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12/09/2004

TO: Local Agency Formation Commission

FROM: Wayne M. Fowler, Local Government Analyst III

**SUBJECT: LAFCO 2004-35-5-REORGANIZATION TO INCLUDE ANNEXATION
99 TO THE CITY OF RIVERSIDE AND DETACHMENT FROM THE
RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT.**

PRIOR AGENDAS/RELATED ACTIONS: None

EXECUTIVE SUMMARY AND GENERAL RECOMMENDATION:

The City of Riverside, seeks annexation of approximately 15.5 acres of legally uninhabited territory. While this proposal is legally uninhabited, having fewer than 12 registered voters, as defined by law, there are 9 registered voters and approximately 15 residents living within the boundaries of the proposal. The applicant, the City of Riverside, seeks annexation at the request of the majority of residents and landowners, for the provision of municipal services. Staff will recommend a primary recommendation and two alternative recommendations for approval of this proposal, with standard terms and conditions.

GENERAL INFORMATION:

APPLICANT: City of Riverside, 3900 Main Street, Riverside, CA 92522.

LOCATION: This 15 acre proposal is generally located south of the City of Riverside, west of the Box Springs Mountain Reserve, north of Blaine Street and east of Galaxy Heights Road.

POPULATION: There are approximately 15 persons living within the proposed boundaries of this annexation.

REGISTERED VOTERS: The County Registrar of Voters has reviewed the area within the boundaries of this proposal and has found that there are 9 registered voters living within the boundaries.

LANDOWNER SUPPORT: Letters in support of this proposal and submitted by the applicant, indicate that this proposal has the support of 5 out of the 9 affected landowners. Landowners within

the proposed annexation are working obtain the written support of the remaining landowners and may have them at the public hearing. The City of Riverside has provided a resolution waiving protest proceedings for this annexation should this proposal obtain the written consent of 100% of the affected landowners and registered voters.

LAND AREA: Total land area for the proposal is approximately 15.5 acres.

CEQA DETERMINATION: The City of Riverside, as lead agency, has prepared initial studies on this proposal, which has resulted in the filing of a Negative Declaration. The City, in and filing the Negative Declaration, has complied with the California Environmental Quality Act (CEQA) and all appropriate State Guidelines.

PROPERTY TAX EXCHANGE: The Riverside City Council has adopted resolution 20746, determining the amount of property tax revenue to be exchanged between the City and the County of Riverside. The Riverside County Board of Supervisors has not yet adopted a corresponding property tax exchange resolution. The City of Riverside resolution calls for the City to receive 25 percent of the County General Fund apportionment of taxes and 100 percent of the Structural Fire and Library taxes. It is hoped that the County of Riverside will have adopted a corresponding tax exchange resolution by the time of the public hearing. If the County has not adopted its resolution by the time of the public hearing, this proposal will have to be continued to the Commission's next agenda, January 27, 2005.

EXISTING CONDITIONS: The proposed annexation contains 5 existing dwellings, several vacant lots, areas which are part of the Box Springs Mountain Reserve and a City of Riverside water reservoir. Lot sizes range from approximately .3 to 2.4 acres in size. There are 18 parcels of land, under 9 ownerships.

LAND USE PLANS: There are no development plans for the territory included within this annexation. The territory is largely built-out with only the vacant lots which may someday have a single family home built upon them. There would be no further subdivision of the territory to increase land use densities.

SIGNIFICANT ISSUES:

PROVISION OF SERVICE: The City of Riverside has submitted a Plan of Services in support of this annexation. A copy of the City of

Riverside's plan of services is attached with this report. The following services are highlighted here.

Wastewater: All residential units are provided wastewater treatment by individual septic system. Upon annexation, sewer connections would be available to this area, although all improvements to provide sewer and connection fees would be borne by the residents and landowners living within the boundaries of this proposal. All new residential construction would require connection to the cities sewer system. No current requirement for sewers has been identified at this time.

Water: The territory within the proposal is presently receiving water from the City of Riverside. To provide water services to areas outside of existing City boundaries, the City charges a 50% rate surcharge. Upon annexation, the City will replace the existing surcharge with the appropriate City water rates. All water services will also be subject to the City's 6.5% Utility User Tax upon annexation.

Police: This area is presently served by the Riverside County Sheriff's Department out of the Moreno Valley substation which is approximately 9 miles distant. Sheriff response time depends upon the location of responding units and may take up to 30-90 minutes because of the large service area. Upon annexation, the City of Riverside will assume police services. The City of Riverside currently has 358 sworn police officers, giving the city a ratio of sworn officers to residents of 1 officer for every 740 residents. Current County standard is 1 sworn officer for every 1000 persons. Additionally the City employs 207 non-sworn support staff within the City's police department. The Department is funded from the City of Riverside's general fund revenues, with an annual budget in excess of \$61,884,000. No additional officers would be required to maintain existing city wide staffing levels. Average response time within the City of Riverside for Priority One calls was 7.49 minutes during 2001.

