

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**San Bernardino County Transportation Authority Meeting Room
SAN BERNARDINO SANTA FE DEPOT – 1ST FLOOR LOBBY
1170 WEST 3RD STREET, SAN BERNARDINO**

REGULAR MEETING OF JANUARY 18, 2017

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter

1. Approval of Minutes for Regular Meeting of December 14, 2016
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Month of December 2016 and Note Cash Receipts
4. Consideration of Fee Reduction Request by the City of Upland/San Bernardino County Fire Protection District for its Reorganization Proposal to Annex the City of Upland Territory to the San Bernardino County Fire Protection District
5. Approval for Hiring Clerk to the Commission/Office Manager at Step 8 of Established Salary Range

PUBLIC HEARING ITEMS:

6. Consent Items Deferred for Discussion
7. Consideration of: (1) Review of Negative Declaration Prepared by the City of Chino Pre-zone (PL16-0051) Designation to RD8 (Residential 8 Units/Acre) for APN 1016-521-03, -04, and -05 (Tract 18902) on Approximately Eight Acres as CEQA Responsible Agency for LAFCO 3213; and (2) LAFCO 3213 – Reorganization to include Annexation to the City of Chino and Detachment from County Service Area 70 (Griffin Homes)

8. Consideration of: (1) Review of Mitigated Negative Declaration Prepared by the City of Loma Linda for General Plan Amendment (GPA 15-044) from Business Park to Low Density Residential for 30-Acre Property; Pre-zone (ZMA 15-045) for Single Family Residence (R-1) on 39 Acres, Multi Family Residence (R-3) on 18 Acres, Institutional (I) on 13 Acres, and General Business (C-2) on 10 Acres; Annexation (ANX 15-043) for a total of Approximately 80 Acres; and Tentative Tract Map 19963 (TTM 15-046) to Subdivide a 30-acre property into 95 Single-Family Residences and Nine (9) Common Lettered Lots as CEQA Responsible Agency for LAFCO 3214 and (2) LAFCO 3214 – Reorganization to include Annexation to the City of Loma Linda and Detachment from San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70 (California Street Island)

DISCUSSION ITEM:

9. Review and Accept Audit Report for Fiscal Year Ended June 30, 2016

INFORMATION ITEMS:

10. Legislative Update Oral Report
11. Executive Officer's Oral Report
12. Commissioner Comments
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
13. Comments from the Public
(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed For Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 215 N. D St., Suite 204, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org, and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

**DRAFT – ACTION MINUTES OF THE – DRAFT
LOCAL AGENCY FORMATION COMMISSION
HEARING OF DECEMBER 14, 2016**

REGULAR MEETING

10:00 A.M.

December 14, 2016

PRESENT:

COMMISSIONERS:	Jim Bagley	Larry McCallon
	Kimberly Cox, Chair	James Ramos, Vice-Chair
	Jim Curatalo	Janice Rutherford, Alternate
	Steve Farrell, Alternate	Diane Williams

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
Bob Aldrich, LAFCO Consultant

ABSENT:

Robert Lovingood
Aquanetta Warren, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 10:03 A.M. – SAN BERNARDINO CITY COUNCIL
CHAMBERS**

Chair Cox calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

ANNOUNCEMENT OF CONTRIBUTIONS

Chair Cox requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past 12 months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There were none.

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

- ITEM 1.** Approval of Minutes for Regular Meeting of November 16, 2016
- ITEM 2.** Approval of Executive Officer's Expense Report
- ITEM 3.** Ratify Payments as Reconciled for Month of November 2016 and Note Cash Receipts

Commissioner Williams moves approval of the Consent Calendar, second by Commissioner Ramos. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, McCallon, Ramos, Rutherford and Williams. Noes: None. Abstain: Curatalo. Absent: Lovingood (Ms Rutherford voting in his stead).

PUBLIC HEARING ITEMS

ITEM 4 CONSENT ITEMS DEFERRED FOR DISCUSSION:

None

DISCUSSION ITEMS:

ITEM 5 CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR A CONDITIONAL USE PERMIT TO ESTABLISH A 315,000 SQ.FT. HIGH CUBE WAREHOUSE WITH 8,000 SQ. FT. OF OFFICE ON APPROXIMATELY 20.68 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#409; AND (2) LAFCO SC#409 – CITY OF SAN BERNARDINO IRREVOCABLE AGREEMENT TO ANNEX NO. 2016-218 FOR SEWER SERVICE (ASSESSOR PARCEL NUMBERS 0266-012-13, 0266-021-28 & -29, AND 0266-021-49 & -51).

Assistant Executive Officer Martinez presents the staff report on this item, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The item has been advertised in *The Sun*, a newspaper of general circulation within the area and individual notice has been provided as required by statute.

He states that the City of San Bernardino submitted a request for approval of an Irrevocable Agreement to Annex that outlines terms for extension of sewer service. Mr. Martinez indicates that the agreement relates to the proposed development of five contiguous parcels comprising 20.68 acres within the City of San Bernardino's northwestern sphere of influence. He indicates that in 2009 the County approved a Conditional Use Permit for development of a warehouse on the site, and conditions of

approval for the project require connection to the City of San Bernardino's water and sewer facilities.

Mr. Martinez further states that the Commission has previously confirmed that provision of water service by the City of San Bernardino is exempt from LAFCO review on the basis that the Commission previously determined that the acquisition of the private water company for the area allowed for service extension. However, the extension of sewer service requires a contract with the City for the provision of service outside its boundaries. He indicates that sewer service will be provided by extending an 8-inch sewer main approximately 250 feet along Industrial Parkway, and that the City of San Bernardino has identified an estimated cost of \$316,729.16 in sewer fees.

Assistant Executive Officer Martinez states that the Commission's environmental consultant, Tom Dodson, has reviewed the County's environmental assessment and the Mitigated Negative Declaration for the proposed project site and determined they are adequate for the Commission's use as a CEQA responsible agency. Mr. Martinez reviews the criteria established by Commission policy and Government Code Section 56133 for out of agency service agreements, and summarizes the determinations included in the staff report. He recommends Commission approval of LAFCO SC#409 by taking the actions detailed in the staff report.

Chair Cox asks for any Commissioner comments on this item.

Commission Bagley asks why the City has not initiated annexation of the parcels; to which Assistant Executive Officer Martinez responds that since the project was approved in 2010, the applicant has been working diligently with the City, and a service contract was seen as means to facilitate development.

Executive Officer Kathleen Rollings-McDonald states that these parcels are a part of an unincorporated peninsula along Cajon Boulevard and, at this time, do not make a logical boundary. She states that LAFCO staff continues to work with the City of San Bernardino and other cities on the unincorporated islands in this area.

Chair Cox opens the public hearing and request comments. There are none. She closes the public hearing.

Commissioner Curatalo moves approval of Item 5, second by Commissioner Rutherford. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Ramos, Rutherford and Williams. Noes: None. Abstain: None. Absent: Lovingood (Ms. Rutherford voting in his stead).

ITEM 6 CONSIDERATION OF REQUEST FOR EXMPTION FROM GOVERNMENT CODE SECTION 56133 FOR LAFCO SC#410 FOR OUT-OF-AGENCY SERVICE AGREEMENT FOR SEWER SERVICE BY CITY OF FONTANA TO THE COUNTY OF SAN BERNARDINO'S CRISIS RESIDENTIAL TREATMENT FACILITY (ASSESSOR PARCEL NUMBERS 0235-052-11 & -12)

Assistant Executive Officer Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The item has been advertised in *The Sun*, a newspaper of general circulation within the area and individual notice has been provided as required by statute. He states that on November 2, 2016, the City of Fontana submitted a request that the Commission determine that the proposed pre-annexation agreement between the City and the County of San Bernardino is exempt from the provisions of Government Code Section 56133 as outlined in Subsection (e). Mr. Martinez indicates that, per Commission policy, this is being presented because the exemption request is development-related.

Mr. Martinez explains that the agreement relates to two adjacent parcels which are owned by the County of San Bernardino and are generally located at the southeast corner of San Bernardino and Carob Avenues, within Fontana's western sphere of influence. He states that the request is to receive sewer service for the parcels from the City of Fontana, the current sewer provider for several other parcels along San Bernardino Avenue. Mr. Martinez further states that the County of San Bernardino's Department of Behavioral Health is proposing to build a new Crisis Residential Treatment facility on both parcels. He notes the proposed 11,900 square foot facility will be used for providing crisis intervention for individuals diagnosed with mental health and/or substance abuse issues.

Mr. Martinez states that staff believes the proposed service agreement meets the exemption criteria outlined in Government Code Section 56133(e) because: (1) the agreement is between the City of Fontana and the County of San Bernardino, both of which are public agencies; (2) sewer service is already being provided by the City of Fontana within the area and the service to be provided is in-lieu of the County developing the infrastructure; and, (3) the level of service to be provided through this contractual arrangement is consistent with the level of service contemplated by the County of San Bernardino for the proposed facility. He concludes by recommending that the Commission determine, pursuant to Government Code Section 56133 (e), that the Pre-Annexation Agreement between the City of Fontana and the County of San Bernardino is exempt from further review and approval by the Commission as outlined in the staff report.

Chair Cox asks if the Commission has any questions or comments. There are none.

Chair Cox opens the public hearing and requests public comments. There are none.
Chair Cox closes the public hearing.

Commissioner Curatalo moves approval of the Item 6, second by Commissioner Ramos. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Ramos, Rutherford and Williams. Noes: None. Abstain: None. Absent: Lovingood (Ms. Rutherford voting in his stead).

INFORMATION ITEMS

ITEM 7 LEGISLATIVE UPDATE REPORT

Executive Officer McDonald states that Senator Richard Roth, for the fifth year in a row, has introduced a bill to return per capita payments to the Cities of Eastvale, Jurupa Valley, Menifee, and Wildomar. She notes that past attempts have all been vetoed by the Governor.

Executive Officer McDonald informs the Commission that the CALAFCO Legislative Committee is meeting this Friday, December 16th, and will be developing a platform for the coming year with a focus on water service issues. She notes that she will be providing the draft platform to the Commission at its January meeting. Ms. McDonald states that if any of the Commissioners have a specific legislative issue or area of interest, she would be happy to present it to the Legislative Committee.

Executive Officer McDonald notes that State Assemblyman Chad Mayes is now serving on the Little Hoover Commission. She states the Little Hoover Commission is updating their ten-year old report on special districts and taking a hard look at LAFCOs and special district issues, particularly health care districts. She notes that CALAFCO will be making some important presentations before the Commission, and that the report is due this summer. Ms. McDonald states that she believes Assemblyman Mayes' expertise in local government will be an asset to the Commission.

ITEM 8 EXECUTIVE OFFICER'S ORAL REPORT

a. Update on Committee formed related to LAFCO 3212

Executive Officer McDonald states that LAFCO 3212 has been withdrawn by the applicant, the Inland Empire Utilities Agency, through adoption of Resolution 2016-12-4. She states that, for the record, the "whereas" in the Resolution referencing the County taking a position on the proposal, and the letter from Supervisor Hagman to the Chair Cox stating the County's position on LAFCO 3212, are incorrect and reflect Supervisor Hagman's position only, not the County Board of Supervisors. Executive Officer McDonald further states that she has verified that the County has not taken a formal position in support or in opposition to LAFCO 3212. She notes that staff will be sending a letter to the committee members thanking them for their time and participation. She states that the application will be officially closed, there will be no further discussion on the item, but the proposal can be resubmitted by any affected agency at any time.

Chair Cox asks if the County will be sending correspondence to IEUA correcting their Resolution language; to which Executive Officer McDonald responds that she cannot answer on behalf of the County, but that all LAFCO withdrawal documentation related to LAFCO 3212 is very clear on that issue.

Commissioner Ramos states that when this item came before the Board of Supervisors, the Board's official position was to continue the item to a future meeting. To which Ms. McDonald notes that the item before the Board of Supervisors was a property tax transfer exchange and was not an item allowing to Board to take a formal position in support or opposition of the proposed consolidation.

Commissioner Ramos states that he will submit a letter clarifying the matter.

b. Update on Relocation/Renovation Progress at Santa Fe Depot

Executive Officer McDonald states that LAFCO staff continues to work closely with SANBAG staff to finalize the Request for Proposal for the office space renovations. She notes that all parties are working diligently to ensure we make the July 1st deadline for relocation. She advises the Commission that beginning in January, LAFCO meetings will be held at the SANBAG meeting room.

c. New Proposals Received

Executive Officer McDonald states that staff has received a reorganization application from the City of Upland for a sphere of influence change and annexation into the San Bernardino County Fire Protection District and County Fire's FP-5 special tax zone. She notes the City has requested completion of the proposal in time to make the August 2017 tax roll. Ms. McDonald notes that this timeline will stretch staff resources and has made no commitment to the City regarding a completion date.

Executive Officer McDonald states that the Commission will receive two annexations at their January 18th meeting, one from the City of Chino and one from the City of Loma Linda, as well as the annual audit report. Ms. McDonald states that the Commission will also be considering a fee reduction request from the City of Upland at that meeting.

Executive Officer McDonald updates the Commission on staff's governance training efforts, noting that on December 8th staff conducted a workshop with CSDA on understanding special district law. She notes that workshop was well attended and well received. She states that upcoming educational workshops will include sessions on LAFCO basics (partnering with CALAFCO, Riverside LAFCO, and Los Angeles LAFCO) and working with community-based agencies.

Ms. McDonald also notes that information has been provided to each Commissioner on a free ethics training session sponsored by Yucaipa Valley Water District and a summary of the Brown Act prepared by BB&K.

ITEM 9 COMMISSIONER'S COMMENTS

Chair Cox asks if there are any Commissioner comments.

Commissioners McCallon and Bagley wish everyone happy holidays.

Commissioner Bagley states that in 2017 the Commission should consider taking a broader perspective on fire reorganizations and look at this issue regionally.

Commission Farrell asks if the agreement to use the SANBAG meeting room is long-term; to which Executive Officer McDonald responds affirmatively.

ITEM 10 COMMENTS FROM THE PUBLIC

Chair Cox asks if there are any comments from the public. There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 10:35 A.M.

ATTEST:


KATHLEEN ROLLINGS-McDONALD
Executive Officer

LOCAL AGENCY FORMATION COMMISSION

KIMBERLY COX, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : JANUARY 11, 2017 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICER'S
EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officer's Expense Report for Procurement Card Purchases for December 2016 as presented.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino's Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policy #3(H). Staff has prepared an itemized report of purchases that covers the billing period of November 23, 2016 through December 22, 2016.

Staff recommends that the Commission approve the Executive Officer's expense report as shown on the attachment.

KRM/MT

Attachment



COUNTY OF SAN BERNARDINO
PROCUREMENT CARD PROGRAM

Page 1 of 2

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number	Cardholder	Billing Period
	Kathleen Rollings-McDonald	11/23/16 to 12/22/2016

Date	Vendor Name	Receipt/ Invoice No.	Item Description	Purpose	\$ Amount	Reconciled (R) Disputed (D)	Sales Tax Included on invoice (Yes or No)
11/12/16	Southwest Airlines	1	Flight purchase	CALAFCO Board Meeting, Sacramento	171.96	R	Y
11/23/16	Southwest Airlines	2	Early board fee	CALAFCO Board Meeting, Sacramento	15.00	R	N
11/23/16	Southwest Airlines	3	Early board fee	CALAFCO Board Meeting, Sacramento	15.00	R	N
11/25/16	Thompson West	4	Payment	Law Library Updates	190.91	R	Y
11/25/16	Frontier	5	Payment	Phone line for Alarm & Fax	54.44	R	N
11/25/16	Century Link	6	Payment	Conference Calls	27.28	R	Y
11/29/16	Panera Bread	7	Dinner – McDoanld, Aldrich	City of Upland Council Meeting	19.83	R	Y
12/12/16	SITOA LONG ISLAND NY	8	Taxi Cab, McDonald	CALAFCO Board Meeting, Sacramento	37.40	R	N
12/12/16	PARK N FLY ONTARIO	9	Airport Parking	CALAFCO Board Meeting, Sacramento	20.50	R	N
12/12/16	Starbucks	10	Coffee purchase	LAFCO training in Apple Valley	31.90	R	N
12/12/16	Embassy Suites	11	Hotel – McDonald	CALAFCO Board Meeting, Sacramento	242.95	R	Y
12/15/16	Frontier	12	Payment	Phone line for Internet, 2 months	1,601.96	R	N
12/15/16	Frontier	13	Payment	Phone line for Alarm & Fax	53.57	R	N
12/15/16	Advanced Copy Systems	14	Payment	Copy machine for office	453.57	R	Y
12/16/16	Molly's Café	15	Breakfast – McDonald, Cox, Williams	LAFCO hearing Dec 14	21.68	R	Y
12/16/16	Storeretrieve LLC	16	Payment	Records Storage and Maintenance	57.89	R	N
12/19/16	Westin Hotel	17	Hotel – McDonald	CALAFCO Legislative Committee Meeting, San Diego	252.44	R	Y



COUNTY OF SAN BERNARDINO
PROCUREMENT CARD PROGRAM

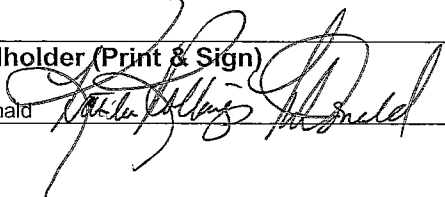
Page 2 of 2

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number	Cardholder Kathleen Rollings-McDonald	Billing Period 11/23/16 to 12/22/2016
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Date	Vendor Name	Receipt/ Invoice No.	Item Description	Purpose	\$ Amount	Reconciled (R) Disputed (D)	Sales Tax Included on invoice (Yes or No)
12/21/16	Thompson West	18	Payment	Law Library Updates	190.91	R	Y

The undersigned, under penalty of perjury, states the above information to be true and correct. If an unauthorized purchase has been made, the undersigned authorizes the County Auditor/Controller-Recorder to withhold the appropriate amount from their payroll check after 15 days from the receipt of the cardholder's Statement of Account.

Cardholder (Print & Sign)	Date
Kathleen Rollings-McDonald 	1-9-17

Approving Official (Print & Sign)	Date
Kimberly Cox, Chair	1-18-17

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : JANUARY 11, 2017
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF DECEMBER 2016 AND NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the month of December 2016 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of December 1, 2016 through December 31, 2016.

Staff recommends that the Commission ratify the payments for December outlined on the attached listings and note the revenues received.

KRM/MT

Attachment

MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF DECEMBER 2016 PAYMENTS PROCESSED					
VOUCHER ID	ACCOUNT	NAME	WARRANT NO.	WARRANT DATE	AMOUNT
PV8908667	2424	TOM DODSON & ASSOCIATES	3293767	12/02/2016	\$ 510.00
PV8908668	2444	MJS ALARM CORP	3293735	12/02/2016	\$ 102.00
PV8908669	2445	ROBERT J ALDRICH	3293755	12/02/2016	\$ 3,300.00
PV8908670	2335	KELLY SERVICES INC	3293627	12/01/2016	\$ 1,119.28
PV8908671		PROCESSED IN NOVEMBER			
PV8908672	2445	ROBERT J ALDRICH	3294252	12/08/2016	\$ 3,600.00
PV8908673	2400	BEST BEST & KRIEGER	3294116	12/08/2016	\$ 885.30
PV8908674	2085	DAILY JOURNAL	8963316	12/08/2016	\$ 1,046.07
PV8908675	2445	STEVEN FARRELL	8963438	12/08/2016	\$ 410.62
PV8908676	2445	THURSTON SMITTY SMITH	8963443	12/08/2016	\$ 248.06
PV8908677	2445	KIMBERLY COX	8963371	12/08/2016	\$ 258.32
PV8908678	2445	DIANE WILLIAMS	8963328	12/08/2016	\$ 228.08
PV8908679	2445	JIM BAGLEY	8963366	12/08/2016	\$ 571.09
PV890868001	2445	ROBERT A LOVINGOOD	8960670	12/05/2016	\$ 200.00
PV890868002	2445	LARRY MCCALLON	8960632	12/05/2016	\$ 200.00
PV890868003	2445	JAMES C RAMOS	8960604	12/05/2016	\$ 200.00
TOTAL					\$ 12,878.82
MONTH OF DECEMBER 2016 INTERNAL TRANSFERS PROCESSED					
JVIB 05062037D	2037	PHONE CHARGES - COUNTY SYSTEM		12/6/2016	\$ 255.96
JVATXRT07528	2308	CALCARD		12/14/2016	\$ 8,873.54
JVISDRT07485	2115	MICROSOFT ANNUAL LICENSE		12/19/2016	\$ 1,164.36
JVPURRT07492	2310	COUNTY MAIL - PRESORT FLATS		12/16/2016	\$ 35.15
JVPURRT07488	2310	COUNTY MAIL - PRESORT 1ST CLASS		12/16/2016	\$ 175.22
JVPURRT07497	2310	COUNTY MAIL - INTER-OFFICE MAIL		12/20/2016	\$ 178.60
JVPURRT07490	2310	COUNTY MAIL - PACKAGING		12/21/2016	\$ 211.14
JVIB 05062410	2410	COUNTY DATA PROCESSING		12/6/2016	\$ 652.25
JVIB 05062420J	2420	COMMUNICATION DEVICE		12/6/2016	\$ 17.47
JVIB 05062421F	2421	COUNTY DESKTOP SUPPORT		12/6/2016	\$ 743.94
TOTAL					\$ 12,307.63
MONTH OF DECEMBER 2016 CASH RECEIPTS					
DEPOSIT DOCUMENT ID	ACCOUNT	DESCRIPTION		DEPOSIT DATE	AMOUNT
CR890A07280	9545	INDIVIDUAL NOTICE DEPOSIT		12/12/16	\$ 14,000.00
	9555	LEGAL DEPOSIT			\$ 1,200.00
	9595	PROTEST DEPOSIT			\$ 14,000.00

MONTHLY RECONCILIATION OF PAYMENTS

	9660	ENVIRONMENTAL DEPOSIT			\$ 750.00
	9800	LAFCO FEES			\$ 20,000.00
CR890A07671	9660	ENVIRONMENTAL DEPOSIT		12/20/16	\$ 50.00
	9800	LAFCO FEES			\$ 450.00
TOTAL					\$ 50,450.00

MONTH OF DECEMBER 2016 INTERNAL TRANSFERS RECEIVED

TRANSFER DOCUMENT ID	ACCOUNT	NAME		TRANSFER DATE	AMOUNT
JVCFDRT06793	9910	Prior Year Revenue - Cost Recovery		12/1/2016	\$ 584.54
	9910	Prior Year Revenue - Cost Recovery			\$ 570.55
TOTAL					\$ 1,155.09



MICHAEL TUERPE, Project Manager

1/5/2017

DATE

RECONCILIATION APPROVED BY:



KATHLEEN ROLLINGS-McDONALD, Executive Officer

1/5/2017

DATE

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: JANUARY 9, 2017
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4 – Consideration of Fee Reduction Request from the City of Upland for its Reorganization Proposal to Annex the City of Upland Territory to the San Bernardino County Fire Protection District (et al)

RECOMMENDATION:

Staff recommends that the Commission approve a reduction in application fees for the City of Upland request to transfer its fire responsibility to the San Bernardino County Fire Protection District to a total of \$49,950 (fees and deposits).

