1, 2002 was 33,856.

Nevertheless, staff expects that residential developers will gradually acquire the undeveloped or underdeveloped acreage within the SOI over the next several years and construct new single-family housing. The City expects that lot sizes will range from 4,500 square feet (the minimum allowed by the City's "small lot" ordinance) to one-quarter acre. There are currently no residential designations in the General Plan for parcels within the SOI that would accommodate multiple-family residential developments.

The majority of vacant, residential acreage is located within the SOI and has remained undeveloped due to the absence of sanitary sewer mains and other public improvements. As previously indicated, sewer service has been master planned to serve all areas of the SOI. A copy of the City's General Plan Land Use Map is attached for your reference.

Annexations

The City is interested in gradually acquiring properties in the SOI through annexation. It is expected that the City would initiate proceedings when a new development is proposed contiguous to the City's corporate boundary, when a property owner submits a request for annexation, when a substantial number of annexation agreements exist within a given area, or when an "island" has been created through other annexations.

Financing Opportunities and Constraints

Other than the establishment of the Mission Boulevard Joint Redevelopment Project Area with the County of San Bernardino previously discussed, no substantive issues relative to this factor were identified.

Cost Avoidance Opportunities

No substantive issues relative to this factor were identified.

Opportunities for Rate Restructuring

No substantive issues relative to this factor were identified.

Opportunities for Shared Facilities

No substantive issues relative to this factor were identified.

Government Structure Options

Public Services

Because of the "patchwork" of corporate boundaries within the SOI, it is occasionally a challenge to determine which government agency provides service to what neighborhood. The only common denominator is that the Montclair Fire Department provides service to the City of Montclair and its entire SOI. All other City departments serve only those areas within the City's corporate boundaries. The unincorporated SOI is served by departments of the County of San Bernardino. As areas are annexed, City departments assume the responsibility for serving those areas.

The City's Department of Community Development maintains an excellent working relationship with the County's Land Use Services Department with relation to the review of certain land uses and new development within the SOI. The departments work in concert to achieve quality developments that are assets to the residential, commercial and industrial neighborhoods in the SOI.

Quasi-Public

An ongoing dilemma for residents in a large portion of the SOI is mail delivery. Generally speaking, properties in the SOI east of Ramona Avenue and outside the Montclair corporate boundary have a mailing address of "Ontario, CA 91762," while those west of Ramona are identified with a mailing address of "Pomona, CA 91766." This occasionally creates difficulty in finding an address, or in the latter case, convincing insurers that the subject property is actually in San Bernardino County. As property is annexed to the City of Montclair, it has been the City's practice to request that the United States Postal Service modify delivery boundaries so that a Montclair mailing address can be accommodated.

Evaluation of Management Efficiencies

No substantive issues relative to this factor were identified.

Local Accountability and Governance

No substantive issues relative to this factor were identified.

DRAFT

RESOLUTION #2743

(CITY OF MONTCLAIR)

Attachment 3

PROPOSAL NO.: LAFCO 2896

HEARING DATE: NOVEMBER 20, 2002

RESOLUTION NO. 2743

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2896, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITY OF MONTCLAIR.

On motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by this Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including his recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption is hereby adopted by this Commission. The Clerk is directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

RESOLUTION NO. 2743

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for the City of Montclair should be affirmed as it currently exists, as more specifically described in maps and legal descriptions on file in the LAFCO staff office; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56430 and local Commission policy:

1. **Infrastructure Needs and Deficiencies.** A comprehensive capital improvement plan has been adopted by the City setting forth recommendations for a variety of projects. This plan is annually reviewed and updated as part of the City's budget process. A copy of this plan is maintained in City offices. Specifically, the City of Montclair has identified two major capital improvement projects located partially or wholly within its unincorporated sphere of influence. First, the City indicates that it is in the process of entering into a joint redevelopment project with the County for physical improvements to Mission Boulevard. Second, the City has identified the Monte Vista Avenue grade separation project to improve vehicular circulation in the area.
2. **Growth and Population.** The City essentially provides the full range of urban services, with the exception of water service (which is provided by the Monte Vista Water District), to an estimated population of approximately 38,500. The estimated build-out population is 40,000.
3. **Financing Opportunities and Constraints.** The City receives a share of the general levy of property tax revenue, but the bulk of its revenue is derived from fees for service, sales and use revenue, and other revenues. Other than the Mission Boulevard Joint Redevelopment Project identified above, no relevant issues concerning financing opportunities and constraints were identified by the City of Montclair.
4. **Cost Avoidance Opportunities.** The City of Montclair did not identify any specific cost avoidance opportunities relevant to this review.
5. **Rate Restructuring.** The City of Montclair regularly evaluates its cost of services in order to stay in conformance with state requirements and the competitive market place. No relevant issues related to this factor were identified by the City of Montclair.
6. **Opportunities for Shared Facilities.** No relevant findings related to this factor were identified by the City of Montclair.
7. **Government Structure Options.** The City has annexed much of its existing sphere of influence and is in the process of preparing two annexations within its southerly unincorporated sphere. Both of those annexations will be subject to normal protest proceedings, so it is imperative that Montclair work closely with inhabitants of the area on land use and service issues. It should also be noted that in the companion service-sphere review for the Monte Vista Fire Protection District, staff is recommending that the Commission initiate dissolution proceedings for the District, with designation of the City of Montclair as the successor in interest to District functions.
8. **Management Efficiencies.** No relevant issues related to this factor were identified by the City of Montclair.
9. **Local Accountability and Governance.** The City is governed by a five-member Council elected at large. The City maintains a web site, and conforms with provisions of the Brown Act requiring open meetings. No other relevant issues concerning this factor have been identified.

RESOLUTION NO. 2743

WHEREAS, the following findings are made in conformance with Government Code Section 56425 and local Commission policy:

1. **PRESENT AND PLANNED LAND USES**

The full range of urban, suburban, and rural land uses are included within the boundaries and current sphere of influence of the City of Montclair. This sphere of influence update and service review have no potential whatsoever to change present or planned land uses within the City sphere, since no changes to the sphere of influence are contemplated.

2. **PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA**

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

3. **PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES PROVIDED**

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

4. **COMMUNITIES OF INTEREST IN THE AREA**

No changes to the City sphere of influence are proposed or contemplated through this review. The Commission therefore determines that this factor of determination is not relevant to this review, as permitted by Government Code Section 56425.

5. **OTHER FINDINGS**

- A. Notice of this hearing has been published as required by law in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. As required by state law, individual notification was provided to affected and interested local agencies, County departments, and those individuals wishing mailed notice.
- B. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the City of Montclair as it currently exists, and is depicted on maps and legal descriptions on file in the office of the San Bernardino Local Agency Formation Commission.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory, described on maps and legal descriptions on file in the LAFCO office, as being within the sphere of influence of the City of Montclair, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

**RESPONSES FROM
TOM DODSON & ASSOCIATES**

Attachment 5

TOM DODSON & ASSOCIATES

2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
E-MAIL tda@tstonramp.com



July 5, 2002

Mr. James M. Roddy, Executive Officer
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

Dear Jim:

LAFCO 2896 consists of a service review for the City of Montclair (City) pursuant to Government Code Section 56430 and Sphere of Influence Study Pursuant to Government Code 56425. If approved by the Commission, the service and Sphere review would not result in any change to the services or the Sphere of Influence for the City. Based on the above proposal, it appears that LAFCO 2896 can be implemented without causing any physical changes to the environment or any adverse environmental impacts. The service and Sphere review does not appear to have any potential to alter the existing physical environment in any manner. Since no projects are pending or will occur as a result of approving this review, no physical changes in the environment are forecast to result from approving the action before the Commission.

Without a potential for causing physical changes in the environment, I recommend that the Commission find that a Statutory Exemption applies to LAFCO 2896 under the Section 15061 (b) (3) which states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 2896.

Based on a review of LAFCO 2896 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 2896 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA process for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 2896 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive style with a large, looped initial "T".

Tom Dodson