Fire: Fire protection services to the proposed annexation area is currently provided jointly by the City and the County. The City provides service from Station 4, located on Cranford Avenue, approximately 2 ½ miles away and the County from it's Station 19 located at the Highgrove Community Center, approximately 6 miles away.

Upon annexation, service to this area would continue to be jointly provided as this area is what the City classifies as

"Urban-Interface Properties" which are hillside properties bordering on large tracts of undeveloped lands with native vegetation. This annexation is outside of both the city and county's five minute response time.

Parks: The existing development will not have any measurable impact upon existing City Park and Recreation services.

Electric Utilities: The Riverside Public Utilities Department is a provider of electrical services within the City of Riverside. Presently the area is provided electrical services from Southern California Edison Company (SCE) through a fringe area service agreement using Riverside Public Utilities power lines. Upon annexation the City would eventually take over electrical services from Southern California Edison. The City of Riverside has long term energy contracts with rates significantly lower than existing Edison rates. The City of Riverside charges their residents a 6.5% utilities tax. The City estimates that after annexation and the City's takeover of the electrical services, that even after the application of the City's 6.5% utilities tax, electric rates would be between 43-55% lower for its customers than current SCE rates.

Roadways & Circulation: The City of Riverside Public Works Department will not maintain Two Trees Road within the annexation area. Two Trees Road in this area is not a dedicated public right of way and is not constructed to City standards. The plan of services recommends that prior to annexation, property owners adjacent to Two Trees Road grant each other ingress and egress easements. To staff's knowledge this has not been done by the existing property owners.

BOUNDARY: The boundaries for the Two Trees annexation were drawn by residents living along Two Trees Road. These residents desired to be in the City of Riverside and to receive City provided services. They felt that any services they required would come through the City and it made sense to then be in the City. The areas eastern boundary is the Box Springs Mountain Reserve and is also the western slope of Box Springs Mountain. No development would be allowed in the Box Springs Mountain Reserve. Existing to the south of the proposal is an approximately 40 acre area, which includes 4 residential dwellings. The same justification for annexation of the Two Trees annexation would also apply to this southern area. The County Executive Office has also forwarded comments about this 40 acre area, suggesting that it be included with the Two Trees annexation. At the time of preparation of the staff report, no

outreach into this area has been undertaken by the City. The City may prior to the public hearing contact residents and landowners in this 40 acre area to determine their interest in a future annexation into the City. It is presently unknown if any support exists in this 40 acre area for annexation. On the detailed exhibit included with this staff report are shown both the Two Trees annexation and the area to the south. Staff's suggested final City boundary is shown by a dashed line, and includes all of the southern 40 acres of territory. While the Two Trees annexation area is not technically an island under the definition of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, it is what staff considers a service island. A service island is an area which is substantially surrounded by a city, but with physical land features which limit access and isolate the area from services. On August 26th 2004, the Commission readopted amended LAFCO POLICIES & PROCEDURES. These policies and procedures outline specific goals and objectives of the Commission in implementing the legislative direction and policies embodied in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Commission's policy 2.1.3 reads "LAFCO shall support annexation of all islands of unincorporated territory and areas substantially surrounded by a city located within that city's sphere of influence, as the local provider of services and controls. If an annexation is proposed for only a portion of an island of unincorporated territory, the proponent shall provide adequate justification as to why the entire island should not be annexed. Cities are expected to solicit the opinions and landowners and residents in island and substantially surrounded areas". Again, the City of Riverside has not yet solicited the opinions of the landowners and residents of territory adjacent to this proposal and has not given adequate justification as to why this additional territory was not included as part of this current application.

The Commission may wish approve this proposal today as submitted by the City and verbally direct the City to file a future application for annexation of the remaining approximately 40 acres southerly of the Two Trees annexation. Annexing the Two Trees proposal as submitted would not make the service difficulties significantly worse than what exist today. The Commission may also approve this application today, and condition the completion of this annexation with the filing of an application for annexation of the southern area.

DETACHMENT FROM COUNTY WASTE RESOURCES MANAGEMENT DISTRICT (RCWRMD): On March 24, 1994, the Commission approved the

formation of the RCWRMD as a separate financial and legal entity to operate and finance solid waste facilities in Riverside County. The District became effective on May 2, 1994. As part of the Commission's action, it determined that future annexations to cities should detach from the RCWRMD unless those cities have annexed to the District. This is based on an understanding between the county and the COG's, that annexation of cities to RCWRMD will be accomplished in an organized fashion to ensure appropriate representation on the governing board of the District. Therefore, staff will recommend concurrent detachment from the District.

COMMENTS FROM AFFECTED AGENCIES: Comments have been received from the Riverside County Executive Office. These comments concern the remaining unincorporated territory adjacent to the boundaries of the proposal. The County is concerned about there remaining an isolated unincorporated area to which the County would continue to provide services. The County would prefer that these areas be annexed into the City. These comments are attached with this staff report.

WAIVER OF AUTOMATIC DETACHMENT FROM CSA 152: If the Commission approves this proposal, it should make specified findings in order to waive automatic detachment from the CSA, since the City has annexed into CSA 152.