BACKGROUND:

On November 28, 2016 the City of Upland City Council (hereinafter shown as "City") adopted a resolution to initiate a proposed reorganization to transfer its fire and emergency medical response obligations to the San Bernardino County Fire Protection District (hereinafter shown as "SBCFPD"). The change anticipates a sphere of influence amendment for SBCFPD along with the annexation to the SBCFPD, its Valley Service Zone, and Service Zone FP-5. For the past several years, the City has been evaluating its options to deal with its identified financial distress. The choice has been made to outsource its fire protection and emergency medical response with the introduction of FP-5 to provide for augmented funding for the service. This has culminated in an agreement to annex the territory of the City to the SBCFPD. This change of organization is intended to provide for a means to continue fire protection and emergency medical response in a financially sustainable manner.

As a part of the application process, the City of Upland has submitted a letter requesting a reduction in the fees associated with the submission of the proposal. Commission policy requires that the full fee be submitted in order to begin the processing of the application while awaiting a determination by the Commission on the request. However, in this case staff accepted the proposal, and began its processing due to the significant

timing issues for the proposal. The City is requesting that the change be completed in time to transition service by the new fiscal year and provide for placement of the special tax on the 2017-18 tax roll. The date for submitting the special tax to the Tax Collector is August 2017.

Based on LAFCO staff's review of the Commission's adopted fee schedule, the total filing fee for the sphere of influence change and reorganization would be \$59,716. Staff provided the City with the estimate of costs for the required individual notice due to the inclusion of the annexation to FP-5 for both the Commission's hearing and the protest hearing as a deposit. Pursuant to the Commission's Fee Schedule, if costs exceed the deposit amount, the City will be required to submit payment prior to the issuance of the Certificate of Completion. However, if costs are less than the deposit, than that amount will be refunded to the City. The breakdown below shows all the required fees/deposits for the reorganization proposal:

LAFCO Filing Fees:

a. Sphere of Influence Amendment	\$ 5,000
b. Reorganization	
1. (\$7,500 plus \$1 per acre over 9,766 acres)	\$17,266
2. Valley and FP-5 Service Zones	\$ 7,500
c. Deposit – Legal Counsel	\$ 1,200
d. Deposit – Environmental	\$ 750
e. Deposit – Legal Ad and Individual Notice For Special Tax (Commission hearing and Protest)	<u>\$28,000</u>
TOTAL	\$59,716

With the understanding of the financial position of the City, staff supports a reduction in the fee. The reduction would be based on the Commission's adopted fee schedule, broken down as follows:

a. Sphere of Influence Amendment	\$ 5,000
b. Reorganization	\$15,000
Three Annexation Fees at minimum level (\$5,000)	
c. Deposit – Legal Counsel	\$ 1,200
d. Deposit – Environmental	\$ 750
e. Deposit – Legal Ad and Individual Notice For Special Tax (Commission hearing and Protest)	<u>\$ 28,000</u>
TOTAL	\$49,950

Staff is recommending that the Commission make the determination to reduce the total LAFCO filing fee to \$20,000 (sphere and reorganization) along with the balance of the

required deposits including individual notice for both the Commission and protest hearings. Staff will be happy to answer any questions of the Commission prior to or at the hearing.

KRM

Attachment

1. Letter Dated December 21, 2016 from the City of Upland
2. Vicinity Map of the Fire Reorganization Anticipated

**Letter Dated
December 21, 2016
from the City of Upland**

Attachment 1



CITY MANAGER'S OFFICE
Telephone (909) 931-4106
Facsimile (909) 931-4107

December 21, 2016

RECEIVED
JAN 03 2017
LAFCO
San Bernardino County

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

Re: LAFCO 3215 & LAFCO 3216

Dear Ms. Rollings-McDonald:

On behalf of the City of Upland, I respectfully request consideration of a fee reduction for the application submitted for annexation to San Bernardino County Fire Protection District (LAFCO 3215 and LAFCO 3216).

The City of Upland City Council approved the submittal of an application for annexation to the San Bernardino County Fire Protection District. It is estimated the filing fees for the application will be:

Sphere of Influence Proposal	\$ 5,000
Annexation Fee:	\$24,766
Deposits:	
Legal Deposit	\$1,200
Environmental Review Deposit	\$750
Legal Notice Deposit	<u>\$28,000</u>
TOTAL	\$59,716

The City Council initiated this action because the budget for City services is deemed unstable. In addition, the City faces an unfunded retirement liability that is estimated to far exceed the City's available fund balance. Therefore, it is respectfully requested that, as part of the application process, LAFCO consider approving a reduction in fees as follows:

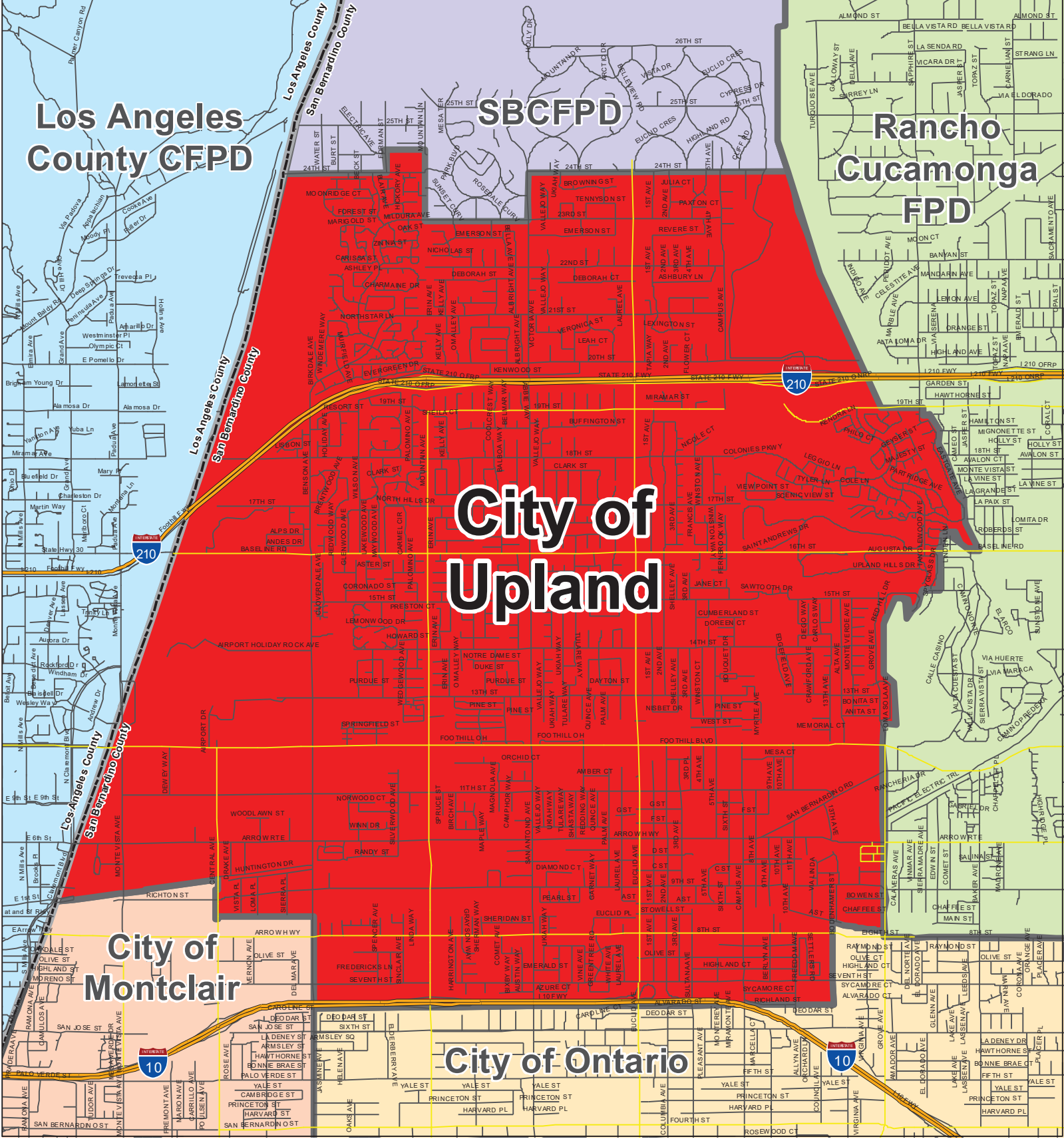
Sphere of Influence Proposal	\$ 5,000
Annexation Fee:	\$15,000
Deposits:	
Legal Deposit	\$1,200
Environmental Review Deposit	\$750
Legal Notice Deposit	<u>\$28,000</u>
TOTAL	\$49,950

Sincerely,

Martin Thouvenell
Interim City Manager

Vicinity Map of the Fire Reorganization Anticipated


Attachment 2





LAFCO 3215 - Sphere of Influence Amendment (Expansion) for the San Bernardino County Fire Protection District (City of Upland)


LAFCO 3216 - Reorganization to include Annexation to the San Bernardino County Fire Protection District, its Valley Service Zone and Service Zone FP-5 (City of Upland)

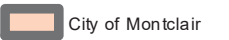
Legend


 City of Upland (Area Proposed for Sphere Expansion for SBCFPD & Annexation to SBCFPD, its Valley Service Zone and Service FP-5)

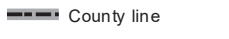
 San Bernardino County Fire Protection District (SBCFPD)

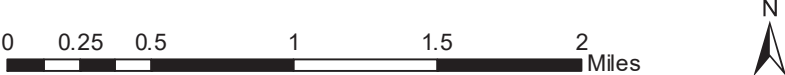
 Rancho Cucamonga Fire Protection District

 Consolidated Fire Protection District of Los Angeles County

 City of Montclair


 City of Ontario

 County line



LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-mail: lafoo@lafoo.sbcounly.gov
www.sbciafoo.org

DATE: JANUARY 9, 2017 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #5 – Approval for Hiring Clerk to the
Commission/Office Manager at Step 8 of Established Salary Range

RECOMMENDATION:

Staff recommends that the Commission approve the hiring of Ms. La Trici Jones at Step 8 of the established salary range (\$25.95 per hour/\$53,976 per year).

BACKGROUND:


Beginning in October 2016, staff has conducted an extensive recruitment process to fill the position of Clerk to the Commission/Officer Manager. The successful candidate, Ms. La Trici Jones, is proposed to enter LAFCO employment at Step 8 of the current salary range for the position. Pursuant to the Commission's Policy and Procedure Manual, Section III, Human Resources Policies and Procedures, Chapter 2 – Employment, Section 2 Compensation, the Executive Officer is authorized a variable entry level step up to Step 7. Staff believes that entrance into LAFCO employment at Step 8 is appropriate given Ms. Jones' years of experience within the County's Clerk of the Board office and skills acquired through her administrative support for the Assessment Appeals Board.

Staff is recommending that the Commission approve the variable entry level at the Step 8 of the 14 Range Salary Schedule allowing for Ms. Jones to join the LAFCO staff on February 6, 2017. Staff will be happy to answer any questions of the Commission prior to or at the hearing.

KRM

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: JANUARY 5, 2017 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: LAFCO 3213 – Reorganization to include Annexation to the City of Chino and Detachment from County Service Area 70 (Griffin Homes)

INITIATED BY:

City of Chino Council Resolution

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3213 by taking the following actions:

1. With respect to environmental review:
 - a) Certify that the Commission, its staff, and its Environmental Consultant have independently reviewed and considered the City's Initial Study and Negative Declaration for Pre-zoning (PL16-0051) for approximately seven acres;
 - b) Determine that the City's environmental assessment and Negative Declaration are adequate for the Commission's use as a CEQA Responsible Agency for its consideration of LAFCO 3213;
 - c) Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project; and,
 - d) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval of LAFCO 3213 since the City of Chino, as lead agency, has paid said fees.
2. Approve LAFCO 3213, with the standard LAFCO terms and conditions that include the "hold harmless" clause for potential litigation costs by the applicant.

3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the annexation; and,
4. Adopt LAFCO Resolution #3239, setting forth the Commission's determinations and conditions of approval concerning this proposal.

BACKGROUND INFORMATION:

LAFCO 3213 is a reorganization proposal initiated by the City of Chino that includes annexation to the City of Chino (hereafter the "City") and detachment from County Service Area (CSA) 70. The proposed reorganization area includes Tract 18902, a 36-lot planned development, and a railroad right-of-way encompassing approximately seven acres generally located within the City of Chino's northwestern sphere of influence.

As shown in Figure 1 below, the reorganization area is bounded by the northerly right-of-way of the Southern Pacific Railroad (existing City of Chino boundary) on the north, Pipeline Avenue on the east, and parcel lines on the south and west. Location and vicinity maps are also included as Attachment #1 to this report.



Fig. 1: LAFCO 3213 Vicinity Map

In November 2014, the County approved the development of Tract 18902, a planned development with 36 single-family residential lots that included—as part of the conditions of approval—the requirement to connect to the City of Chino's water and sewer facilities in order to record the final tract map. In order to facilitate the timely development of the tract, the City permitted the connection to its water and sewer facilities through approval of an Irrevocable Agreement to Annex, which contemplates annexation of the tract sometime in the future. This out-of-agency service agreement was approved by the Commission in

November 2015 (LAFCO SC#400). However, when the City took its action to finalize the agreement, the City Council opted to condition the approval of the contract upon the immediate annexation of the tract into the City as permitted under its policy related to sewer service within its sphere of influence (Resolution No. 2006-028¹) since the parcels associated with the tract are contiguous to the City's boundary. In addition to approving the agreement, the City also executed a Public Improvement Agreement pursuant to its Municipal Code that requires the payment of the City's development impact fees for the tract.

On June 21, 2016, the City—with concurrence from the property owner/developer—initiated the reorganization proposal, LAFCO 3213. This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

BOUNDARIES:

The reorganization area is bounded by the northerly right-of-way of the Southern Pacific Railroad (existing City of Chino boundary) on the north, Pipeline Avenue on the east, and parcel lines on the south and west, within the City of Chino's unincorporated sphere of influence. The area proposed for inclusion into the City includes the entirety of Tract 18902, a proposed development that is only accessible from Pipeline Avenue. In addition, all service provision into said tract will be through Pipeline Avenue.

The City's determination to implement its current policy related to the extension of water and/or sewer service outside its boundaries (City Resolution No. 2006-028) requiring annexation for those parcels contiguous to City boundaries has the potential to start a pattern of zig-zag boundaries for the City. As with the City of Redlands who's Measure U requires the same actions, concerns have been expressed in the past related to road maintenance and development standards along the affected thoroughfares. LAFCO staff will work with the City on future annexation boundaries to eliminate the potential development of islands (prohibited by law) and peninsulas of unincorporated territory to reduce this impact whenever possible.

It is LAFCO staff's position that this reorganization proposal provides for a logical boundary since it includes the entirety of Tract 18902, a wholly contained community with 36 single-family residences that has access only from Pipeline Avenue, which is an easily identifiable boundary for service delivery.

¹ Resolution No. 2006-028 states, "...any parcel(s) contiguous to the City boundary, requesting sewer service, may be required to annex to the City. At the time of the request, if annexation is determined by the City to not be feasible, an irrevocable agreement to annex to the City must be executed."

LAND USE:

Existing Uses:

The reorganization area is a mix of residential development and vacant lots (since the development of Tract 18902 is still underway) including a section of the Southern Pacific Railroad right-of-way. Existing uses directly surrounding the reorganization area include residential development and the railroad right-of-way to the east, residential development and an equestrian facility to the south, residential development to the west, and residential development (within the City) to the north. Figure 2 shows an aerial view of the site taken from a few months ago, prior to construction of the tract.

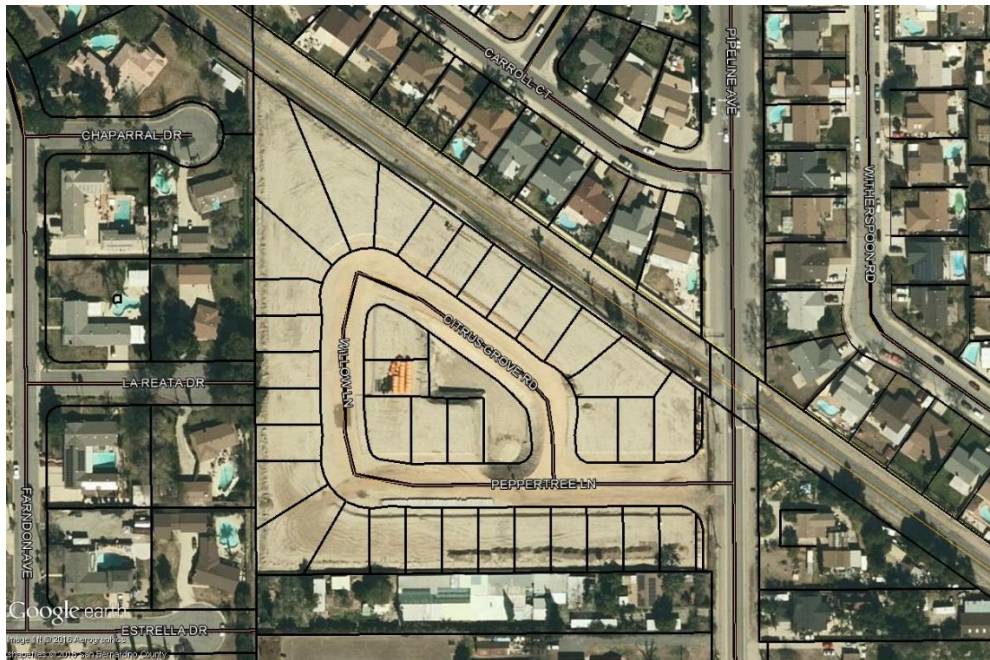


Fig. 2: Aerial of Reorganization Area

Figure 3 below is a picture of the development that is currently on site as of the date of this report, which includes the completion of the model homes, the playground, and Phase 1 of the tract. Phase 2 of the tract is nearing completion.



Fig. 3: View from Entrance of the Tract

County's Land Use Designation:

As part of the County's approval of Tract 18902, it approved a General Plan Amendment to change the land use designation of the subject area, which is now designated as SD (PRD-2014-01) Special Development (Planned Residential Development). The Special Development (PRD-2014-01) land use district approved for the site allows for single-family residential development with a density of 5.24 dwelling units per acre and includes alternative development standards such as reduced setbacks and specific design guidelines for the proposed dwelling units to be built on the site.

City's General Plan:

The City's General Plan designates the entire reorganization area RD8 (Residential, 4.5 to 8 dwelling units/acre). The land use determination between the City and County are generally compatible.

City's Pre-Zone Designation:

The City of Chino processed the pre-zoning of the area as part of its initiation of the reorganization proposal. The City's pre-zone designation for the reorganization area is zoned RD8. This pre-zone designation is consistent with the City's General Plan designation for the area and is also consistent with the proposed development being built on the site.

Under normal circumstances, staff would outline the provisions of Government Code Section 56375(e), requiring that the pre-zoning designation shall remain in effect for a period of two (2) years following annexation. Since the proposal is for the annexation of the tract, which is currently under construction, this determination is not required.

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. County Service Area 70 (multi-function entity) is the only County service provider within the reorganization area. In addition, the following regional entities overlay the reorganization area: Chino Valley Independent Fire Protection District, West Valley Mosquito and Vector Control District, Inland Empire Resource Conservation District, Chino Basin Water Conservation District, Inland Empire Utilities Agency (wastewater treatment services), and the Metropolitan Water District of Southern California (the State Water Contractor).

The application includes a plan for the extension of services for the reorganization area as required by law and Commission policy (included as part of Attachment #3 to this report). The Plan for Service, which was prepared by the Zimmerman Group and was certified by the City, includes a Fiscal Impact Analysis indicating that the project will have a positive financial effect for the City. In general, the Plan identifies the following:

- Wastewater collection services is being provided by the City to Tract 18902 through an out-of-agency service agreement between the property owner/developer and the City (LAFCO SC#400). The sewer line built within the tract connects to the existing 18-inch sewer main in Pipeline Avenue.

Wastewater treatment will be the responsibility of the Inland Empire Utilities Agency, which includes payment of the Sewage Facilities Development Fee for each residential unit.

- Water service is also being provided by the City to Tract 18902 through the out-of-agency service agreement between the property owner/developer and the City (LAFCO SC#400). The water main within the tract connects to the existing 8-inch water main in Pipeline Avenue.
- Law enforcement responsibilities, which are currently provided by the City of Chino Hills Police Department by contract with the San Bernardino County Sheriff's Department, will transition to the City of Chino's Police Department following the completion of the reorganization. The City's Police Department is located at 5450 Walnut Avenue, Chino, which is approximately 2.2 miles from the proposal area.
- Solid waste services, currently provided by Waste Management within the reorganization area, will continue to serve the area upon completion of the reorganization since the City also contracts with Waste Management for its services.
- Fire protection and paramedic services are currently provided by the Chino Valley Independent Fire Protection District. No change will occur to this service provider through the reorganization.

As required by Commission policy and State law, the Plan for Service shows that the extension of the City's services will maintain, and/or exceed, current service levels provided through the County and is determined to be sustainable for the foreseeable future.