CONCLUSIONS: The Two Trees annexation would improve services to the affected area. This area is isolated from County services by being substantially surrounded by the City boundaries, the topography of Box Springs Mountain and by the Box Springs Mountain Reserve. However, The application as submitted would annex only the north 15.5 acres of territory of the approximately 56 acre area. While interest for annexation was shown by letters of support from registered voters and landowners along Two Trees Road, no outreach was performed by the City to the landowners and registered voters south of Two Trees Road who take access to their property from Blaine Street. Without the southern area, or justification for its exclusion, this annexation is inconsistent with Commission policies.

SPECIFIC RECOMMENDATIONS:

Based upon the factors outlined above, IT IS RECOMMENDED that the Commission:

1. Direct the City of Riverside to **Amend** their application
LAFCO 2004-35-5 - Reorganization to Include Annexation 99

to the City of Riverside and Detachment from the Riverside County Waste Resources Management District to include the approximately 40 acre area south of the present boundaries of the Two-Trees Annexation #99 as shown on the attached staff exhibits.

2. Continue **LAFCO 2004-35-5** to the Commission's January 27, 2005 Agenda.

Alternative Recommendation A: Approval of the application with a condition requiring the City of Riverside to file an application for the annexation of the southern 40 acre area prior to the issuance of a Certificate of Completion for this application.

1. Find that the City of Riverside, as lead agency, has filed a Negative Declaration on the proposal and complied with the California Environmental Quality Act (CEQA) and all appropriate State Guidelines, and that the Commission has reviewed and considered the environmental documentation;
2. Determine the proposed reorganization is consistent with the spheres of influence of the City of Riverside, and all other affected agencies;
3. Determine that the reorganization is legally uninhabited, there being fewer than 12 registered voters residing within the boundaries of the proposal;
4. Approve **LAFCO 2004-35-5-REORGANIZATION TO INCLUDE ANNEXATION 99 TO THE CITY OF RIVERSIDE, AND DETACHMENT FROM THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT**, subject to the following terms and conditions:
 - a. The City of Riverside shall defend, indemnify, and hold harmless the **Riverside County Local Agency Formation Commission** ("LAFCO"), its agents, officers, and employees from any claim, action, or proceeding against LAFCO, its agents, officers, and employees to attach, set aside, void, or annul an approval of LAFCO concerning this proposal.
 - b. In accordance with Government Code Sections 56886 (t) and 57330, the subject territory shall be subject to the levying and collection of any previously authorized charge, fee, assessment or tax of the City.

- c. In accordance with Government Code Section 56375 (p), waive automatic detachment from County Service Area 152 based upon the following findings:
 - i. County Service Area (CSA) 152 is a funding mechanism for the implementation of the National Pollutant Discharge Elimination System (NPDES) emanating from the Federal 1972 Clean Water Act, and re-authorized under the Federal 1987 Clean Water Act.
 - ii. The City of Riverside annexed into CSA 152 and is included within the CSA's service area.
 - iii. Detachment would deprive the area residents services needed to ensure their health, safety or welfare.
 - iv. Waiving detachment will not affect the ability of the City to provide any services.
- d. Prior to the issuance and recordation of a Certificate of Completion for LAFCO 2004-35-5, the City of Riverside file a complete application for annexation of the remaining approximately 40 acres south of the two-trees annexation #99.
- 5. Direct the Executive Officer to initiate Protest Proceedings Pursuant to Government Code Section 57000 et seq., upon payment of the required fees.

Alternative Recommendation B: Approval of application as submitted with verbal recommendation for the City of Riverside to submit a future application for annexation of the southern 40 acre area.

- 1. Find that the City of Riverside, as lead agency, has filed a Negative Declaration on the proposal and complied with the California Environmental Quality Act (CEQA) and all appropriate State Guidelines, and that the Commission has reviewed and considered the environmental documentation;
- 2. Determine the proposed reorganization is consistent with the spheres of influence of the City of Riverside, and all other affected agencies;

3. Determine that the reorganization is legally uninhabited, there being fewer than 12 registered voters residing within the boundaries of the proposal;
4. Approve **LAFCO 2004-35-5--REORGANIZATION TO INCLUDE ANNEXATION 99 TO THE CITY OF RIVERSIDE, AND DETACHMENT FROM THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT**, subject to the following terms and conditions:
 - a. The City of Riverside shall defend, indemnify, and hold harmless the **Riverside County Local Agency Formation Commission** ("LAFCO"), its agents, officers, and employees from any claim, action, or proceeding against LAFCO, its agents, officers, and employees to attach, set aside, void, or annul an approval of LAFCO concerning this proposal.
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 - ii. The City of Riverside annexed into CSA 152 and is included within the CSA's service area.
 - iii. Detachment would deprive the area residents services needed to ensure their health, safety or welfare.
 - iv. Waiving detachment will not affect the ability of the City to provide any services.
5. Direct the Executive Officer to initiate Protest Proceedings Pursuant to Government Code Section 57000 et seq., upon payment of the required fees.

Respectfully submitted,

Wayne M. Fowler
Local Government Analyst III