ENVIRONMENTAL:

The City of Chino prepared an environmental assessment and Negative Declaration for Pre-zoning (PL16-0051) for approximately seven acres. The City's environmental assessment has been reviewed by the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, who determined that, if the Commission chooses to approve LAFCO 3213, the City's documents are adequate for Commission's use as a responsible agency under CEQA. The following are the necessary environmental actions to be taken by the Commission as a responsible agency under CEQA:

- a) Certify that the Initial Study and Negative Declaration prepared by the City for Pre-zoning (PL16-0051) for approximately seven acres have been independently reviewed and considered by the Commission, its staff and its Environmental Consultant;
- b) Determine that the City's environmental assessment and Negative Declaration are adequate for the Commission's use as a CEQA Responsible Agency for its consideration of LAFCO 3213;
- c) Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project; and,
- d) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval since the City, as lead agency, has paid said fees.

Waiver of Protest Proceedings:

The reorganization area is legally uninhabited (as determined by the Registrar of Voters office) and LAFCO staff originally verified that the study area possessed 100% landowner consent to the annexation. Subsequently, the property owner/developer has required all buyers within the tract to sign the Landowner Consent Form as part of its purchase agreement. As of the date of this report, LAFCO staff has received landowner consent forms for all the landowners for Phase 1 of the development (total of seven), which are the units that have been released for sale by the property owner/developer. Such verification is required for all landowners within the reorganization area with the exception of lands owned by a railroad company.

The standard for verification for a railroad company relates to the submission of written opposition to the waiver of protest proceedings pursuant to Government Code Section 56662(d). Since the reorganization area has lands owned by a railroad company, LAFCO staff notified Union Pacific Railroad, the owner on record for the railroad property, regarding the provisions of Government Code Section 56662(d) and indicated that LAFCO will be waiving the protest proceedings if it does not receive opposition to the waiver from the company prior to the Commission's consideration of LAFCO 3213. As of the date of this

report, LAFCO has not received any opposition from the railroad company to the waiver of protest proceedings.

Based upon these determinations, if the Commission approves LAFCO 3213 and none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending, pursuant to Government Code Section 56662(d), that protest proceedings be waived and that the Executive Officer be directed to complete the action following completion of the mandatory reconsideration period of 30-days.

CONCLUSION:

The reorganization proposal was submitted in response to the development of Tract 18902, a 36-unit planned development, which included the requirement to connect to the City of Chino's water and sewer facilities. In order to facilitate the timely development of the tract, the City permitted the connection to its water and sewer facilities through approval of an Irrevocable Agreement to Annex, which contemplated annexation of the tract sometime in the future. The approval of the out of agency agreement and the Public Improvement agreement required the property owner/developer of the tract to begin the process for annexation into the City pursuant to its policy on receiving services since the parcels associated with the tract are contiguous to the City's boundary. For these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3213.

DETERMINATIONS:

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 uninhabited, containing zero (0) registered voters as of November 29, 2016.
2. The County Assessor has determined that the total assessed value of land within the reorganization area on the secured assessment roll is \$3,850,000 as of September 14, 2016.
3. The reorganization area is within the sphere of influence assigned the City of Chino.
4. Commission review of this proposal has been advertised in the *Inland Valley Daily Bulletin*, 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 within the reorganization area (totaling 8 notices) and to landowners and registered voters surrounding the reorganization area (totaling 463 notices) in accordance with State law and adopted Commission policies. Comments from landowners/registered

voters and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.

6. The City of Chino has pre-zoned the reorganization area RD8. This zoning designation is consistent with the City's General Plan.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3213 has no direct impact on SCAG's Regional Transportation Plan.

The Sustainable Communities Strategy includes, among others, strategies that support compact infill development as well as expanded housing and transportation choices, which approval of LAFCO 3213 will support.

8. As a function of its review for pre-zoning (PL16-0051) for approximately seven acres, the City of Chino acted as the lead agency for the environmental assessment for the reorganization proposal.

The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the City's Initial Study and Negative Declaration and has indicated that it is his recommendation that the City's environmental assessment and Negative Declaration are adequate for the Commission's review of LAFCO 3213 as a responsible agency under CEQA. The necessary actions to be taken by the Commission, as a responsible agency, are outlined in the Environmental Considerations portion of this report. Mr. Dodson's response and the City's environmental assessments are included as Attachment #4 to this report.

9. The reorganization area is presently served by the following local agencies:

County of San Bernardino
Chino Valley Independent Fire Protection District
West Valley Mosquito and Vector Control District
Inland Empire Resource Conservation District
Chino Basin Water Conservation District
Inland Empire Utilities Agency and its Improvement District No. C (regional wastewater treatment provider)
Metropolitan Water District of Southern California (the State Water Contractor)
County Service Area 70 (multi-function unincorporated area Countywide)

County Service Area 70 will be detached as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. A plan was prepared for the extension of services to the reorganization area, as required by law. The Plan for Service, which was prepared by the Zimmerman Group and was certified by the City, indicates that the City can maintain and/or

improve the level and range of services currently available in the area. A copy of this plan is included as a part of Attachment #2 to this report. The Plan for Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service and the Fiscal Impact Analysis, conform to those adopted standards and requirements.

11. The proposal 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. In support of this requirement, the property owner/developer is required to pay all development impact fees to the City of Chino as outlined in the signed Public Improvement Agreement for Tract Map No. 18902 (City of Chino Contract No. 2016-291). A copy of this contract is included as Attachment #3 to this report.
12. The reorganization area can benefit from the availability and extension of municipal services from the City of Chino and is benefitting from water and sewer service being provided by the City to the tract that is being developed.
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs since the reorganization area is being developed with a new tract that has 36 single-family residences.
14. With respect to environmental justice, which is the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services, the following demographic and income profile was generated using ESRI's Community Analyst within the City of Chino and within and around the reorganization area (2016 data):

Demographic and Income Comparison	City of Chino (%)	Subject Area & adjacent Unincorporated Sphere (%)
Race and Ethnicity		
• African American Alone	6.7 %	2.9 %
• American Indian Alone	1.0 %	1.1 %
• Asian Alone	11.5 %	9.1 %
• Pacific Islander Alone	0.2 %	0.6 %
• Hispanic Origin (Any Race)	56.9 %	53.7 %
Median Household Income	\$75,656	\$93,302

The adjacent unincorporated sphere area already receives water service from either the City or Monte Vista Water District. Wastewater service, if required, is also available from the City through an out-of-agency service agreement for sewer service. Fire protection is already provided by the Chino Valley Independent Fire Protection District, which serves both the City and its entire unincorporated sphere. Therefore, the reorganization area will benefit from the extension of services and

facilities from the City and, at the same time, the approval of the reorganization would not result in the deprivation of service or the unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Chino have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
16. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

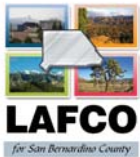
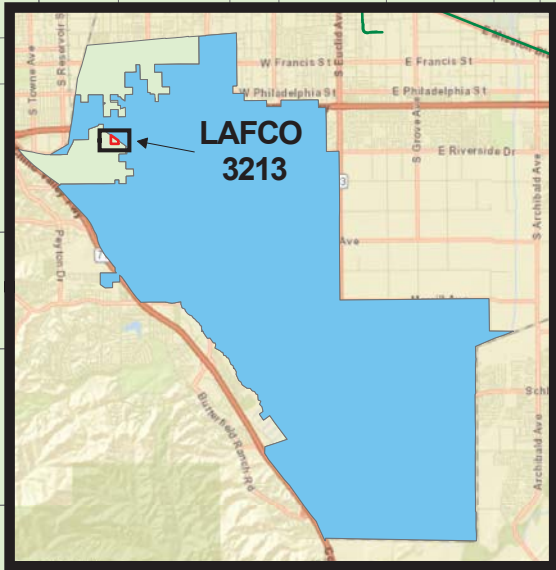
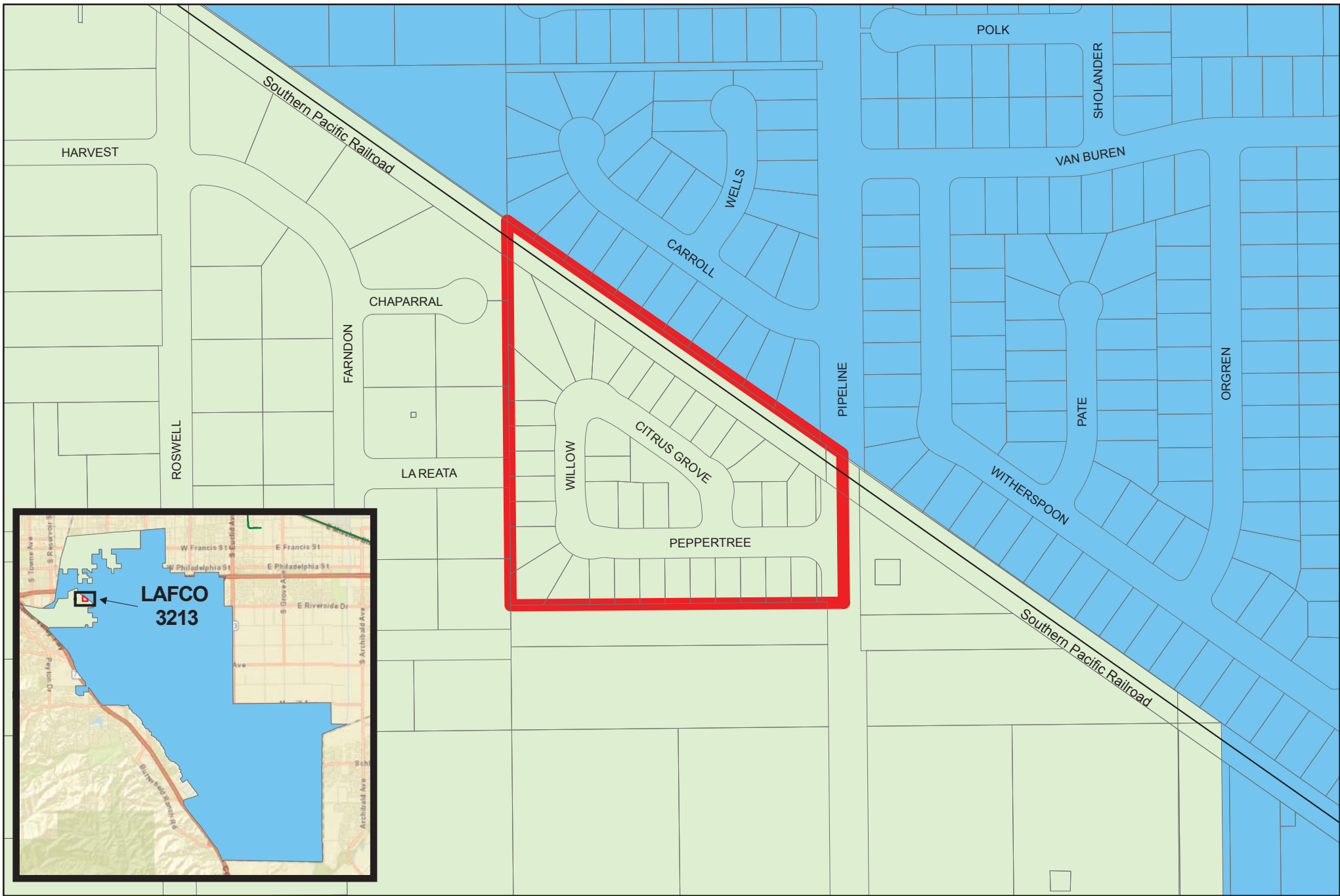
KRM/sm

Attachments:

1. Vicinity Maps and Reorganization Area Maps
2. Application and Plan for Service Including Fiscal Impact Analysis
3. Public Improvement Agreement for Tract Map No. 18902
4. Response from Tom Dodson and Associates including the City of Chino's Initial Study and Negative Declaration for Pre-zoning (PL16-0051)
5. Draft Resolution No. 3239

Vicinity Maps and Reorganization Area Maps

Attachment 1



LAFCO 3213 - Reorganization to Include Annexation to City of Chino and Detachment from County Service Area 70

-  LAFCO 3213
-  City of Chino
-  City of Chino Sphere
-  Railroads



EXHIBIT B

LAFCO 3213

REORGANIZATION TO INCLUDE ANNEXATION TO THE CITY OF
CHINO AND DETACHMENT FROM COUNTY SERVICE AREA 70

CITY OF CHINO
ANNEXATION NO. 20
RECORDING DATE MAY 10, 1960

TRACT 8726
MB 124/10-12

TRACT NO. 7246 MB 91/47-48

APN: 1016-533-06

APN: 1016-533-05

APN: 1016-533-01

APN: 1016-532-04

APN: 1016-532-01

APN: 1016-532-01

APN: 1016-532-01

APN: 1016-532-01

763.17' ③

100°07'24"E

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100°07'24"E

100°07'24"E

APN: 1016-521-58

APN: 1016-521-59

APN: 1016-521-60

APN: 1016-521-61

APN: 1016-521-62

APN: 1016-521-63

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APN: 1016-521-66

APN: 1016-521-67

APN: 1016-521-68

APN: 1016-521-69

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APN: 1016-521-71

APN: 1016-521-72

APN: 1016-521-73

APN: 1016-521-74

APN: 1016-521-75

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APN: 1016-521-78

APN: 1016-521-79

APN: 1016-521-80

APN: 1016-521-81

APN: 1016-521-82

APN: 1016-521-83

APN: 1016-521-84

APN: 1016-521-85

APN: 1016-521-86

APN: 1016-521-87

APN: 1016-521-88

APN: 1016-521-89

APN: 1016-521-90

APN: 1016-521-91

APN: 1016-521-92

APN: 1016-521-93

APN: 1016-521-94

APN: 1016-521-95

APN: 1016-521-96

APN: 1016-521-97

APN: 1016-521-98

APN: 1016-521-99

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APN: 1016-521-103

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APN: 1016-521-113

APN: 1016-521-114

APN: 1016-521-115

APN: 1016-521-116

APN: 1016-521-117

APN: 1016-521-118

APN: 1016-521-119

APN: 1016-521-120

APN: 1016-521-121

APN: 1016-521-122

APN: 1016-521-123

APN: 1016-521-124

APN: 1016-521-125

APN: 1016-521-126

APN: 1016-521-127

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APN: 1016-521-131

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APN: 1016-521-164

APN: 1016-521-165

APN: 1016-521-166

APN: 1016-521-167

APN: 1016-521-168

APN: 1016-521-169

APN: 1016-521-170

APN: 1016-521-171

APN: 1016-521-172

APN: 1016-521-173

APN: 1016-521-174

APN: 1016-521-175

APN: 1016-521-176

APN: 1016-521-177

APN: 1016-521-178

APN: 1016-521-179

APN: 1016-521-180

APN: 1016-521-181

APN: 1016-521-182

APN: 1016-521-183

APN: 1016-521-184

APN: 1016-521-185

LEGEND



INDICATES EXISTING
BOUNDARY OF CHINO



INDICATES ANNEXATION
BOUNDARY

①

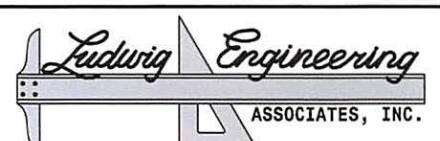
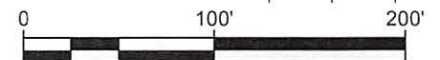
INDICATES LEGAL
DESCRIPTION COURSE
NUMBER



SCOTT STURM, PLS 8549

DATE

REVISION 2



Civil Engineering • Surveying • Planning

Application and Plan for Service Including Fiscal Impact Analysis

Attachment 2

SAN BERNARDINO LAFCO APPLICATION AND PRELIMINARY ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: Chino-Pipeline Ave 36, LLC (APN 1016-521-05, 03, 04 and portions of 1016-331-04 Union Pacific Line) (TTM 18902)

2. NAME OF APPLICANT: City of Chino, c/o Michael Hitz, Principal Planner
 APPLICANT TYPE: ☐ Landowner ☒ Local Agency
 ☐ Registered Voter ☐ Other _____
 MAILING ADDRESS:
 P.O. Box 667
 Chino, CA 91708
 PHONE: (909) 334-3448
 FAX: (909) 334-3729
 E-MAIL ADDRESS: mhitz@cityofchino.org

3. GENERAL LOCATION OF PROPOSAL: 12730 Pipeline Avenue. West side of Pipeline Avenue approximately 1,000 feet north of Riverside Drive and including the Union Pacific Rail line on the north.

4. Does the application possess 100% written consent of each landowner in the subject territory?
 YES ☐ NO ☒ If YES, provide written authorization for change.

5. Indicate the reason(s) that the proposed action has been requested. The City of Chino initiated the annexation of this area to allow for residential development. This development will utilize water and sewer from the City of Chino. City policy dictates that properties that are contiguous to the City boundary located within the City's sphere of influence that require sewer service should be annexed into the City.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres):
7.9 +/- Acres
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)
Currently no dwelling units.
3. Approximate current population within area:
Zero.
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):
The City of Chino General Plan designation of this site is RD 8 (Residential
8 units per acre).

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):
The San Bernardino County land use designation is SD (Special
Development Planned Residential Development).

- 5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:
The site is currently under construction with 36 single-family homes (Tract
No. 18902). It is not anticipated the development of these homes will have a
negative impact on the regional transportation plan.
- 6. Indicate the existing use of the subject territory.
The existing land use is residential and the site is currently being developed with
single-family homes. This development includes the installation of public
improvements (streets, water, sewer, storm drain, and a neighborhood park).

What is the proposed land use?
The proposed land use is for 36 single-family homes.

- 7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

<input type="checkbox"/> Agricultural Land Uses	<input type="checkbox"/> Agricultural Preserve Designation
<input type="checkbox"/> Williamson Act Contract	<input type="checkbox"/> Area where Special Permits are Required
<input type="checkbox"/> Any other unusual features of the area or permits required: _____	
<u>N/A</u>	

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):
The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:

The site is currently being developed with single-family homes, which were approved by the County of San Bernardino. The project complies with all County and State requirements and basic principles of environmental justice, as it does not expose minority or disadvantaged populations within the proposed annexation area to proportionally greater risk or impacts compared with those borne by other individuals.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. The annexation area is relatively flat with a gentle southeast slope of less than 1%.

2. Describe any existing improvements on the subject territory as % of total area.

Residential	<u>8</u> % (3 models)	Agricultural	<u>0</u> %
Commercial	<u>0</u> %	Vacant	<u>92</u> % (To be developed)
Industrial	<u>0</u> %	Other	<u>0</u> %

3. Describe the surrounding land uses:

NORTH	<u>Residential/Railroad</u>
EAST	<u>Residential</u>
SOUTH	<u>Residential</u>
WEST	<u>Residential</u>

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

The development of 36 single-family homes for Tract No. 18902 requires the installation of water, sewer, storm drain, grading improvements, streets, landscaping, sidewalks, and a park.

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐
NO ☒ Adjacent sites? YES ☐ NO ☐ Unincorporated ☐ Incorporated ☐

The site will be fully developed and no further growth would be possible.

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐
NO ☐ If YES, please identify.

Unknown.

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain.

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Griffin Residential - Kim Berry TELEPHONE NO. 951-547-3559

ADDRESS: 110 North Lincoln Avenue, #100, Corona, CA 92882

NAME Union Pacific - Kristian Ehrhorn TELEPHONE NO. 402-546-8567

ADDRESS: 1400 Douglas Street - Stop 1690, Omaha, NE 68179

NAME _____ TELEPHONE NO. _____

ADDRESS: _____

CERTIFICATION

As a part of this application, the City/Town of Chino, or the _____
District/Agency, _____ (the applicant) and/or the _____ (real party in
interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify,
hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees,

and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

8.26.16


Matthew C. Ballantyne

SIGNATURE

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

City Manager

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☐ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

SUPPLEMENT ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO <u>City of Chino</u> <hr/> <hr/> <hr/>	DETACHED FROM <u>County Service Area 70</u> <hr/> <hr/> <hr/>
---	---

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

- a. Has pre-zoning been completed? YES ☒ NO ☐
 b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☐ NO ☐

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

The Prezoning classification is RD8 (Residential, 8 units per acre).

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES ☐ NO ☒ If YES, please provide a written justification for the proposed boundary configuration.

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

The development of 36 single-family homes will require the developer to pay Development Impact Fees to the City for these new homes, and other construction related fees. There are no new taxes. Any street lights on Pipeline Avenue will be required to be annexed into a City Lighting Maintenance District.

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

Unknown.

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

No Williamson Act Contract exists within the proposed annexation area.

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

The developer is constructing 36 single family units at a density of 5.24 units per acre, which is a higher density than some of the surrounding neighborhoods providing a greater mixture of available housing.

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory.
- B. An indication of when the service can be feasibly extended to the affected territory.
- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.
- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

CERTIFICATION

As a part of this application, the City/Town of Chino, or the _____ District/Agency, _____ (the applicant) and/or the _____ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I acknowledge that annexation to the City/Town of Chino or the _____ District/Agency may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

8.26.16


SIGNATURE

Matthew C. Ballantyne

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

City Manager

Title and Affiliation (if applicable)

**Vintage Grove Project
Plan for Service and Fiscal Impact Analysis
City of Chino**

November 29, 2016

Prepared for:

**City of Chino
13220 Central Avenue
Chino, CA 91710**

Prepared by:



28202 Cabot Road, Suite 620
Laguna Niguel, CA 92677
T. 949-542-7070
F. 949-542-7076

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EXECUTIVE SUMMARY

This report provides an assessment of public service delivery capabilities of the City of Chino (the “City”) and other agencies or special districts affected by the proposed annexation of the Vintage Grove Project (the “Project”) into the City. The Project site is composed of three separate parcels which are located within the City's sphere of influence in unincorporated San Bernardino County (the “County”).

This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. After annexation, the City would provide services including general government, police protection, community development, fire and paramedic services, local parks and recreation, community services and public works services to the annexed area. The County will continue to provide Countywide services such as regional parks and recreation and regional flood control and drainage.

Based on an analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed annexation of the Project. This report explains the transfer of service requirements upon annexation, estimates development impact fees and projects recurring fiscal impacts to the City.

As shown in Table 1, a recurring annual surplus of \$3,806 is projected after buildout of the Project. Section 5 presents the detailed fiscal analysis.

Table 1
Summary of Projected Fiscal Impacts after Buildout
Vintage Grove Project Plan for Service and Fiscal Analysis
City of Chino
(In Constant 2016 Dollars)

General Fund	
Total Recurring Revenues	\$53,528
Total Recurring Costs	49,722
Net Recurring Fiscal Impact	<u>\$3,806</u>
 Revenue/Cost Ratio	 1.08

SECTION 1 INTRODUCTION

This report presents the plan for service and fiscal analysis of the proposed annexation of the Project to the City. The owner of the Project is Chino-Pipeline Ave 36, LLC (“Developer”). The Project site is located in the County of San Bernardino unincorporated area adjacent to the boundary of the City and within the City's sphere of influence. As shown in Figure 1-1A and 1-1B, the Project site is located north of Riverside Drive and west of Pipeline Avenue.

**Figure 1-1A
Regional Location**

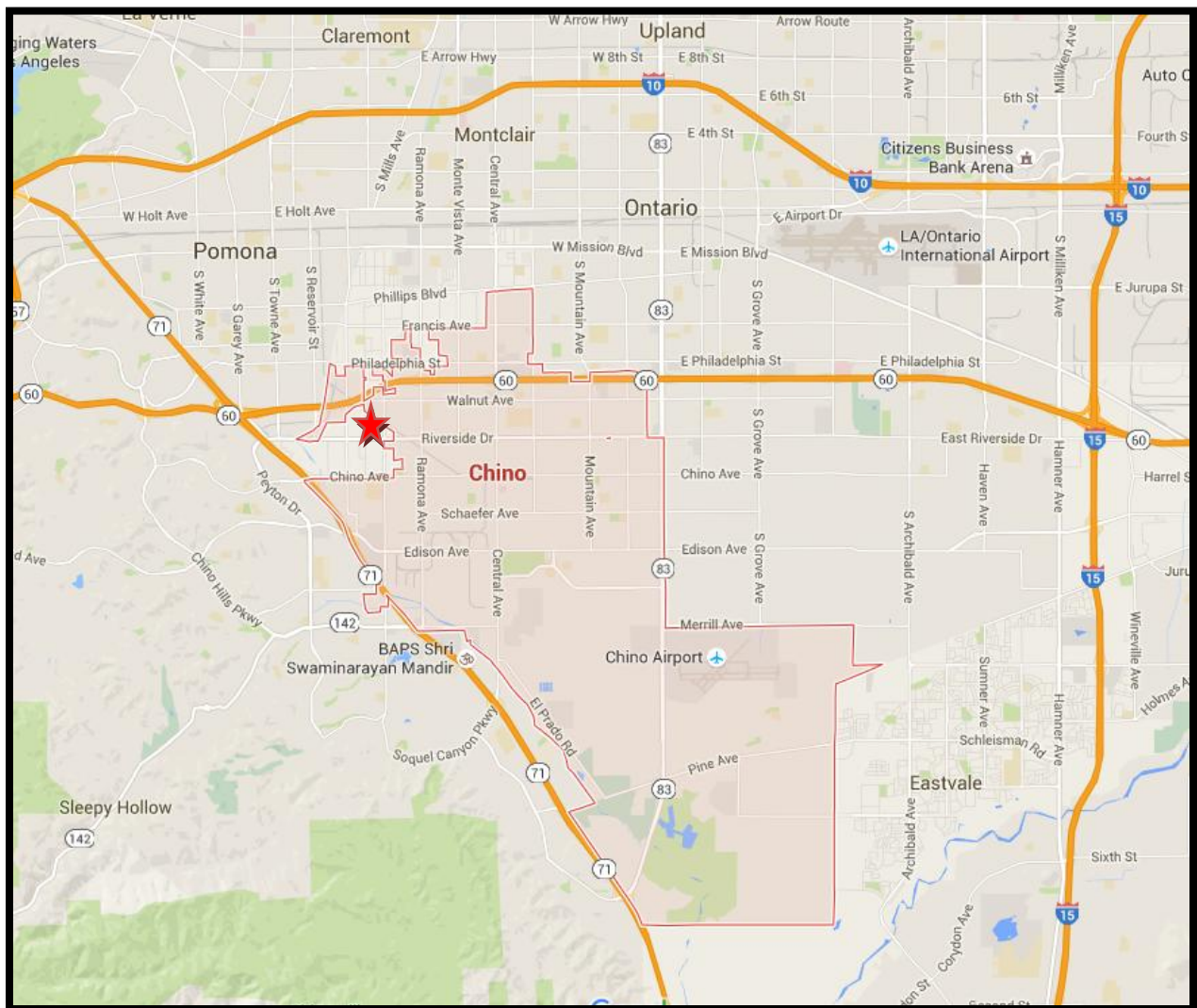
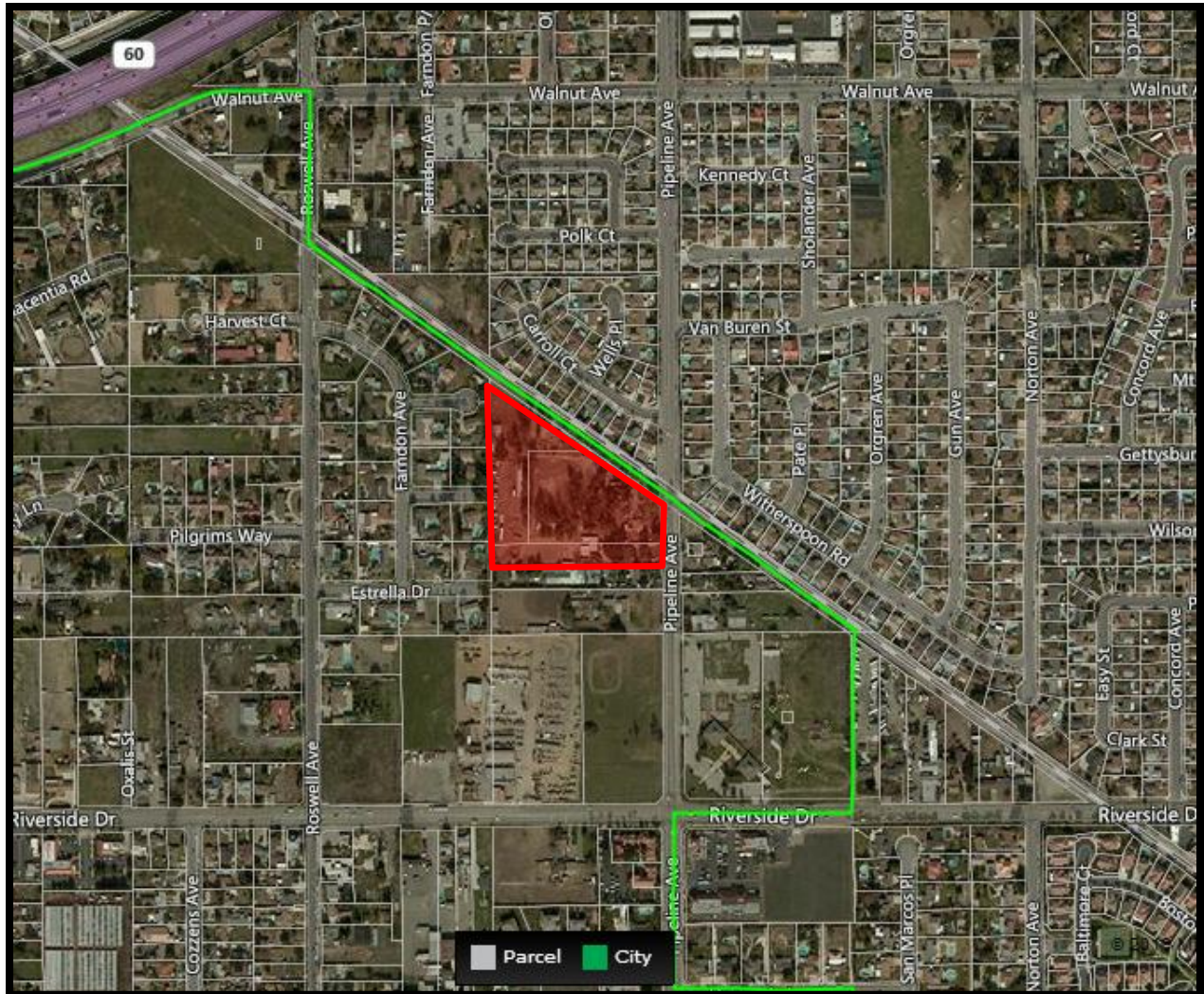


Figure 1-1B
Project Location



1.1 Purpose of the Study

The Local Agency Formation Commission (LAFCO) for San Bernardino County requires a Plan for Service and Fiscal Impact Analysis be prepared and certified when a jurisdiction is affected by a proposed change of organization or reorganization (e.g., annexation, formation). The unincorporated Project intends to annex into the City, which requires the City to show that the necessary infrastructure improvements and services can be provided to the proposed development. Per the LAFCO October 2014 Policy and Procedure Manual, the Plan for Service must include the following components:

- a. A description of the level and range of each service to be provided to the affected territory.*
- b. An indication of when those services can feasibly be extended to the affected territory.*

c. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

d. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

e. An indication of whether the affected territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

f. If retail water service is to be provided through this change of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Ch3 65352.5.

1.2 Organization of the Report

Section 2 contains the description of the Project annexation area. The analysis of existing public service delivery in the annexation area and upon annexation into the City is presented in Section 3. Section 4 discusses the development impact fees and charges for infrastructure associated with the proposed Project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Project is provided in Section 5. Section 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes assumptions and sources with supporting tables. Appendix B lists the Project contacts and references used in the preparation of this study.

SECTION 2 PROJECT DESCRIPTION

This section presents the detailed land uses for the Project. The project site is composed of three separate parcels: assessor parcel numbers 1016-521-03-0000 through 1016-521-05-0000, resulting in approximately 6.86 gross acres. The Project is located just outside the north west section of the City and borders the Union Pacific Railroad that divides the City and the County. The Project is bordered by Pipeline Avenue on the east and is just north of Riverside Drive, situated to the south of the 60 freeway. The Project consists of Tract Map No. 18902 that was tentatively and conditionally approved by the County of San Bernardino Board of Supervisors on November 4, 2014 and recorded on February 11, 2016.

2.1 Residential Development

As shown in Table 2-1, there are 36 new residential units planned for the Project. Year 1 is assumed for the development period of the 36 new residential units for the Project. The 36 new units are assumed to be completed and occupied in Year 2. However, the development description presents the first 5 years of development, per the LAFCO requirements for the fiscal analysis.

Table 2-1 also shows the total projected population for the Project at 125 in Year 2. This estimate is based on the January 1, 2015 Citywide average estimate of 3.481 persons per unit from the State Department of Finance.

**Table 2-1
Residential Description
Vintage Grove Plan for Service and Fiscal Analysis
City of Chino
(In Constant 2016 Dollars)**

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
Residential Units (a)						
Vintage Grove New Residential Units						
Plan 1 - 2,732 Sq. Ft.	0	12	0	0	0	12
Plan 2 - 3,004 Sq. Ft.	0	11	0	0	0	11
Plan 3 - 3,150 Sq. Ft.	0	13	0	0	0	13
Annual New Residential Units	0	36	0	0	0	36
Cumulative New Units	0	36	36	36	36	
Population (b)						
Total Annual Population (@ 3.481 persons per unit)	0	125	0	0	0	125
Total Cumulative Population	0	125	125	125	125	

Footnotes:

(a) Residential product information provided by Developer.

(b) Population projections based on the E5 City/County Population and Housing Estimates as of 1/1/15.

2.2 Assessed Valuation and Property Tax

Assessed valuation for the Project after buildout is projected at about \$20.86 million, as shown in Table 2-2. This estimated new valuation is based on the following base prices by plan type and unit mix provided by Developer:

- Plan 1 \$562,000 per unit
- Plan 2 \$582,000 per unit
- Plan 3 \$593,000 per unit

Projected Property Tax

The Report estimates that the City General Fund will receive property tax at 5.40 percent of the basic one percent property tax levy on assessed valuation. This estimate is based on information the City received on November 28, 2016 from the County COA Finance and Administration and County Auditor. This is further discussed in the Section 6 fiscal assumptions. As shown on Table 2-2, property tax to the City General Fund for the current assessed valuation upon annexation (Year 1) is projected at \$726. As residential units are completed in Year 2, cumulative property tax is projected at \$11,262. All units are assumed to be built in Year 2, therefore projected property tax to the General Fund remains at \$11,262 for Years 3, 4 and 5 and at buildout.

Projected Vehicle License Fees (VLF) - Property Tax In Lieu

The City General Fund will also receive VLF - property tax in lieu based on the increase in assessed valuation in the City. Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. The City will receive VLF - property tax in-lieu based on the change in its gross assessed valuation of taxable property for new development in the annexed area. As shown in Appendix A-5, the VLF - property tax in lieu in the City is projected to increase at \$722 per million dollars of new assessed valuation (AV).

As shown on Table 2-2, no VLF - property tax in lieu is projected for existing valuation in Year 1 per State law. By Year 2 VLF - property tax in lieu is projected at \$14,095 and remains at this amount for Years 3, 4, and 5 and at buildout.

Table 2-2
Assessed Valuation and Property Tax
Vintage Grove Project Plan for Service and Fiscal Analysis
City of Chino
(In Constant 2016 Dollars)

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
NEW RESIDENTIAL UNITS (a)						
Plan 1	0	12	0	0	0	12
Plan 2	0	11	0	0	0	11
Plan 3	0	13	0	0	0	13
Total Annual Units	0	36	0	0	0	36
Total Cumulative Units	0	36	36	36	36	
ASSESSED VALUATION (b)						
Current Valuation	\$1,344,760	-	-	-	-	
New Valuation (a)						
Plan 1	\$562,000	\$6,744,000	\$-	\$-	\$-	\$6,744,000
Plan 2	\$582,000	6,402,000	-	-	-	6,402,000
Plan 3	\$593,000	7,709,000	-	-	-	7,709,000
Net New Valuation	\$-	\$20,855,000	\$-	\$-	\$-	\$20,855,000
New Valuation	\$-	\$20,855,000	\$-	\$-	\$-	\$20,855,000
Existing Valuation	\$-	\$1,344,760	\$-	\$-	\$-	\$1,344,760
Net New Valuation	\$-	\$19,510,240	\$-	\$-	\$-	\$19,510,240
Total Valuation	\$1,344,760	\$19,510,240	\$-	\$-	\$-	\$20,855,000
Incremental Valuation for Property Tax	\$1,344,760	\$19,510,240	\$-	\$-	\$-	\$20,855,000
Total Cumulative Valuation	\$1,344,760	\$20,855,000	\$20,855,000	\$20,855,000	\$20,855,000	
PROJECTED PROPERTY TAX						
Incremental 1 Percent Property Tax	\$13,448	\$195,102	\$-	\$-	\$-	\$208,550
Total Cumulative 1 Percent Property Tax Levy	\$13,448	\$208,550	\$208,550	\$208,550	\$208,550	
Annual General Fund Property (@5.40% of 1 Percent Levy)	\$726	\$10,536	\$-	\$-	\$-	\$11,262
Total Cumulative Property Tax - General Fund	\$726	\$11,262	\$11,262	\$11,262	\$11,262	
PROJECTED VLF-PROPERTY TAX IN LIEU						
Total Annual Valuation for VLF-Property Tax in Lieu (c)	\$-	\$19,510,240	\$-	\$-	\$-	\$19,510,240
Total Cumulative Valuation for VLF-Property In Lieu	\$-	\$19,510,240	\$19,510,240	\$19,510,240	\$19,510,240	
Total Annual VLF-Property Tax In Lieu (c) (@ \$722 per \$1,000,000 Assessed Valuation)	\$-	\$14,095	\$-	\$-	\$-	\$14,095
Total Cumulative Projected VLF-Property Tax In Lieu	\$-	\$14,095	\$14,095	\$14,095	\$14,095	

Notes:

(a) Phasing and valuation for the Project provided by Developer.

(b) Current valuation is based on the 2015 tax roll values.

(c) Vehicle license fee (VLF) property tax in lieu is projected based on the increase in assessed valuation in a jurisdiction. Per State law, when an annexation occurs the existing valuation in the annexing area cannot be used in adjusting the amount of assessed valuation in the annexing City. Therefore, the current valuation of \$1,344,760 is not included in the projection of property tax in lieu of VLF.

2.3 Sales and Use Tax

Sales and use tax is projected for the retail taxable sales that will be captured in the City from off-site purchases made by the future residents of the Project. Off-site retail sales and use tax from taxable purchases made by future Project residents is projected based on the resident's estimated household income and the estimated taxable retail purchases made in the City. Household income is estimated at 25 percent of average housing value. Based on the U.S. Bureau of Labor Statistic, *Consumer*

Expenditure Survey, the fiscal analysis estimates the Project residents will generate total taxable retail purchases at about 32 percent of household income.

As shown in Table 2-3, estimated annual off-site retail sales and use tax from taxable purchases made by future Project residents are projected at \$13,963.74 after buildout. This estimate is based on total household income projected at about \$5.2 million after buildout (25 percent of residential valuation of approximately \$20.86 million). At 32 percent of household income, the projected retail taxable purchases made by Project residents are projected at about \$1.67 million after buildout. The fiscal analysis assumes that 75 percent of the annual retail taxable purchases, or about \$1.25 million, will be made in the City.

At one percent of the estimated captured taxable sales of about \$1,251,301, sales tax is projected at \$12,513 after buildout. At the City average use tax rate of 11.59 percent of sales tax, an additional \$1,451 of use tax is projected after buildout. Total sales and use tax captured in the City by the Project residents is projected at \$13,964 after buildout. Based on the projected new residential valuation for each year, no off-site sales and use tax is projected for Year 1. The offsite sales and use tax from future residents of the Project are projected at \$13,964 for Year 2. Because no units are planned after Year 2, the projected sales and use tax remains at \$13,964 for Years 3, 4, 5 and at buildout.

Table 2-3
Estimated Off-Site Sales and Use Tax by Project Residents
Vintage Grove Project Plan for Service and Fiscal Analysis
City of Chino
(In Constant 2016 Dollars)

Category	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Cumulative Residential Valuation</u>	-	\$20,855,000	\$20,855,000	\$20,855,000	\$20,855,000
<u>Household Income (@ 25% of household valuation)</u>	-	\$ 5,213,750	\$ 5,213,750	\$ 5,213,750	\$ 5,213,750
<u>Retail Taxable Sales (@ 32% of household income)</u>	-	\$ 1,668,400	\$ 1,668,400	\$ 1,668,400	\$ 1,668,400
<u>Projected Off-Site Retail Taxable Sales Captured in Chino (@ 75% Capture)</u>	-	\$ 1,251,300	\$ 1,251,300	\$ 1,251,300	\$ 1,251,300
<u>Projected Sales and Use Tax to Chino</u>					
Sales Tax (@ 1% of taxable sales)	-	\$ 12,513.00	\$ 12,513.00	\$ 12,513.00	\$ 12,513.00
Use Tax (@ 11.59% of sales tax)	-	<u>1,450.74</u>	<u>1,450.74</u>	<u>1,450.74</u>	<u>1,450.74</u>
	-	\$ 13,963.74	\$ 13,963.74	\$ 13,963.74	\$ 13,963.74
<u>Allocation of Total Projected Off-Site Sales & Use Tax</u>					
Sales and Use Tax (@ 75% of total sales & use tax)	-	\$ 10,472.81	\$ 10,472.81	\$ 10,472.81	\$ 10,472.81
Sales Tax in Lieu (@ 25% of total sales & use tax)	-	<u>3,490.94</u>	<u>3,490.94</u>	<u>3,490.94</u>	<u>3,490.94</u>
	-	\$ 13,963.74	\$ 13,963.74	\$ 13,963.74	\$ 13,963.74

SECTION 3

PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This section describes the existing and anticipated future service providers for the proposed Project. The level and range of the following services are in this section:

- General Government and Community Development
- Fire and Paramedic
- County Sheriff and Public Safety
- Library
- Parks and Recreation
- Animal Control
- Street Lighting and Traffic Signals
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management
- Health and Welfare

As presented in Table 3-1, San Bernardino County and local special districts provide many services to the annexation area, located in the City's Sphere of Influence (SOI), including general government, fire and paramedic, sheriff services, library, animal control, street lighting, road maintenance, flood control and health and welfare.

Table 3-1
Service Providers Before and After Proposed Annexation
Vintage Grove Plan for Service and Fiscal Analysis
City of Chino

Service	Current Service Provider	Anticipated Service Provider
General Government Services:		
Administration	San Bernardino County	City of Chino
Finance	San Bernardino County	City of Chino
Human Resources	San Bernardino County	City of Chino
Community Development:		
Planning	San Bernardino County	City of Chino
Building	San Bernardino County	City of Chino
Code Enforcement	San Bernardino County	City of Chino
Fire and Paramedic	Chino Valley Independent Fire Department	Chino Valley Independent Fire Department
Sheriff/Police	City of Chino Hills on Contract w/ SB County Sheriff	Chino Police Department
Library	San Bernardino County Library	City Contract w/ SB County Library
Parks and Recreation		
Local Facilities	City of Chino	City of Chino
Regional Facilities	San Bernardino County	San Bernardino County
Animal Control	County Contract w/ Inland Valley Humane Society	City Contract w/ Inland Valley Humane Society
Street Lighting and Traffic Control	N/A	HOA
Landscape Maintenance	N/A	HOA
Water	City of Chino	City of Chino
Sewer	Septic Service	City of Chino
Transportation		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and Collectors	San Bernardino County Public Works	City of Chino
Local Roads	San Bernardino County Public Works	City of Chino
Transit	Omnitrans	Omnitrans
Flood Control and Drainage		
Local Facilities	San Bernardino Flood Control District	City of Chino
Regional Facilities	San Bernardino Flood Control District	San Bernardino Flood Control District
Utilities		
Cable/Internet/Telephone	Verizon/Time Warner	Verizon/Time Warner
Power	Southern California Edison Company	Southern California Edison Company
Natural Gas	Southern California Gas Company	Southern California Gas Company
Schools	Chino Valley Unified School District	Chino Valley Unified School District
Solid Waste	Waste Management	Waste Management
Health and Welfare	SB County Department of Public Health	City of Chino

After annexation, the City is anticipated to provide services including general government, community development, fire and paramedic under contract with the Chino Valley Independent Fire District (CVIFD), public safety, library under contract with the County Library System, local parks and recreation, street lighting and traffic signals, water, sewer, transportation, and utilities.

Certain one-time development impact fees are collected for public facilities, and are detailed in Section 4. These one-time development impact fees (DIFs) are estimated for the proposed 36 new residential units in the Project.

The County of San Bernardino will provide services such as county library, regional parks and recreation, and regional flood control and drainage. The City will contract for animal control services from the Inland Valley Humane Society. Public schools and solid waste management service providers will continue to be the same before and after annexation.

3.1 General Government and Community Development Before Annexation

San Bernardino County currently provides general government, including administrative and economic development, and community development services to the annexation area.

After Annexation

The City will provide general government services which include administrative services as well as services such as general government, Finance, Human Resources and Economic Development to the entire annexation area. Also the City will provide community development services comprised of planning, building and safety and code compliance to the entire annexation area.

One-time development impact fees are collected on new development by the City for community (public use) centers, general facilities and a capital impact administration charge, estimated at \$21,132, \$5,940 and \$30,944, respectively for the proposed 36 new residential units in the annexation area. These one-time fees are detailed in Section 4 and Table 4-1.

3.2 Fire and Paramedic Before and After Annexation

The Chino Valley Independent Fire District (“CVIFD”) provides fire services to the cities of Chino, Chino Hills and surrounding unincorporated areas of San Bernardino County. The District’s jurisdiction covers approximately 80 square miles in size and has an estimated population of 173,000. CVIFD currently provides service to the Project and will continue to do so upon annexation.

CVIFD has 5 fire stations located within the City. Station #65 is located at 12220 Ramona Avenue, Chino, CA 91710. This location is approximately 1.1 miles from the Project. According to CVIFD’s Master Plan adopted in July of 2012, the response time goal is to provide a first-unit (4 personnel) response time of 5 minutes 90% of the time to moderate risk structural fires and core life threatening emergencies.

Although there will be no change in fire and paramedic services provided to the annexation area, the City will receive a portion of the annual property tax currently allocated to the County Fire Department upon annexation of the Project area for operation and maintenance services. A one-time impact fee for fire facilities, vehicles and equipment is estimated at \$43,200 for the proposed 36 new residential units, as shown in Table 4-1.

3.3 Sheriff (Police) and Public Safety

Before Annexation

The San Bernardino County Sheriff through the Chino Hills Police Department currently provides public safety services to the annexation area. Any vehicle related emergencies are handled through the California Highway Patrol.

After Annexation

Upon annexation, the Chino Police Department will provide their local police services to the annexation area. The Chino Police Department is located at 5450 Walnut Avenue, Chino, CA 91710 which is approximately 2.2 miles from the Project. A one-time impact fee for law enforcement facilities, vehicles and equipment is estimated at \$20,988 for the proposed 36 new residential units, as shown in Table 4-1.

3.4 Library

Before and After Annexation

The Chino Public Library facility is a branch of the San Bernardino County Library system. The library is located at 13180 Central Avenue in the City of Chino. Based on discussion with the City Management Analyst, the library is located in a City-owned facility that is leased by the San Bernardino County Library and is funded by San Bernardino County property taxes and the State of California. Library services are expected to continue upon annexation with no expected change in service levels or costs. One-time library facilities fees for the proposed 36 new residential units are estimated at \$4,068 for the proposed Project, as shown in Table 4-1.

3.5 Parks and Recreation

Before Annexation

There are no local or regional park facilities in the annexation area. Regional park facilities outside the area that serve the annexation area are operated and maintained by the County.

After Annexation

Local Park and Recreation services provided by the City and regional facilities located in the County are expected to be accessible to the residents of the annexation area. The City owns approximately 25 existing parks in the City with an estimated 228 acres that are developed and maintained. These parks range from 0.1 acre to 140 acres in size. Some of the amenities the parks provide are baseball fields, basketball courts, lighted tennis courts, volleyball/sport courts, soccer fields, skate park, batting cages, splash pad, swimming pools, playground areas (tot areas), horseshoe pits, picnic tables, barbecue pits, drinking fountains, restrooms, and hiking and riding trails.

The Community Services Department is responsible for park facility planning and the Public Works Department provides maintenance of the parks. According to the General Plan, the City's standard for provision of parks to residents is 3 acres of parkland per 1,000 residents. With a population of 84,465 persons in 2015 and 228 acres of developed parkland, the City currently has a park ratio of about 2.70 acres per 1,000 residents. This does not include the parks being built and recently built in College Park, The Preserve and Edgewater which accounts for approximately 117 acres of new parkland. Once these park facilities are all complete, and turned over to the City, the City will be well over the standard provision of 3 acres of parkland per 1,000 residents. One-time residential parks and recreation fees for the proposed 36 new residential units are estimated at \$261,504 for the proposed Project, as shown in Table 4-1.

3.6 Animal Control

Before and After Annexation

Currently, the County contracts with the Inland Valley Humane Society for animal control services. Upon annexation, the City will also contract with the Inland Valley Humane Society for these services.

3.7 Street Lighting and Traffic Control

Before Annexation

There are currently no street lights or traffic signals in the annexation area.

After Annexation

Upon annexation, the newly installed street lights in the Project will be maintained by the Project's HOA. There are no traffic signals planned for the Project.

3.8 Landscape Maintenance

Before Annexation

There is currently no landscaping to be maintained in the annexation area.

After Annexation

Upon annexation, the landscape maintenance will be maintained by the Project's HOA. This includes the interior landscaping in the Project, the park land the frontage on Pipeline Avenue.

3.9 Water

Before Annexation

The City currently provides water service to the annexation area.

After Annexation

Upon annexation, the Project will connect into the City's water system. Based on the *City of Chino – 2010 Urban Water Management Plan (updated June 2011)*, the City has approximately 18,300 metered potable water service connections of which approximately 83 percent serve single-family residences. The City of Chino relies on three sources for its long-term water supply: local groundwater, imported water, and recycled water.

Groundwater is produced from the Chino Groundwater Basin (Basin). The Basin was adjudicated in 1978, which allocated water production rights to water producers. The City's current groundwater production right as a share of the safe yield of the Basin is 4,034 acre-feet per year (AFY). However, the City has the ability to obtain annual adjustments to its allocated production capability. The Chino Basin Watermaster manages the Basin.

Imported State Water Project ("SWP") water is received from the Metropolitan Water District of Southern California ("MWD") through the Inland Empire Utilities Agency ("IEUA") and the Water Facilities Authority ("WFA"). The City's imported water deliveries are treated by the WFA at its Agua de Lejos Treatment Plant located in Upland, California. The City is entitled to 5.9 percent of the treatment plant capacity; current Chino entitlement equals 5,353 AFY.

Desalted groundwater is received from the Chino Basin Desalter Authority's ("CDA") Chino I Desalter. The City's allocation is 5,000 AFY.

Recycled water is supplied to the City by IEUA through the Regional Recycled Water Distribution System. The City currently provides approximately 8,393 AFY of recycled water to industrial, landscape irrigation, and agricultural customers. The City's limited recycled water infrastructure is expected to be expanded with development of The Preserve, College Park, and conversions of potable water use to recycled water use.

The City's water supply planning considers the programs of local and regional water agencies. The City's water utility, which operates within the City's Public Works Department, manages agreements and contracts with its water suppliers and continually monitors activities, projects and programs to optimize the City's water supply.

The eastern portion of the annexation area borders existing City water lines along Pipeline Avenue that are connected to the City's water system. The Developer would be responsible for connecting the new development to this existing 8-inch water main. As shown in Table 3-2 below, the City's water resources are sufficient to meet the demand at build out based on the City's current resources and the anticipated new development. The City has the ability to finance and construct required facilities necessary to obtain the water supply to meet planned demand growth through the collection of development fees, which are estimated at \$26,712, for the proposed 36 new residential units in the Project, as shown on Table 4-1, and the use of other funding methods.

Table 3-2
Current and Projected Water Supply and Demand
Normal and Single Dry Water Years

Water Sources	2015	2020	2025	2030	2035
Total Normal Year Supply	27,117	27,866	29,415	30,497	31,528
Total Normal Year Demand	24,792	25,388	26,658	27,535	28,369
Surplus During Normal Year	2,325	2,478	2,757	2,962	3,159
Total Single Dry Year Supply	26,369	27,261	29,073	29,696	29,494
Total Single Dry Year Demand	24,792	25,388	26,658	27,535	28,369
Surplus During Single Dry Year	1,577	1,873	2,415	2,161	1,125

Notes:

Per the City of Chino – 2010 Urban Water Management Plan (updated June 2011), Table ES-4.

3.10 Sewer

Before Annexation

The Project currently utilizes a septic sewer system for all wastewater.

After Annexation

The City's wastewater treatment and disposal is accomplished by IEUA. While the City owns and operates its local sewer systems, IEUA manages the Regional Sewage Service System within its 242-square mile service area in southwestern San Bernardino County. The regional system collects, treats and disposes of wastewater delivered by contracting local agencies.

The City provides a significant amount of wastewater to IEUA's regional plants. The quantities of wastewater generated are generally proportional to the population and the water use in the service area. However, per the 2010 Urban Water Management Plan, updated in March 2011, IEUA has determined the average daily flow rates of raw sewage into the Regional Water Recycling Plants

have decreased, which is a consistent trend with neighboring Los Angeles County and Orange County sanitation agencies over the past few years. This trend may reflect the decrease in economic growth and the increase in area foreclosures to some extent; however, it is expected to continue as water conservation continues. It is expected that the overall average water supplier service area flow per equivalent dwelling unit (EDU) will continue to decline, given the rising price of water, decreases in water supply availability and greater need for water conservation.

Estimates of the wastewater flows in the City are included in Table 3-3. The wastewater flows were calculated using the population projections from the DOF and SCAG for the entire City, not just the water service area. Newly constructed and re-modeled homes are assumed to generate less wastewater on average due to installation of water-efficient appliances. Water conservation programs in mature neighborhoods have provided for the installation of many new devices and appliances that save significant amounts of water.

Table 3-3
Wastewater Collection and Treatment Within the City of Chino Service Area
Vintage Grove Project Plan for Service and Fiscal Impact Analysis

	2015	2020	2025	2030	2035
Population ⁽¹⁾	90,750	96,759	102,890	109,041	115,181
Wastewater Flow (mgd) ⁽²⁾	7.3	7.7	8.2	8.7	9.2

⁽¹⁾ Total City population data obtained from *City of Chino – 2010 Urban Water Management Plan (updated June 2011)*.

⁽²⁾ Based on total City population data and preliminary findings in the City's Sewer Master Plan for per-capita wastewater production.

The 2010 Urban Water Management Plan estimated the 2015 population to be approximately 90,750 with wastewater flow of approximately 7.3 MGD as shown in Table 3-3. The current 2015 estimated population is 84,465, which leaves plenty of available capacity for the Project's anticipated 125 new residents.

IEUA manages the Regional Sewage Service System in its service area to collect, treat and dispose of wastewater delivered by contracting local agencies. The IEUA wastewater system consists of trunk sewers, subtrunk sewers, and regional treatment plants. The system of regional trunk and interceptor sewers convey sewage to regional wastewater treatment plants, which are all owned and operated by IEUA. The IEUA regional sewerage system is constructed in a manner that wastewater can be diverted from one regional wastewater treatment plant to another, thereby avoiding overloading any one facility.

IEUA's wastewater facilities serve seven contracting agencies including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, and Upland, and the Cucamonga Valley Water District.

IEUA operates four regional wastewater treatment plants: RP-1, RP-4, RP-5, and the CCWRF. A fifth treatment plant, RP-2, was decommissioned in 2004 because it is located in a potential flood zone. The City of Chino's wastewater is currently treated at the CCWRF and RP-5, with a small portion treated at RP-1. According to the *City of Chino – 2010 Urban Water Management Plan*, the CCWRF has a capacity of 11.4 MGD. The RP-5 plant has 16.3 MGD and initial investigations have

occurred for the expansion of RP-5 to 21 MGD. RP-1 has current capacity of 44 MGD and is projected to expand to an ultimate capacity of 60 MGD after 2020.

The eastern portion of the annexation area borders existing City sewer lines along Pipeline Avenue that are connected to the City's sanitary sewer system. The Developer would be responsible for connecting the new development to this existing 18-inch sewer main. The proposed development is not projected to make a significant impact on the City's current usage of wastewater and the Project would not require the expansion of existing treatment facilities. A sewage collection and disposal fee estimated at \$23,544 would be required for the 36 new residential units as well as a sewage facilities development fee to be collected by the Inland Empire Utilities Agency estimated at \$183,852 as shown on Table 4-1.

3.11 Transportation/Roads

Before Annexation

The County through the Public Works Department currently services the area for street repair and maintenance.

After Annexation

Upon annexation the City will provide maintenance to the Projects streets. The City will also provide street sweeping on a bi-monthly basis to the Project. A bridges, signals and thoroughfares fee estimated at \$74,592 would be required for the 36 new residential units, as shown on Table 4-1.

3.12 Flood Control and Drainage

Before and After Annexation

The City, the San Bernardino County Flood Control District ("SBCFCD") and the U.S. Army Corps of Engineers ("Corps") manage flood control in the City and are expected to be the future service provider for the proposed Project. The City's Public Works Department maintains and improves the City's storm drain systems. The SBCFCD maintains adequate water supplies by increasing groundwater recharge services at flood control district facilities. The Corps develops and controls federally sponsored flood control projects. A portion of the City is located within Corps' Prado Flood Control Basin associated with Prado Dam. In addition, there are several flood control channels and creeks within the City and its watershed area. Costs for these improvements will be covered by the developer or through development impact fees estimated at \$37,692 for the proposed 36 new units, as shown in Table 4-1.

3.13 Utilities

Before and After Annexation

Utilities include Cable, Internet, Telephone, Power, and Natural Gas. Before and after annexation, these services are provided as follows:

1. Cable/Internet/ Telephone - Time Warner and Verizon
2. Power - Southern California Edison
3. Natural Gas - Southern California Gas Company

3.14 Schools

Before and After Annexation

Public education in the City is provided by Chino Valley Unified School District ("CVUSD"). Schools in the CVUSD that provide service to the annexation area include Newman Elementary School, Ramona Junior High School and Don Lugo High School. Collectively, these schools provide

education for students from Kindergarten through 12th grade. CVUSD is the current school service provider for the annexation area as well as after the annexation. There is a one-time residential development impact school fee estimated at \$3.36 per residential square foot, resulting in estimated school impact fees of \$358,774 for the proposed 36 new units in the project.

3.15 Solid Waste Management

Before Annexation

The current service provider for collection of solid waste in the annexation area is Waste Management.

After Annexation

The City contracts with Waste Management to provide solid waste collection services. Each single-family residence receives three 96-gallon wheeled carts; one with a black lid for trash only, one with a gray lid for recyclables, and one with a green lid for green waste. Solid waste that is not diverted to recycling or composting facilities is transported to the El Sobrante Landfill, located in the City of Corona. The El Sobrante Landfill has capacity to process up to 10,000 tons of waste per day. The proposed project is expected to have minimal impact on the landfill facility.

3.16 Health and Welfare

Before Annexation

San Bernardino County Department of Public Health currently services the annexation area for the general public's health and welfare. The department provides a variety of programs and services that informs and educates the public about health issues.

After Annexation

Upon annexation, the City will provide health and welfare to the Project. The Healthy Chino Initiative was created in 2004 to improve the lives and well-being of the community from a multi-prong approach. This approach is a combination of nutrition, active living, physical and mental health, environmental health, and smart growth practices.

SECTION 4 ONE-TIME FEES AND CHARGES

This section presents the one-time fees and charges associated with the new 36 single family residential units proposed for the Project within the annexation area. Development fees are one-time fees paid for by the Developer to offset the additional public capital costs of new development.

As shown in Table 4-1, the total City and school one-time development impact fees (DIF) for the proposed development are estimated at \$842,526. Of this total, City development impact fees are estimated at \$288,812, sewage facilities development fees are estimated at \$194,940 and school development impact fees are estimated at \$358,774. Detailed development impact fee calculations are summarized in Table 4-1 below.

**Table 4-1
Summary of Development Impact Fees
Vintage Grove Project Plan for Service and Fiscal Analysis**

Total Project Units	36		
Medium Density (6 - 12 DU per acre)			
	<u>Fee Per Unit</u>		<u>Total</u>
Law Enforcement Facilities, Vehicles & Equipment	\$ 583.00	\$	20,988.00
Fire Protection Facilities, Vehicles & Equipment	1,200.00		43,200.00
Bridges, Signals & Thoroughfares	2,072.00		74,592.00
Storm Drainage Collection	1,047.00		37,692.00
Water Storage & Distribution	742.00		26,712.00
Sewage Collection & Disposal	654.00		23,544.00
General Facilities	165.00		5,940.00
Library Facilities	113.00		4,068.00
Community (Public Use) Centers	587.00		21,132.00
Capital Impact Administration Charge (12% of total)	859.56		30,944.16
	\$ 8,022.56	\$	288,812.16
<u>Residential Parks and Recreation Fee</u>	\$ 7,264.00	\$	261,504.00
<u>Sewage Facilities Development Fee</u>			
Inland Empire Utilities Agency	\$ 5,107.00	\$	183,852.00
<u>School Fees</u>			
	<u>Total Est. Square</u>		<u>Residential Fee</u>
Chino Valley Unified School District	<u>Feet</u>		<u>Per Sq. Ft.</u>
	106,778		3.36
CVUSD Fee		\$	358,774.08
Total One-Time Fees		\$	1,092,942.24

Note: All City related fees are per Exhibit 2 of the Public Improvement Agreement – Tract Map No. 18902 between the City and Developer approved on 3/3/2016.

SECTION 5

FISCAL IMPACTS OF ANNEXATION AREA

This section presents the fiscal analysis of the Project to the City of Chino General Fund after annexation. Fiscal impacts are shown in constant 2016 dollars with no adjustment for possible future inflation. The fiscal assumptions for the fiscal analysis are presented in Section 6.

As shown in summary Table 5-1, a recurring annual surplus of \$3,806 is projected for the Project to the City General Fund after buildout.

Table 5-1
Summary of Projected Fiscal Impacts after Buildout
Vintage Grove Project Plan for Service and Fiscal Analysis

General Fund	
Total Recurring Revenues	\$53,528
Total Recurring Costs	<u>49,722</u>
Net Recurring Fiscal Impact	\$3,806
 Revenue/Cost Ratio	
	1.08

5.1 Phased Fiscal Impacts

The projected cumulative impacts to the City General Fund for the first five years after annexation of the Project are included in Table 5-2. In 2015 the property and 3 existing homes were sold to the Developer and the houses were demolished and removed. As of the date of this report the Project has no residents and is currently under development. It is anticipated that in year 2 all 36 residential units will be completed and sold to individual homeowners.

As shown in Table 5-2, a small surplus \$800 is projected to the City General Fund for Year 1 as there are no anticipated citywide costs for the Project. A surplus of \$3,806 is projected for Year 2 when the 36 new units are completed. No development is proposed for Years 3 through 5, therefore the projected surplus to the General Fund remains at \$3,806 for these years and at buildout.

Table 5-2
Detailed Projected Recurring Fiscal Impacts
Vintage Grove Plan for Service and Fiscal Analysis
City of Chino

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Percent
Recurring General Fund Revenues (a)						
Property Tax (b)	\$726	\$11,262	\$11,262	\$11,262	\$11,262	21.0%
Property Transfer Tax-Turnover 10% (c)	74	1,147	1,147	1,147	1,147	2.1%
Property Tax - In Lieu of V.L.F. (d)	-	14,095	14,095	14,095	14,095	26.3%
Sales & Use Tax (e)	-	10,473	10,473	10,473	10,473	19.6%
Sales Tax in Lieu	-	3,491	3,491	3,491	3,491	6.5%
Public Safety Sales Tax (Prop 172)	-	446	446	446	446	0.8%
Franchise Fees	-	2,929	2,929	2,929	2,929	5.5%
Transient Occupancy Tax	-	341	341	341	341	0.6%
Licenses & Permits	-	2,762	2,762	2,762	2,762	5.2%
Charges for Services	-	383	383	383	383	0.7%
Fines & Forfeiture	-	336	336	336	336	0.6%
Other Revenue	-	3,732	3,732	3,732	3,732	7.0%
Transfers In	-	2,131	2,131	2,131	2,131	4.0%
Total Recurring Revenues	\$800	\$53,528	\$53,528	\$53,528	\$53,528	100%
Citywide Costs (a)						
Administration	-	\$1,161	\$1,161	\$1,161	\$1,161	2.3%
Finance	-	11,652	11,652	11,652	11,652	23.4%
Police Department	-	35,153	35,153	35,153	35,153	70.7%
Human Resources	-	65	65	65	65	0.1%
Community Development	-	1,312	1,312	1,312	1,312	2.6%
Public Works	-	378	378	378	378	0.8%
Total Recurring Costs	\$0	\$49,722	\$49,722	\$49,722	\$49,722	100%
Total Impact to General Fund	\$800	\$3,806	\$3,806	\$3,806	\$3,806	
Revenue/Cost Ratio	N/A	1.08	1.08	1.08	1.08	

Notes:

(a) Except where noted, recurring revenues and costs are calculated on a per capita basis as shown in Table 6-2.

(b) Property tax to the General Fund is 5.4% of the basic one percent ad valorem property tax levy on total Project assessed valuation (See Table 6-2). Project assessed value shown in Table 2-2.

(c) Assumes property is sold once every ten years.

(d) The Project is assumed to have an existing Assessed Value of \$1,344,760 per the County Assessor ("Base AV"). In-Lieu VLF revenues are based on the increase in Assessed Value above the Base AV calculated at \$722.50 per \$1,000,000 increase in AV (See Table A-5).

(e) Assumes that 75% of all taxable sales will be made within the City.

Projected Recurring Revenues

About 67 percent of the total projected revenues after buildout of the Project are comprised of property tax, property tax – in lieu of VLF, and sales and use tax.

Projected Recurring Costs

Police Department and Finance (includes fire protection) are the largest projected recurring costs and account for about 94 percent of total projected recurring costs for the Project after buildout.

SECTION 6

CITY OF CHINO FISCAL ASSUMPTIONS

This section presents the revenue and cost assumptions for the fiscal analysis of the Project proposed annexation. The general demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. The City's revenues and costs as presented in the *City of Chino, Fiscal Year 2015-2016 Annual Operating Budget* and discussions with key City staff are the sources for calculating fiscal factors.

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2015-2016 budget amounts by the City's resident population, employment or total service population. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Chino's total population of 84,465 is based on the State Department of Finance (DOF) estimate as of January 1, 2015. The City population estimate is used for projecting certain revenues and costs on a per capita basis.

Employment

For fiscal factors that are impacted by only employment, the City's total employment is used as the basis for calculating the factor. The total City employment of 51,833 for the year 2016 is based on an interpolation of the Southern California Council of Governments' (SCAG) *RTP 2012* adopted estimates.

Estimated Service Population

Fiscal factors that are impacted by population and employment are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the estimated City employment. The analysis has weighted the employment at 50 percent (25,917) to account for the estimated less frequent use of City services by employment versus population as shown in Table 6-1.

Table 6-1
Summary of Population Assumptions

<u>Description</u>		<u>Assumption</u>
People Per Household (a)		3.48
Total City Population (a)	(1)	84,465
Total City Employment (b)		51,833
Weighted Employment (c)	(2)	25,917
Total City Service Population	(1) + (2)	110,382

Notes:

(a) Per California Department of Finance Demographic Research Unit - Population and Housing Estimates for Cities, Counties, and the State, January 1, 2015

(b) Per Southern California Association of Government (SCAG) RTP Growth Forecast for City of Chino.

(c) Analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

6.2 City General Fund Revenue Assumptions

The revenue factors for the General Fund recurring revenues projected in the fiscal analysis are summarized in Table 6-2. These revenue factors are based on the City's Fiscal Year (FY) 2015-2016 revenues presented in Appendix Table A-2 and the City's population and service population estimates that are presented in Table 6-1. The remainder of this section describes the revenue factors.

As shown in Table 6-2, projected General Fund revenues include property tax; property transfer tax; property tax – in lieu of VLF; sales and use tax; sales tax in lieu; franchise fees; transient occupancy tax; licenses and permits; charges for services; fines and forfeiture; other revenue; and transfers in to the General Fund.

Table 6-2
Summary of Revenue Assumptions
Vintage Grove Plan for Service and Fiscal Analysis
City of Chino
(In Constant 2016 Dollars)

FY 2015-16			
<u>Revenue Source (a)</u>	<u>Budget</u>	<u>Projection Basis</u>	<u>Projection Factor</u>
City General Fund			
Property Tax	\$8,863,000	Assessed Valuation	5.4% of basic Ad Valorem Tax
Property Transfer Tax (b)	390,000	Assessed Valuation	\$0.55 per \$1,000 of Assessed Value
Property Tax - In Lieu of V.L.F. (c)	7,945,000	Inc. in Assessed Valuation	Projected at \$722 per \$1M of Inc. AV
Sales and Use Tax	19,676,000	Taxable Sales	Case Study (See Table 2-3)
Sales Tax in Lieu	2,566,000	Taxable Sales	Case Study (See Table 2-3)
Public Safety Sales Tax (Prop 172)	711,000	Taxable Sales	\$31.97 per \$1,000 of City Sales Tax
Franchise Fees	2,580,015	Service Population = 110,382	\$23.37 Per Capita
Transient Occupancy Tax	300,000	Service Population = 110,382	\$2.72 Per Capita
Licenses & Permits	2,432,586	Service Population = 110,382	\$22.04 Per Capita
Charges for Services	337,135	Service Population = 110,382	\$3.05 Per Capita
Fines & Forfeiture	296,000	Service Population = 110,382	\$2.68 Per Capita
Other Revenue	3,287,173	Service Population = 110,382	\$29.78 Per Capita
Transfers In	1,877,335	Service Population = 110,382	\$17.01 Per Capita
Special Revenue Funds			
Measure I - 2010-2040	1,110,300	Service Population = 110,382	\$10.06 Per Capita
State Gas Tax	1,837,928	City Population = 84,465	\$21.76 City Population

Notes:

(a) Per City of Chino Fiscal Year 2015-2016 budget.

(b) Per California Local Government Finance Almanac, California City Documentary and Property Transfer Tax Rates.

(c) See Table A-5 for calculation of Property Tax In-Lieu of VLF calculation.

Property Tax

Property tax revenues are projected based on the City's share of the one percent property tax levy on the estimated assessed valuation for the proposed development in the Project. The City's share of the 1.0 percent basic levy is estimated at 5.40 percent upon annexation. This estimate is based on information the City received on November 28, 2016 from the County COA Finance and Administration and County Auditor. Total property tax revenues to the City are projected to be \$11,262.

Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. The report assumes that residential property changes ownership at an average rate of approximately 10.0 percent per year. Total property transfer tax revenues to the City are projected to be \$1,147.

Property Tax - In Lieu of VLF

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This VLF - property tax in lieu is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. VLF - Property tax in lieu revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table A-5, property tax - in lieu of VLF in the City is projected to increase at \$722 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in VLF - property tax in lieu in the City over the period from fiscal year 2011-2012 to fiscal year 2015-2016. The change over the period from fiscal year 2011-2012 to fiscal year 2015-2016 is used to represent an average of the economic upturns and downturns.

Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. Prior to the SB89 legislation, a City received property tax in lieu of VLF for the existing development in the annexation area at \$50 per capita annually, based on the estimated population of the annexation area at the time of annexation. Based on the SB89 legislation, an annexing City will no longer receive property tax in lieu of VLF for the existing assessed valuation in the area being annexed. The City will receive property tax in-lieu of VLF based on the change in its gross assessed valuation of taxable property for new development in the annexed area. Total property tax – in lieu of VLF revenues to the City are projected to be \$14,095.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. The fiscal analysis projects sales and use tax based on the estimated retail taxable sales made in the City by the future residents of the Project.

Sales and use tax is projected at 75.0 percent of the total sales and use tax generated because the State has reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from the County Educational Revenue Augmentation Fund (ERAF).

Sales tax in lieu revenue represents the 25.0 percent of the local sales tax allocation of 1.0 percent that is replaced with a dollar-for-dollar amount of local property tax from the County ERAF funds.

In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table A-6 presents the City sales and use tax for calendar year 2015 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$2,308,666 of total sales and use tax was made from levies designated as use tax and the remaining \$19,912,774 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City are estimated at an additional 11.59 percent of point-of-sale sales tax. Total sales and use tax revenues to the City are projected at \$13,964, as shown on Table 2-3.

Public Safety Sales Tax (Proposition 172) Public Safety Sales Tax or Proposition 172 (“Prop. 172”), effective on January 1, 1994, established a permanent one-half cent sales tax. These additional revenues support public safety services in cities and counties. These funds partially replace the shift in property taxes to the Educational Revenue Augmentation Fund (ERAF). The tax is collected by the state and allotted to each county based on its proportionate share of statewide taxable sales. As shown in Table 6-2, these revenues are projected at \$31.97 per \$1,000 of sales and use tax based on City estimated FY 2015-2016 Prop. 172 revenues of \$711,000 and the City's total sales and use tax estimate of \$22,242,000. Total revenue from Prop. 172 revenues are estimated at \$446 per year for the Project. Prop. 172 revenues are estimated at \$3.56 per capita.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, and cable/satellite businesses within the City for use of public rights-of-way. Franchise fee revenues are estimated to be approximately \$2,929 annually for the Project. Franchise fee revenues are estimated at \$23.37 per capita based upon the budget franchise fee amount of \$2,850,015, divided by the service population of 110,382.

Transient Occupancy Tax

The City collects a tax of 10 percent of room receipts on lodging within the City. The Project is anticipated to generate approximately \$341 annually. Transient occupancy tax revenues are estimated at \$2.72 per capita based on the budget amount of \$300,000, divided by the total service population of 110,382.

Licenses and Permits

Licenses and permits represent a variety of fee charges to those utilizing services within the City. The Project is anticipated to generate approximately \$2,762 annually. Licenses and permits revenues are estimated at \$22.04 per capita based on the budget amount of \$2,432,586, divided by the total service population of 110,382.

Charges for Services

Charges for services represent fees for the use of the City services including charges for document research and reproduction, fingerprint fees, vehicle release fees, etc. The Project is anticipated to generate approximately \$383 annually. Charges for services revenues are estimated at \$3.05 per capita based on the adjusted budget amount of \$337,135, divided by the total service population of 110,382.

Fines and Forfeiture

Fines and Forfeiture represent truck route citation, parking citation, and general court fines for the City. The Project is anticipated to generate approximately \$336 annually. Fines and forfeiture revenues are estimated at \$2.68 per capita based on the budget amount of \$296,000, divided by the total service population of 110,382.

Other Revenue

Other revenue represent sale of real and personal property, contributions and donations, etc. The Project is anticipated to generate approximately \$3,732 annually. Other revenues are estimated at \$29.78 per capita based on the adjusted budget amount of \$3,287,173, divided by the total service population of 110,382.

Transfers In

These revenues include transfers to the City General Fund from other City funds. The Project is anticipated to generate approximately \$2,131 annually. Transfers in are estimated at 29.78 per capita based on the budget amount of \$1,877,335, divided by the total service population of 110,382.

City Special Revenue Funds:

Measure I (2010-2040 Revenues)

County voters approved Measure I, supporting a half-cent sales tax in the incorporated and unincorporated areas of the County for the 20-year period between April 1, 1990, and March 31, 2010. Early in the second decade of Measure I, it became apparent that continuation of the half-cent sales tax would be critical to maintaining funding for transportation projects in the County. The County voters approved San Bernardino County Transportation Authority Ordinance 04-01 on November 4, 2004, extending the half-cent sales tax for 30 years, to March 31, 2040. The Ordinance is referred to as Measure I 2010-2040 to distinguish it from the 20-year half-cent sales tax measure that took effect in April 1990. The Project is anticipated to generate approximately \$1,261 annually as shown below in Table 6-3. Measure I – 2010-2040 revenues are projected at \$10.06 per capita, based on the budget amount of \$1,110,300, divided by the total service population of 110,382.

State Gas Tax

The State imposes excise taxes on various transportation fuels. State motor vehicle fuel taxes include the gasoline tax, diesel fuel tax, and the use fuel tax. The State allocates these revenues to cities based on the Streets & Highway Code Sections 2105 – 2108. State Gasoline tax accrues to the Gas Tax Fund, and these revenues contribute to Public Works Department expenditures for street maintenance, including sidewalks, curbs, gutters and other street related maintenance. The Project is anticipated to generate approximately \$2,727 annually as shown below in Table 6-3. State gasoline taxes are projected at \$21.76 per capita based on the FY 2015-2016 proposed revenue amount of \$1,837,928 and the City population estimate of 84,465.

Table 6-3
Recurring Fiscal Impacts - City Special Revenue Funds

<u>Recurring Special Revenue Funds</u>	<u>Proposed Residential</u>
Measure I - 2010-2040	\$1,261
State Gas Tax	<u>2,727</u>
Total Recurring Transportation Revenues	\$3,987

6.3 City General Fund Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the Project are presented in Table 6-4. These factors are based on the adopted expenditures in the City's FY 2015-2016 budget shown in Table 6-4 and the City's service population estimates that are presented in Table 6-1.

Table 6-4
Summary of Project Recurring Cost Factors
Vintage Grove Plan for Service and Fiscal Analysis
(In Constant 2016 Dollars)

<u>Cost Category</u>	<u>FY 2015-16</u> <u>Budget(a)</u>	<u>Projection Basis</u>	<u>Projection Factor</u>
Administration	\$ 1,022,894	Service Population = 110,382	\$9.27 Per Capita
Finance	10,263,634	Service Population = 110,382	92.98 Per Capita
Police Department	30,963,970	Service Population = 110,382	280.52 Per Capita
Human Resources	57,243	Service Population = 110,382	0.52 Per Capita
Community Development	1,155,559	Service Population = 110,382	10.47 Per Capita
Public Works	333,169	Service Population = 110,382	3.02 Per Capita
	<u>\$ 43,796,469</u>		<u>\$ 396.77</u>

Note:

(a) Per City of Chino Fiscal Year 2015-2016 budget, adjusted as shown in Table A-3.

Projected General Fund expenditures include administration, finance, police department, human resources, community development and public works.

Administration

The Administration Department ensures that City Council policies and directions are carried out and provides for support to the City Council in areas such as municipal management; public and intergovernmental relations; special projects, and other issues affecting the City's interests. Additionally, the department directs, oversees, and supports the efforts of all City departments. The Administration Department includes Legislative, City Manager, City Clerk, City Attorney, Community Promotion and State of the City. The costs are not anticipated to have a 1:1 relationship with population growth from the Project given the nature of the Project and the Project's relatively small size compared to the City. The report excludes the assumed fixed costs of the City Attorney, City Manager, and City Clerk as shown in Table A-3. The total annual costs to the City are estimated at \$1,161. The administration costs are estimated at \$9.27 per capita based on the adjusted budget amount of \$1,022,894, divided by the total service population of 110,382.

Finance

The Finance Department manages the fiscal operations of the City. The department's primary functions include maintaining effective systems for financial planning, disbursement control, budget development and implementation, budget monitoring, revenue administration, accounting and reporting, cash management, long-term debt administration, redevelopment accounting, purchasing, investing and utility billing. Included in the finance budget are the contract costs with the Chino Valley Independent Fire District (CVIFD) that provides fire services to the City. The total annual costs to the City are estimated at \$11,652. The finance costs are estimated at \$92.98 per capita based on the budget amount of \$10,263,634, divided by the total service population of 110,382.

Police Department

Police protection costs include patrol services, criminal investigations, crime analysis, traffic services, and other services required for public safety. The total annual costs to the City are estimated at \$35,153. The Police Department costs are estimated at \$280.52 per capita based on the budget amount of \$30,963,970, divided by the total service population of 110,382.

Human Resources

The Human Resources Department consists of four program areas: Personnel; General Liability/Workers' Compensation; Employee Services; and, Information Technology Services. The total annual costs to the City are estimated at \$65. The Human Resources costs are estimated at \$.52 per capita based on the budget amount of \$57,243, divided by the total service population of 110,382.

Community Development

The Community Development Department's primary role includes maintaining the City's long-range plans and managing the development process. This includes assisting in the setting of goals for developing, preserving, and rehabilitating residential neighborhoods and commercial and industrial areas. Department divisions include Building, Code Enforcement, Economic Development, Housing, and Planning. The total annual costs to the City are estimated at \$1,312. The community development costs are estimated at \$3.02 per capita based on the adjusted budget amount of \$1,155,559, divided by the total service population of 110,382. As shown on Table A-4, the Community Development costs of \$5,908,737 are offset by one-time processing permit and fee revenues of \$4,753,178.

Public Works

The Public Works Department serves the needs of the City by providing, maintaining, and operating City-owned improvements within the public rights-of-way. The primary duties of the department are to maintain and improve the City's streets, parks, traffic signal systems, landscaping, street lighting, water, sewer, storm drain systems, and City-owned facilities. The total annual costs to the City are estimated at \$378. The Public Works costs are estimated at \$3.02 per capita based on the adjusted budget amount of \$333,169, divided by the total service population of 110,382.

**APPENDIX A
ASSUMPTIONS AND SOURCES**

**Table A-1
Summary of General Assumptions**

Project Acres	6.86
Single Family Units	36
Estimated Project Population (1)	125
Estimated Assessed Value Per Single Family Home	\$ 579,306
Projected Residential Assessed Valuation	\$ 20,855,000
Existing Assessed Valuation	\$ 1,344,760
Increase in Assessed Valuation	\$ 19,510,240

Note:

(1) Population is projected on 3.481 persons per household based on the E5 City/County Population and Housing Estimates as of 1/1/15.

Source:

Home values, residential units, and acreage provided by the Developer.

Table A-2
General Fund Recurring Revenues

<u>GENERAL FUND</u>	<u>2016 Proposed</u>	<u>Marginal Increase</u>	<u>Adjusted General Fund</u>
TAXES:			
Franchise Fees-Enterprise Fund	-	100%	-
Franchise Fees Public Utility	822,515	100%	822,515
Franchise Fees Recyc/Waste	907,500	100%	907,500
Franchise Fee Telecomm	850,000	100%	850,000
Property Tax-Secured	8,624,000	100%	8,624,000
Property Tax-Unsecured	239,000	0%	-
Property Tax-Trler/Racehorse	150	0%	-
Property Tax-Aircraft	193,000	0%	-
Property Tax-Unitary Utilities	330,000	0%	-
Property Tax-Supplemental	13,500	0%	-
Property Tax-Prior Years	440,000	0%	-
Property Tax-Rda Elimination	687,000	0%	-
Property Tax-In Lieu Of V.L.F.	7,945,000	100%	7,945,000
Property Tax-Rda S.B.211	36,000	0%	-
Homeowners Property Tax Rel	96,000	100%	96,000
Real Property Transfer Tax	390,000	100%	390,000
City Svcs Special Tax-Preserve	803,000	0%	-
City Svcs Special Tax College	1,842,000	0%	-
Sales Tax	19,676,000	100%	19,676,000
Sale Tax In Lieu	2,566,000	100%	2,566,000
Transient Occupancy Tax	300,000	100%	300,000
Business License Tax	950,000	100%	950,000
Total Taxes	47,710,665		43,127,015
LICENSES AND PERMITS:			
Scup-Site	24,315	100%	24,315
Special Conditional Use Permit	18,275	100%	18,275
Home Occupation Permit	17,080	100%	17,080
Building Permit	1,798,335	100%	1,798,335
Plumbing Permit	168,124	100%	168,124
Electrical Permit	100,896	100%	100,896
Mechanical Permits	194,841	100%	194,841
A.D.A. Sb1186	2,800	100%	2,800
R.O.W. Encroachment Permit	28,000	100%	28,000
Wide Overweight Vehicle Fee	10,000	100%	10,000
Detour & Lane Closure Fee	16,000	100%	16,000
Newsrack Permit	-	100%	-
Bicycle License Fee	20	100%	20
Zone Restricted Parking Permit	100	100%	100
Special Event Permit	2,000	100%	2,000
Special Permit Investigation	6,800	100%	6,800
Special Business/Comm Rev	5,000	100%	5,000
Fireworks Fines	38,000	100%	38,000
Film Permit	2,000	100%	2,000
Total Licenses & Permits	2,432,586		2,432,586
RENTAL INCOME:			
Rental Income	122,262	0%	-
Total Rental Income	122,262		-
INTERGOVERNMENTAL:			
Vehicle License Fee	-	0%	-
Peace Officer Standard Training	30,000	0%	-
State Mandated Cost Reimb	40,000	0%	-
School Resource Fee	250,000	0%	-

Grant	212,795	0%	-
Total Intergovernmental	532,795		-
CHARGES FOR SERVICES:			
General Overhead-Enterprise	1,798,374	0%	-
Dept Overhead-Utilities	830,019	0%	-
Pub Sfty Enterprise Alloc.	679,862	0%	-
Govt Fac Enterprise Alloc.	493,511	0%	-
Row Maint Enterprise Alloc	2,780,223	0%	-
General Plan Update Fee	330,217	0%	-
Tentative Tract Map Fee	40,056	0%	-
Tentative Parcel Map Fees	4,976	0%	-
Environmental Assessment Fee	5,731	0%	-
Site Approval Fees	102,062	0%	-
Ag Contract Cancellation Fee	-	0%	-
Developer Modification Request	-	0%	-
Preserve Cost Recovery Fee	-	0%	-
Specific Plan Amendment Fee	-	0%	-
Design Review-College Pk-Prese	22,990	0%	-
Landscape/Lighting/Wall Plan R	27,924	0%	-
Env Impact Report	7,496	0%	-
General Plan Amendment	-	0%	-
Preliminary Project Review Fee	-	0%	-
Adm Aprvl Type 1 & 2 W/D.R.C.	28,970	0%	-
Adm Aprvl Type 1-3 W/O D.R.C.	23,040	0%	-
Adm Aprvl Type 3 W/D.R.C.	4,880	0%	-
Variance Fees Maj-Min	-	0%	-
Appeal Plng Comm To Council	-	0%	-
Public Notice-Mail	6,156	0%	-
Public Notice-Newspaper	11,376	0%	-
Zone Change	-	0%	-
Zone Ordinance Amendment	-	0%	-
Sign Plan Review Fee	13,140	0%	-
Sign Program Review	-	0%	-
Developer Agreement	5,733	0%	-
Developer Ext-Adm Review	3,952	0%	-
Developer Ext-Discretionary	4,449	0%	-
Developer Agreement-Lewis	-	0%	-
Job Valuation	134,072	0%	-
Green Building Standards	10,288	0%	-
Building Plan Check Fee	1,021,306	0%	-
New Construction Fees	591,433	0%	-
New Home Warranty Permit	63,800	0%	-
Special Inspection Fee	2,000	0%	-
Capital Administration Fee	2,145,052	0%	-
Eng Plng Dev Fee -East Chino	1,500	0%	-
Grading Plan Check Fees	65,756	0%	-
Final Subdivision Map Fee	46,608	0%	-
Engineering Plan Check	523,018	0%	-
Public Improvement Insp-Land D	1,790,420	0%	-
Public Utilities Inspect Fee	30,500	0%	-
Engineering Plans Revision Fee	4,768	0%	-
Intersection Design Fees	500	0%	-
Crime Prevention Fee	300	100%	300
Fire Arm Fee	1,000	100%	1,000
Special Event Fee	30,000	100%	30,000
Accident Report Fees	75	100%	75
Graffiti Abtmnt Recovery Fee	25,000	100%	25,000
Fingerprint Fee	2,200	100%	2,200
Photo Sales Fee	1,200	100%	1,200
Vehicle Report Certification	3,900	100%	3,900
Crime Report Fees	200	100%	200

Vehicle Insp Fees	5,500	100%	5,500
Towing Ordinance	60,000	100%	60,000
Dui Response Fees	20,000	100%	20,000
False Alarm Response Fees	30,000	100%	30,000
Records Clearance Check	800	100%	800
Vehicle Release Fees	100,000	100%	100,000
Public Safety Service Fee	4,000	100%	4,000
Local Criminal History Record	25	100%	25
Photocopy Sales	600	100%	600
Research Service Fees	3,000	100%	3,000
Document Printing	50	100%	50
Small Claims Court Filing Fees	200	100%	200
Small Claims Court Hearing Fee	-	100%	-
Return Check Charge	400	100%	400
Abatement Public Nuisance	15,000	100%	15,000
Public Meeting Transcript	35	100%	35
Document Certification Fees	-	100%	-
Business License Duplication F	550	100%	550
Fireworks Cost Recovery Permit	30,000	100%	30,000
City 5% Stong Motion Fee	3,000	100%	3,000
Booking Fee	100	100%	100
Total Charges for Services	13,993,293		337,135
INVESTMENT INCOME:			
Interest Income Apportioned	310,700	0%	-
Interest Income Pooled C.D.	-	0%	-
Interest Income Pooled Sanwa	-	0%	-
Pooled Interest Allocated	-	0%	-
Int Inc Loan Water	52,500	0%	-
Discount Invest Purchase	-	0%	-
Gain/Loss On Investment	-	0%	-
Total Investment Income	363,200		-
FINES AND FORFEITURE:			
Truck Route Citation	190,000	100%	190,000
Parking Citation Fine	87,000	100%	87,000
General Court Fine	19,000	100%	19,000
Total Fines and Forfeiture	296,000		296,000
OTHER REVENUE:			
Post Hosted Trng	2,300	100%	2,300
Legal Address Change-Owner Req	138,826	100%	138,826
Tow Charge Reimbursement	-	100%	-
Evidence/Other	1,500	100%	1,500
Maps/Publications/Bid Spec	300	100%	300
Unclaimed Funds	-	100%	-
Candidates Statement	-	100%	-
Cell Site Rental	20,000	100%	20,000
Gain/Loss Inventory Adj	-	100%	-
Recapture Of Bad Debt	1,000	100%	1,000
Sale Of Real & Personal Proper	2,840,000	100%	2,840,000
Property Abatement	-	100%	-
Reimbursement & Contributions	269,747	100%	269,747
Cty Adm Fee Settlement	-	100%	-
C.F.D. Formation Reimburse	-	100%	-
Donations/Sponsorships	5,000	100%	5,000
Senior Housing Lease Payment	346,901	0%	-
Restitution	-	100%	-
Bank Adjustments	-	100%	-
Other Revenue	8,500	100%	8,500
Reimburse Ad Fee-C.F.D. 2006-2	11,000	0%	-
Reimburse Adm Fee-C.F.D. 1	-	0%	-
Reimburse Ad Fee-A.D. 88-1	-	0%	-

Reimburse C.F.D. 99-1	8,200	0%	-
Reimburse Ad Fee-C.F.D. 2000-1	7,500	0%	-
Reimburse Ad Fee-C.F.D. 2001-1	9,400	0%	-
Reimburse Ad Fee-C.F.D. 2003-1	10,900	0%	-
Reimburse Ad Fee-C.F.D. 2003-2	10,300	0%	-
Reimburse Ad Fee-C.F.D. 2003-3	24,000	0%	-
Reimburse Ad Fee-C.F.D. 2003-4	11,500	0%	-
Reimburse Ad Fee C.F.D. 2005-1	70,000	0%	-
Reimburse Ad Fee C.F.D. 2005-2	12,000	0%	-
Reimburse Ad Fee C.F.D. 2009-1	12,800	0%	-
Reimburse Ad Fee C.F.D. 2006-1	12,500	0%	-
Reimburse Ad Fee C.F.D. 2006-3	12,500	0%	-
Total Other Revenue	<u>3,846,674</u>		<u>3,287,173</u>
TRANSFERS IN:			
Transfers In	1,877,335	100%	1,877,335
In Lieu Fees-Enterprise Funds	<u>-</u>	100%	<u>-</u>
Total Transfers In	<u>1,877,335</u>		<u>1,877,335</u>
Total General Fund	<u>\$ 71,174,810</u>		<u>\$ 55,940,894</u>

Table A-3
General Fund Recurring Costs

	2015-16 Budget	Marginal Increase	Adjusted Budget
INTERNAL DEPARTMENT			
General Fund (a)	25,410,428	0%	-
Total Internal Department	25,410,428		-
ADMINISTRATION			
Legislative	492,956	100%	492,956
City Attorney	419,451	0%	-
City Manager	453,051	0%	-
City Clerk	526,578	0%	-
Community Promotion	475,438	100%	475,438
State of the City	36,500	100%	36,500
Community Services Corps	18,000	100%	18,000
Total Administration	2,421,974		1,022,894
FINANCE			
Fiscal Services	1,995,498	100%	1,995,498
Omnitrans Program	25,000	100%	25,000
Purchasing	331,136	100%	331,136
Fire Services	7,912,000	100%	7,912,000
Total Finance	10,263,634		10,263,634
POLICE			
Office of the Chief	1,206,773	0%	-
Emergency Services	53,750	100%	53,750
Professional Standards	1,415,825	100%	1,415,825
Patrol Services	14,206,639	100%	14,206,639
K-9 Program	48,505	100%	48,505
SWAT Program	102,250	100%	102,250
Crisis Negotiation Team	8,693	100%	8,693
Special Events	50,540	100%	50,540
Posse Volunteer Team	2,000	100%	2,000
Traffic Services	2,057,204	100%	2,057,204
Criminal Investigations	3,102,573	100%	3,102,573
Crime Analysis	354,418	100%	354,418
Special Investigations Unit	870,432	100%	870,432
Communications	2,315,773	100%	2,315,773
Records	1,270,657	100%	1,270,657
Narcotics	916,051	100%	916,051
Tranning	1,669,359	100%	1,669,359
Crime Prevention	630,192	100%	630,192
Volunteers	22,694	100%	22,694
Citizens Academy	4,200	100%	4,200
Police Substations	3,100	100%	3,100
Gang Unit	723,512	100%	723,512

School Resource Officer	604,576	100%	604,576
Technical Services	519,527	100%	519,527
Command Center	11,500	100%	11,500
Total Police	32,170,743		30,963,970
HUMAN RESOURCES			
Personnel	57,243	100%	57,243
Total Human Services	57,243		57,243
COMMUNITY DEVELOPMENT			
Community Development Administration	89,967	100%	89,967
Planning Commission	21,975	100%	21,975
Planning	1,533,955	100%	1,533,955
Building	1,716,445	100%	1,716,445
Code Enforcement	762,768	100%	762,768
Economic Development	1,783,627	100%	1,783,627
Total Community Development	5,908,737		5,908,737
PUBLIC WORKS DEPARTMENT			
Administration	333,169	100%	333,169
Land Development	1,300,725	0%	-
Total Public Works	1,633,894		333,169
TOTAL GENERAL FUND	\$ 77,866,653		\$ 48,549,647

Note:

(a) Represents transfers out for one-time costs.

Table A-4
General Fund Net Community Development Cost Factors

COMMUNITY DEVELOPMENT	
Community Development Costs	\$ 5,908,737
<u>One-Time Processing Fees/Permits</u>	
General Plan Update Fee	\$ 330,217
Tentative Tract Map Fee	40,056
Tentative Parcel Map Fees	4,976
Site Approval Fees	102,062
Landscape/Lighting/Wall Plan R	27,924
Sign Plan Review Fee	13,140
Developer Agreement	5,733
Developer Ext-Adm Review	3,952
Developer Ext-Discretionary	4,449
Job Valuation	134,072
Green Building Standards	10,288
Building Plan Check Fee	1,021,306
New Construction Fees	591,433
Special Inspection Fee	2,000
Grading Plan Check Fees	65,756
Final Subdivision Map Fee	46,608
Engineering Plan Check	523,018
Public Improvement Insp-Land D	1,790,420
Public Utilities Inspect Fee	30,500
Engineering Plans Revision Fee	4,768
Intersection Design Fees	500
	<hr/>
	\$ 4,753,178
<u>Recurring New Community Development Costs</u>	\$ 1,155,559
Service Population	110,382
<u>Citywide Net Cost Factor per Service Population for Community Development</u>	\$ 10.47

Table A-5
Estimated Vehicle License Fees (VLF) - Property Tax in Lieu Factor

Category	2011/2012	2015/2016	Change in VLF
<u>Nominal Dollars</u>			
Property Tax - VLF	\$ 6,603,198	\$ 7,945,000	\$ 1,341,802
Assessed Valuation (AV)	\$ 8,814,006,451	\$ 10,671,272,880	\$ 1,857,266,429
VLF Increase as a % of AV Increase			0.072246%
VLF Increase per \$1,000,000 increase in AV			\$ 722.46

Table A-6
Calculation of Use Tax Factor

City of Chino	Amount
<u>Use Tax</u>	
County Pool	\$ 2,291,840
State Pool	16,826
Total Use Tax	<u>\$ 2,308,666</u>
<u>Point-of-Sale</u>	\$ 19,912,774
Use Tax Rate	11.59%

Note:

The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

**APPENDIX B
PROJECT REFERENCES**

CITY OF CHINO

**13220 Central Avenue
Chino, CA 91710**

Community Services

Anna Yarrito (909) 334-3256

Finance

Nada Repajic (909) 334-3721

Public Works/Engineering

Jesus Plecencia (909) 334-3417

Public Works/Transportation

Kurt Powell (909) 334-3265

CITY OF CHINO POLICE DEPARTMENT

**5450 Walnut Avenue
Chino, CA 91710
(909) 334-3000**

COUNTY OF SAN BERNARDINO

**385 N. Arrowhead Avenue
San Bernardino, CA 92415**

Public Works/Traffic Division

Elaina Mitchell (909) 387-7906

Local Agency Formation Commission (LAFCO)

**215 North D Street
San Bernardino, CA 92408
(909) 388-0480
Kathleen Rollings-McDonald, Executive Director**

CITY OF CHINO HILLS

Police Department

**14077 Peyton Drive
Chino Hills, CA 91709
(909) 364-2000**

INLAND VALLEY HUMANE SOCIETY

**500 Humane Way
Pomona, CA 91766
(909) 623-9777**

CHINO VALLEY INDEPENDENT FIRE DISTRICT (CVIFD)

**14011 City Center Drive
Chino Hills, CA 91709
(909) 902-5260**

**Public Improvement Agreement
For Tract Map No. 18902**

Attachment 3

Contract No. 2016-291
Approved 12/15/2015 #12

PUBLIC IMPROVEMENT AGREEMENT

TRACT MAP NO. 18902

THIS AGREEMENT is entered into by and between the CITY OF CHINO, a Municipal Corporation of the State of California (hereafter called the City) and Chino-Pipeline Ave 36, LLC (hereafter called the Developer).

WHEREAS, the Developer is the owner of certain real property situated in the unincorporated San Bernardino County area, County of San Bernardino, California, which Developer proposes to develop and construct certain work of public improvements that are located within the City of Chino's Sphere of Influence, as hereafter set forth; and

WHEREAS, the Developer has applied for and received conditional approval from the County of San Bernardino to construct 36 single family homes, at 12730, 12740 and 12756 Pipeline Avenues (hereafter called the Project); and

WHEREAS, the City desires to ensure that said public improvements proposed for the Project will be constructed in a good workmanlike manner and in accordance with all applicable laws, statutes, ordinances, resolutions and regulations now in force and effect in the City of Chino and the State of California; and

WHEREAS, the Developer acknowledges familiarity with the various requirements for public improvements contained in the Chino Municipal Code and agrees to comply therewith.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Article 1. Duty to Install Public Improvements

1.1 **Requirements for Public Improvements.** The Developer shall, at his/her own cost and expense, construct, install and complete all of the public improvements contained in Exhibit 1 (the "public improvements" or "improvements") in a good workmanlike manner, according to the approved plans and specifications, and to the satisfaction of the Assistant City Manager/Director of Public Works or his designee, within two (2) years from the date of the City's approval of this Agreement, and within the time frame and subject to the conditions set forth in the Encroachment Permit that is issued for the required public improvements. The time for completion may be extended up to one (1) additional year by the City Council for good cause shown. The sum of five hundred thirteen thousand seven hundred and no/100 dollars (\$513,700.00) is the estimated construction cost of said improvements.

1.2 **Ownership of Public Improvements.** All public improvements constructed or installed pursuant to this Agreement shall become the sole exclusive property of the City without payment therefor upon acceptance of said improvements by the City.

1.3 Definition of Improvements. The term "improvement" shall mean any and all work or infrastructure required in this Agreement (as described in Exhibit 1), including sanitary sewers and water lines, as shown on plans, profiles or specifications prepared or submitted by the Developer. All work and infrastructure not described in Exhibit 1 shall not be included in the definition of the term "improvement" and shall be referred to herein as "Other Improvements". Such Other Improvements shall include, but not be limited to, grading, street improvements, storm drain improvements, landscaping, architecture, and monumentation.

1.4 Repair or Reconstruction of Defective Improvements. If, within a period of one (1) year after final acceptance of work performed under this Agreement, any improvement or part of any improvement constructed, installed or furnished, or caused to be constructed, installed or furnished by the Developer, or any of the work done under this Agreement fails to comply with, or satisfy, any of the requirements of this Agreement, or the specifications referenced herein, the Developer shall, without delay and without any cost to the City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or improvements. Should the Developer fail to act promptly or in accordance with these requirements, or should an emergency require repairs or replacements to be made before the Developer can be notified, the City may, at its sole option, make the necessary repairs or replacements or perform the necessary work, and the Developer shall pay to the City the actual cost of such repairs, plus 15 percent.

1.5 Repair or Replacement of Unrelated Improvements. The Developer shall replace, or have replaced, or repair, or have repaired, as the case may be, all pipes and monuments situated on said property, delineated on the plans, which have been destroyed or damaged and the Developer shall replace, or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City, or by any public or private corporation, or by any person whomsoever, or by any combination of such persons. Any such repair or replacement shall be to the satisfaction, and subject to the approval, of the Assistant City Manager/Director of Public Works or his designee.

1.6 Time of Completion. All of the public improvements shall be completed within two (2) years from the date of the City's approval of this Agreement, and within the time frame and subject to the conditions set forth in the Encroachment Permit that is issued for the required public improvements. In the event that the Developer fails to complete the public improvements within said period, the City may complete said work and shall be entitled to recover the full cost and expenses thereof from the Developer, or its surety, as hereinafter provided. In the event of such failure by Developer, the City may require the Developer, or its surety, to pay the City, in advance, sufficient monies to pay for the City's cost of completing construction and installation of said public improvements.

1.7 Security. Contemporaneously with the execution hereof, the Developer shall file security, subject to the approval of the City Attorney, pursuant to Section 66499 of the Government Code and Section 19.09.010 of the Chino Municipal Code, to guarantee performance of the requirements of this Agreement, and all of the City's ordinances, specifications and regulations as follows:

a. A security device in an amount equal to 100 percent of the estimated construction cost to guarantee the faithful performance of all of the requirements of this Agreement, including the construction, installation and completion of the work and public improvements required by this Agreement; and

b. A security device in an amount equal to 50 percent of the estimated construction cost to guarantee payment to the contractors, their subcontractors, and to persons renting equipment or furnishing labor and materials to said contractors, for the public improvements required by this Agreement; and

c. All security devices under this Agreement shall also guarantee the payment of reasonable attorney fees, expert witness fees and court costs to the City; and

d. Any changes or alterations in the work or public improvements required hereunder, not exceeding 10 percent of their original estimated cost, shall not relieve any liability of the security given for the faithful performance of this Agreement. In the event any changes or alterations of the work or public improvements required hereunder exceed 10 percent of their original estimated cost, the Developer shall provide such additional security for its faithful performance as determined by the Assistant City Manager/Director of Public Works or his designee and approved by the City Attorney.

The City Council may, at its sole discretion, reduce the amount of any security device as recommended by the Assistant City Manager/Director of Public Works or his designee and the City Attorney for any portion of the public improvements installed by the Developer and accepted by the Assistant City Manager/Director of Public Works or his designee.

1.8 One Year Warranty and Warranty Bond. Without limiting the foregoing, the Developer warrants and guarantees materials used and workmanship performed on said work and public improvements. In connection herewith, the Developer shall submit security, subject to the approval of the City Attorney, for a period of one (1) year following the completion and acceptance of the work hereunder in the sum equal to 10 percent of their actual construction cost and reasonable attorney fees, expert fees and court costs.

1.9 Payment of Labor and Materials. The Developer and its contractors shall pay for any materials, provision, provender and other supplies or equipment used in, upon, for, or about the performance of the work contracted to be done, and for any work or labor thereon of any kind, and for a payment bond with respect to such work or labor, as required by Civil Code Section 9550.

Article 2. Procedural Requirements

2.1 Preparation of Improvements Plans. No work pursuant to this Agreement shall be commenced until the Developer's plans, profiles and specifications for the public improvements have been submitted to and approved by the Assistant City Manager/Director of Public Works or his designee. The Developer warrants that its plans, profiles and specifications conform as a minimum to the City's ordinances and standard specifications, and that they are adequate to construct and install the public improvements in a good, workmanlike manner and in accordance with sound construction practice for public works.

2.2 Cost of Checking Plans. The Developer shall pay to the City the cost

of checking and approving the plans, profiles and specifications. The Developer shall pay to the City the fees for the cost of checking said plans upon submittal of said plans to the City. If said fees prove to be insufficient to complete said plan checking, the Developer shall make additional deposits as required by the Assistant City Manager/Director of Public Works or his designee. Failure to make any required payment or deposit shall cause such plan checking to be suspended and be grounds to withhold the issuance of building permits for any construction.

2.3 Soils Report. The Developer shall cause to be made and pay for soil tests made by a reputable soils testing laboratory to determine gradation, bearing and resistance value of soils within the Project. The Developer shall also cause to be made and pay for all compaction tests necessary to determine that all soils, including the utility trenches, have been satisfactorily backfilled.

2.4 Permits and Fees. The Developer shall, at the Developer's expense, obtain all necessary permits and licenses for the construction and installation of the work and public improvements required hereunder and pay all required fees and taxes and give all necessary notices.

2.5 Superintendence by the Developer. The Developer shall provide continuous superintendence to the construction and installation of the public improvements by assigning a competent foreman or superintendent, satisfactory to the Assistant City Manager/Director of Public Works or his designee, to the work site, who shall have full authority to act for the Developer.

2.6 Duty to Facilitate Inspections. The Developer shall at all times maintain proper facilities and provide safe access for inspection by the Assistant City Manager/Director of Public Works or his designee, to all parts of the work, and to the shops wherein the work is in preparation.

Article 3. The Developer's Liabilities

3.1 Liability of the Developer. The Developer agrees that the use for any purpose and by any person of any or all of the work and public improvements required by this Agreement shall be at the sole and exclusive risk of the Developer at all times prior to final acceptance by the City of the completed public improvements thereon and therein; provided that acceptance by the City shall not eliminate, lessen or relieve the Developer of any obligations or undertakings contained in this Agreement. The issuance of any occupancy permits by the City for any structures located within the Project shall not be construed to constitute an acceptance or approval of any of the public improvements required hereunder.

3.2 Liability for Nonperformance. Neither the City nor any of its officers or agents shall be liable to the Developer or its contractors for any error or omission arising out of, or in connection with, any work to be performed under this Agreement or the plans, profiles or specifications therefore approved by the Assistant City Manager/Director of Public Works or his designee.

3.3 Annexation Fees. The City intends to annex the Project into the City prior to the completion of the Project. The City shall make every effort to expedite the annexation and the annexation proceedings in order to complete the annexation as quickly as

possible. Developer hereby agrees to pay all fees as would ordinarily be charged to process the annexation of the Project into the City of Chino. The annexation application will be processed by the Local Agency Formation Commission of San Bernardino County ("LAFCO") and only LAFCO has authority to determine the fees that must be paid.

3.4 Development Impact Fees. The parties agree to the following: (1) the sewer and water plans will be processed and approved by the City; (2) the sewer and water permits will be issued by the City; (3) the inspections and final acceptance of the sewer and water improvements will be processed by the City; and (4) the Developer will pay to the City the City's Development Impact Fees, pursuant to and in accordance with Chapter 3.40 of the Chino Municipal Code, as well as other development-related fees, all in the amounts described in Exhibit 2, in lieu of paying the County of San Bernardino's fees. The City's Development Impact Fees shall be paid in full for each unit on or before the date on which the certificate of occupancy is issued by the County of San Bernardino for that unit. The City and Developer agree that the City's Development Impact Fees shall not exceed the amounts shown in Exhibit 2, notwithstanding any future fee increases. Developer is responsible for the timely payment of the City's Development Impact Fees regardless of whether or not the County of San Bernardino transfers to the City any development fees that are paid by Developer to the County on the Project. Developer shall receive credit for any development fees that it pays to the County of San Bernardino if the County transfers those fees to the City.

3.5 Utility Deposits. Prior to commencement of any work required by this Agreement, the Developer shall file with the Assistant City Manager/Director of Public Works or his designee a statement signed by the Developer and each public utility to the effect that the Developer has made all deposits legally required by such public utility for the connection of any and all public utilities required to be supplied by such public utility within the subdivision.

3.6 Liability for Personal Injuries. The City shall not be liable to the Developer or to any other person, firm, or corporation whatsoever, for any injury or damage that may result to any person or property by or from any cause whatsoever, in, on or about the development or connected to the construction and installation of the work and public improvements required hereunder.

3.7 Release and Indemnification. The Developer hereby releases and agrees to indemnify and save the City harmless from and against any and all injuries to and deaths of persons and injuries to property, and all claims, demands, costs, loss, damage and liability, howsoever the same may be caused, and whensoever the same may appear, resulting directly or indirectly from the performance or nonperformance of any work or public improvement to the Property and upon premises adjacent thereto pursuant to this Agreement, and also from any and all injuries to, and deaths of persons, and injuries to property or other interests, and all claims, demands, costs loss, damage, and liability, howsoever same may be caused and whensoever the same may appear, either directly or indirectly made or suffered by the Developer, Developer's agents, employees, and subcontractors, while engaged in the performance of said work or public improvements. Prior to the commencement of any work or public improvement required hereunder, the Developer shall furnish to the City satisfactory evidence of an insurance policy, written upon a form and by a company which meets with the approval of the City, insuring the City, its officers, agents, and employees against loss or liability which may arise during the work, or which may result from any of the work herein required to be done, including all costs of defending any claim arising as a result thereof. Minimum liability and

property damage insurance shall be not less than \$500,000.00 for all damages arising out of bodily injury to or death of one person and not less than \$1,000,000.00 for all damages arising out of bodily injuries to or death of more than one person in any one occurrence; and not less than \$250,000.00 for all damages and/or destruction of property in any one occurrence and not less than \$500,000.00 for all damages and/or destruction of property during the policy period. Said policy shall be maintained in full force and effect during the life of this Agreement. Said policy shall state, by its terms and by an endorsement, that said policy shall not be canceled until the City shall have had at least ninety (90) days prior notice in writing of such cancellation.

Article 4. Inspection of Improvements

4.1 Inspection by Assistant City Manager/Director of Public Works. All public improvements shall be constructed under the inspection of, and subject to approval of the Assistant City Manager/Director of Public Works or his designee. The cost of inspections shall be paid by the Developer, who shall submit the inspection fee, as required by the City's Fee Structure approved by the City Council, prior to the issuance of building permits.

4.2 Approval by Assistant City Manager/Director of Public Works. It is mutually agreed that the Assistant City Manager/Director of Public Works or designee shall have the authority to reject any or all of the work or public improvements required hereunder if same fails to conform to the approved plans, profiles or specifications for said public improvements or if same are not constructed or installed in a good and workmanlike manner to the satisfaction of the Assistant City Manager/Director of Public Works or his designee. Furthermore, any damage to existing facilities, including any curbs, drainage facilities, gutters, landscaping, sewer and water mains, street or utilities, that occurs after installation, shall be repaired to the satisfaction of the Assistant City Manager/Director of Public Works or his designee by the Developer prior to the issuance of an occupancy permit for any structure within the Project and prior to the release of any security provided hereunder.

4.3 Responsibility Despite Inspections. Notwithstanding the fact that the Developer's plans, profiles and specifications, and construction and installation of the public improvements, and other acts are subject to the approval of the Assistant City Manager/Director of Public Works or his designee, it is understood and agreed that any approval by the Assistant City Manager/Director of Public Works or his designee shall not relieve the Developer of the obligation to satisfactorily perform the obligations hereunder. All construction shall be performed strictly in accordance with the approved plans, profiles and specifications, the City's latest standard specifications and the provisions of the Chino Municipal Code to the satisfaction of the Assistant City Manager/Director of Public Works or his designee.

4.4 Occupancy Permits. City shall request that the County of San Bernardino not issue any occupancy permit for any structure on any lot within the Project, and that no utility connection be made, unless and until the Developer has complied with all the obligations hereunder to the satisfaction of the Assistant City Manager/Director of Public Works or his designee.

4.5 Certification of Satisfactory Completion. Upon the satisfactory completion of the improvements by the Developer, the Assistant City Manager/Director of Public Works or his designee, shall certify that the work of said improvements has been satisfactorily completed.

4.6 Filing of "Record" Drawings. Upon completion of the work or public improvements, the Developer shall submit one mylar (4 mils) set of "Record" drawings to the Assistant City Manager/Director of Public Works or his designee. These drawings shall be certified as representing the actual construction and shall depict the work and public improvements as actually constructed, with all changes incorporated therein.

4.7 Other Improvements. Other Improvements, as defined in Paragraph 1.3 above, including all related drawings, plans, specifications, and installations, shall be processed, plan checked, approved, permitted, inspected, and accepted as complete by the County of San Bernardino, not the City of Chino, both before and after the Project is annexed to the City of Chino.

Article 5. Miscellaneous Provisions

5.1 Relationship of Contractors. It is hereby mutually covenanted and agreed by the parties hereto that the Developer's contractors are not agents of the City and that the contractors' relations to City, if any, are those of independent contractors.

5.2 Entire Agreement. This writing constitutes the entire agreement of the parties and supersedes any prior written or oral agreements between them with respect to the subject matter hereof and may not be modified or amended except as set forth herein.

5.3 Attorney's Fees. In the event that any action at law or in equity is brought to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs.

5.4 Assignment. This Agreement shall not be assignable by the Developer without written consent of the City.

5.5 Successors. Subject to the restrictions against assignment contained herein, this Agreement shall inure to the benefit of and shall be binding upon each of the parties and their respective assigns, successors in interest, person representatives, estates, heirs and legatees.

5.6 No Waiver. No waiver of any breach or default hereunder shall be considered valid unless in writing, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

5.7 Choice of Law. This Agreement shall be governed by the laws of the State of California without regard to the principles of conflict of laws.

5.8 Invalidity. If any provision of this Agreement is declared invalid, void, or unenforceable by a court of competent jurisdiction of the State of California, the remaining provisions shall continue in full force and effect.

5.9 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

5.10 Effective Date of Agreement. This Agreement shall not become effective unless and until all of the following conditions occur: (1) this Agreement is approved by the City Council of the City of Chino and executed by the parties; and (2) the Irrevocable Agreement to Annex to the City of Chino is approved by the City Council of the City of Chino and executed by the parties.

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IN WITNESS WHEREOF, the City and the Developer have executed this agreement in the City of Chino, California.

Approved as to Form:

Arturo J. Lugo
Asst City Attorney 03/01/16

Approved as to Content:

Jose Alire 3.3.2016
Assistant City Manager

CHINO-PIPELINE AVE 36, LLC
a Delaware limited liability company

By: Griffin Residential III, LLC
a California limited liability company
Its: Manager

By: IAN GRIFFIN 2/10/16
(Signature and Date)
Name: IAN GRIFFIN
(Please type or print name)
Title: MANAGER
(Please type or print title)

CITY OF CHINO

Matthew Ballantyne
Matthew Ballantyne, City Manager

Dated: 3.3.16

ATTEST:

Angela Robles
Angela Robles, City Clerk

Dated: 3.3.16

Attachment: Exhibit 1 and Exhibit 2

PUBLIC IMPROVEMENT AGREEMENT

TRACT MAP NO. 18902

EXHIBIT 1

- A. Relocation of all public utility structures as necessary to properly construct the required improvements.
- B. Sanitary sewers shall be constructed as shown on the approved, engineered plans and in accordance with City Standards.
- C. Water mains, valves, hydrants, services, meters and appurtenances to serve each lot as shown on the approved construction plans and in accordance with City Standards.

The Developer shall also perform all work and furnish all materials necessary, in the opinion of the Assistant City Manager/Director of Public Works or his designee and on his order, to complete the improvements in accordance with the plans and specifications on file as hereinbefore specified, or any changes required or ordered by said Engineer which, in his opinion, are necessary or required to complete this work.

PUBLIC IMPROVEMENT AGREEMENT
TRACT MAP NO. 18902

EXHIBIT 2

CITY OF CHINO
Public Works Department / Engineering Division
- ESTIMATE -

PAYEE'S INFORMATION:

PERMIT NO.: _____

Name: Griffin Residential
Address: 110 N. Lincoln Ave., Suite 100
City: Corona
State/Zip: CA 92682

Project No: TM 18902 (County of San Bernardino)
Work Site: 12730, 12740, 12758 Pipeline Ave
AGA/Units: 36
Zoning: Residential - Medium Density

DESCRIPTION	UNIT COST	ACCOUNT NO.	AMOUNT
Development Impact Fees			
Law Enforcement	\$593	231-7005-58500 LEF	\$20,938.00
Fire Protection	\$1,200	232-7005-58600 FIRDIF	\$43,200.00
Bridges, Signals and Thoroughfares	\$2,072	220-7005-58520 BST	\$74,592.00
Storm Drainage Collection	\$1,047	255-7005-58580 STMDIF	\$37,692.00
Water Storage and Distribution	\$742	253-7005-58560 WTRDIF	\$26,712.00
Sewage Collection and Disposal	\$854	254-7005-58570 SWRDIF	\$23,544.00
General Facilities	\$165	233-7005-58610 GFDIF	\$5,940.00
Library Facilities	\$113	234-7005-58620 LIBDIF	\$4,068.00
Community Centers	\$587	245-7005-58540 DIFCF	\$21,132.00
		SUBTOTAL	\$257,868.00
Capital Administration Fee (12% of Total DIF)		100-7000-58400 CAPFEE	\$30,944.16
		DIF TOTAL	\$288,812.16
Additional Development-Related Fees			
Residential Parks and Recreation Fee	\$7,284	340-8300-58730 PKDEV	\$261,504.00
Sewage Facilities Development Fee	\$5,107	530-24230 SFDF	\$183,852.00
		TOTAL	\$734,168.16

By: MS Check No: _____ Date: _____ Receipt No: _____

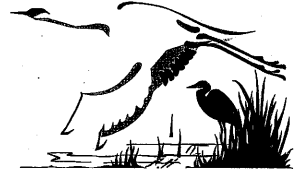
FINANCE COPY: _____ ENGINEERING COPY: _____ CUSTOMER COPY: _____

**Response from Tom Dodson
and Associates including the
City of Chino's Initial Study and
Negative Declaration for
Pre-zoning (PL16-0051)**

Attachment 4

TOM DODSON & ASSOCIATES

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



December 29, 2016

Ms. Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
215 North "D" Street, Suite 204
San Bernardino, CA 92415-0490

RECEIVED
JAN 04 2017

LAFCO
San Bernardino County

Dear Kathy:

LAFCO 3213 consists of a Reorganization to include Annexation to the City of Chino and Detachment from County Service Area 70. The area affected by LAFCO 3213 encompasses approximately seven acres and includes Tract 18902 (a 36-lot subdivision) generally located on the west side of Pipeline Avenue approximately 900 feet north of Riverside Drive. The Reorganization area is bounded by the northerly right-of-way (ROW) of the Union Pacific Railroad (existing City of Chino Boundary) on the north, Pipeline Avenue on the east, and parcel lines on the south and west.

The City of Chino prepared an Initial Study for the rezoning of the property, which concluded that proposed development of the property with a residential subdivision would not cause any significant adverse impact, either directly or indirectly. The Reorganization (annexation and detachment) of the project area to the City of Chino will accommodate the proposed development, which is not forecast to result in significant adverse environmental impacts if the proposed LAFCO actions are approved.

Based on the City's Initial Study/Negative Declaration, the Notice of Determination was filed on June 24, 2016, I am recommending that the Commission consider the adopted Negative Declaration as the appropriate CEQA environmental determination for LAFCO 3213. Thus, in accordance with the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the City's Negative Declaration as adequate documentation in accordance with the Commission's CEQA Responsible Agency status in this matter. Under this circumstance, I recommend that the Commission take the following steps if it chooses to approve LAFCOs 3213, acting as a CEQA Responsible Agency:

1. Indicate that the Commission staff and environmental consultant have independently reviewed the City of Chino Initial Study and Negative Declaration and the analysis in this document is adequate for the Reorganization decision.

2. The Commission needs to indicate that it has considered the Negative Declaration, and environmental effects, as outlined in the Initial Study, prior to reaching a decision on the proposed Reorganization and finds the information substantiating this environmental document adequate for its decision. Thus, I conclude and recommend that the environmental findings regarding the physical changes to the environment are adequate to address the effects related to LAFCO 3213.
3. The Commission should indicate that it does not intend to adopt alternatives or mitigation measures for this project. No mitigation measures were required in the Initial Study/Negative Declaration that would require LAFCO action.
4. File a Notice of Determination for this action as a Responsible Agency because the Commission is relying on the Initial Study/Negative Declaration as a CEQA Responsible Agency.

If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Tom Dodson".

Tom Dodson

CLERK OF THE
BOARD OF SUPERVISORS

2016 JUN 29 AM 10:37



DATE FILED & POSTED

Posted On: 6/29/16

Removed On: 8/10/16

Receipt No: 36-062916-380

NOTICE OF DETERMINATION

COUNTY OF SAN BERNARDINO
June 24, 2016 CALIFORNIA

To: Office of Planning and Research
For U.S. Mail:
P.O. Box 3044
Sacramento, CA 95812-3044

San Bernardino County
Clerk of the Board of Supervisors
385 North Arrowhead Ave, 2nd Floor
San Bernardino, CA 92415-0131

Street Address:
1400 Tenth St.
Sacramento, CA 95814

From: City of Chino
Planning Division
P.O. Box 667
Chino, CA 91708-0667

Contact: Michael Hitz

Phone #: 909-334-3448

Lead Agency (if different from above):

Address: _____

Contact: _____

SUBJECT: Filing of Notice of Determination in compliance with Sections 21108 and 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to the State Clearinghouse): _____

Project Title: PL16-0051 (Prezone)

Project Location (include county): 12730 Pipeline Avenue (AP No. 1016-521-05, 03, 04)

Project Description: **A request to prezone approximately 7 acres from the San Bernardino County zoning designation of SD (Special Development Planned Residential Development) to the City of Chino zoning designation of RD8 (Residential 8 Units/Acre) to allow for annexation into the City of Chino's jurisdiction. In November of 2015, San Bernardino County approved a tract map and the development of 36 single-family homes on this property, which included adoption of a mitigated negative declaration. The prezone is the first step in the process to annex this property into the City of Chino.**

This is to advise that the City of Chino City Council has approved the above described project on May 16, 2016 (Lead Agency of Responsible Agency) and has made the following determinations regarding the above described project:

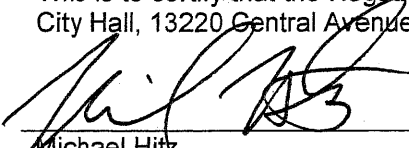
1. The project (☐ will or ☒ will not) have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA; or
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA; or
☐ A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. A Statement of Overriding Considerations (☐ was or ☒ was not) adopted for this project.
4. Findings (☒ were ☐ were not) made pursuant to the provisions of CEQA.

NOTICE OF DETERMINATION

PROJECT NO. PL 16-0051 (Prezone)

DATE: June 24, 2016

This is to certify that the Negative Declaration and record of project approval are available to the general public at Chino City Hall, 13220 Central Avenue, Chino, California 91710.


Michael Hitz
Principal Planner

6-24-16
Date

Date Received for filing at OPR:

DRAFT

ENVIRONMENTAL CHECKLIST

SECTION I—PROJECT DESCRIPTION

1. Project No: PL16-0051
2. Applicant: Griffin-Residential
3. Project Location: 12730 Pipeline Avenue (AP No. 1016-521-05, 03, 04)
4. Project Description: A request to prezone approximately 7 acres from the San Bernardino County zoning designation of SD (Special Development Planned Residential Development) to the City of Chino zoning designation of RD8 (Residential 8 Units/Acre) to allow for annexation into the City of Chino's jurisdiction. In November of 2015, San Bernardino County approved a tract map and the development of 36 single-family homes on this property, which included adoption of a mitigated negative declaration. The prezone is the first step in the process to annex this property into the City of Chino.
5. General Plan Designation: Existing – RD8 (Residential) (City)
SD-PRD (Special Development-Planned Residential Development) (County)
Proposed – RD8 (Residential) (City)
6. Zoning Designation: Existing – None (City)
SD-PRD (Special Development-Planned Residential Development) (County)
Proposed – RD8 (Residential) (City)
7. Project Setting and Surrounding Land Uses: Residential Homes

SECTION II—ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a potentially significant impact as indicated by the checklist on the following pages.

- | | | |
|---|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |
-

SECTION III—ENVIRONMENTAL DETERMINATION

On the basis of the initial evaluation:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Prepared By:

Signature:

Name and Title: Michael Hitz, Principal Planner

Date:

4/20/16

SECTION IV—EVALUATION OF ENVIRONMENTAL IMPACTS

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
1. AESTHETICS. Would the project:				
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially damage scenic resources, including, but not limited to trees, rock outcroppings and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. AGRICULTURE AND FOREST RESOURCES. Would the project				
<i>(In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.)</i>				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Checklist
Project No.: PL16-0051 (Prezone)

Date: April 20, 2016

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
c. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. BIOLOGICAL RESOURCES. Would the project:				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Checklist
Project No.: PL16-0051 (Prezone)

Date: April 20, 2016

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. CULTURAL RESOURCES. Would the project:				
a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. GEOLOGY AND SOILS. Would the project:				
a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
• Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Checklist
Project No.: PL16-0051 (Prezone)

Date: April 20, 2016

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. GREENHOUSE GAS EMISSIONS. Would the project:				
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in the exposure of Chino residents to hazards associated with climate change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. HAZARDS AND HAZARDOUS MATERIALS. Would the project:				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Checklist
Project No.: PL16-0051 (Prezone)

Date: April 20, 2016

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. HYDROLOGY AND WATER QUALITY. Would the project:				
a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on-or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
k. Would the project substantially degrade water quality by discharge, which affects the beneficial uses (i.e., swimming, fishing, etc.) of the receiving or downstream waters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. LAND USE AND PLANNING. Would the project:				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. MINERAL RESOURCES. Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. NOISE. Would the project result in:				
a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Checklist
Project No.: PL16-0051 (Prezone)

Date: April 20, 2016

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 13. POPULATION AND HOUSING. Would the project:				
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 14. PUBLIC SERVICES. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
a. Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 15. RECREATION. Would the project:				
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. TRANSPORTATION/TRAFFIC. Would the project:				
a. Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17. UTILITIES AND SERVICE SYSTEMS. Would the project:				
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
e. Result in a determination by the wastewater treatment provider, which serves or may serve the project, that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Comply with federal, state, and local statutes and regulations related to solid waste.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18. MANDATORY FINDINGS OF SIGNIFICANCE.				
Does the project:				
a. Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have impacts that are individually limited, but cumulatively considerable ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SECTION V—DISCUSSION OF ENVIRONMENTAL IMPACTS

1. Aesthetics.

Discussion of Effects: The proposed prezone of approximately 6.86 acres will not directly result in any construction or any change of the physical landscape of the City. No negative impacts will occur as a result of this project.

Mitigation: None required.

2. Agricultural Resources.

Discussion of Effects: The proposed prezone of the project area is RD8 is consistent with the City's General Plan. No negative impact to Agricultural Resources will occur as a result of this prezone.

Mitigation: None required.

3. Air Quality.

Discussion of Effects: The project will have short- and long-term impacts associated with air quality, as described below:

Short-term Impacts: There are no construction plans associated with the proposed prezone. No short-term impacts are expected.

Long-term Impacts: The pre zoning of the project area will not directly result in any activities that will contribute or cause a negative impact on the long-term air quality of the area or region.

Odors: The proposed project will not result in any physical change and will not result in any additional odors to the project area.

Climate: The proposed project will not result in any impacts to the climate of the area.

Mitigation: None required.

4. Biological Resources.

Discussion of Effects: The proposed prezone will not impact the physical landscape of the site and, therefore, will not have any adverse impacts on biological resources in the area.

Mitigation: None required.

5. Cultural Resources.

Discussion of Effects: No physical alteration of the site will occur from the proposed prezone. The project will not result in any adverse impacts to cultural resources.

Mitigation: None required.

6. Geology/Soils.

Discussion of Effects: No physical alteration of the site will occur from the proposed prezone. The project will not result in any adverse impacts to geology/soils.

Mitigation: None required.

7. Greenhouse Gas Emissions

Discussion of Effects: No physical alterations of the site will occur from the proposed prezone. The pre zoning of the project area will not result in any adverse greenhouse gas emissions.

Mitigation: None required.

8. Hazards & Hazardous Materials.

Discussion of Effects: No hazardous materials, emissions, or waste will result from the proposed prezone of the project area.

Mitigation: None required.

9. Hydrology/Water Quality.

Discussion of Effects: No physical alteration of the site will occur from the proposed prezone. The project will not result in any adverse impacts to the hydrology/water quality.

Mitigation: None required.

10. Land Use/Planning.

Discussion of Effects: The project site is located at 12730 Pipeline Avenue. The City's General Plan has this entire area designated as RD8, with a maximum of 8 dwelling units per acre. The proposed project to prezone this area to RD8 is consistent with the City's General Plan. This action will not directly result in any division of a community. The proposed prezone does not have any direct impacts on land use or housing, because no development project is proposed in conjunction with the prezone. Any future development project that might take place on the project site will be subject to environmental review. Therefore, no adverse impacts will result to land use or planning from the proposed prezone.

Mitigation: None required.

11. Mineral Resources.

Discussion of Effects: No physical alteration of the site will occur from the proposed prezone. The project will not result in any adverse impacts to mineral resources.

Mitigation: None required.

12. Noise.

Discussion of Effects: There is no development activity proposed on the project site, and will therefore not result in any short-term or long term noise impacts.

Mitigation: None required.

13. Population/Housing.

Discussion of Effects: The proposed prezone will allow the site to be subdivided and developed with up to 8 dwelling units per acre. The proposed prezone does not have any direct impacts on population or housing, because no development project is proposed in conjunction with the prezone. Any future development project that might take place on the project site will be subject to environmental review. Therefore, no adverse impacts will result to population/housing from the proposed prezone.

Mitigation: None required.

14. Public Services.

Discussion of Effects: The proposed prezone will not have any adverse impacts on public services.

Mitigation: None required.

15. Recreation.

Discussion of Effects: The proposed prezone of the project area to RD8 is consistent with the goals and objectives of the City's General Plan. The Recreation and Open Space Element of the City's adopted General Plan has provided for full range recreation and open space opportunities in the community. The project area is not a planned recreational area or area proposed as open space, nor will the project deplete the quantity or quality of existing or planned residential opportunities. No impacts are anticipated.

Mitigation: None required.

16. Transportation/Traffic.

Discussion of Effects: The proposed prezone will not directly result in any development, nor will it result in any increase in traffic. Any future development and traffic impacts will be considered as part of the environmental review for that project. No adverse impacts will result to transportation/traffic as a result of this project.

Mitigation: None required..

17. Utilities/Service Systems.

Discussion of Effects: The proposed prezone will not directly result in any development. Therefore, no adverse impacts will result to utilities/service systems as a result of this project.

Mitigation: None required.

18. Mandatory Findings of Significance.

Discussion of Effects: The proposed project will not degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. The project will not have impacts that are individually limited, but cumulatively considerable, nor will the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly. The specific measures to be implemented by the City, listed above, will accomplish the project's fair-share contribution to the mitigation of identified adverse impacts.

Mitigation: None required.

LIST OF SOURCES:

1. City of Chino General Plan map
2. City of Chino Zoning Map
3. Chino Municipal Code

Draft Resolution No. 3239

Attachment 5

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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(909) 388-0480 • Fax (909) 885-8170
E-mail: lafco@lafco.sbcounty.gov
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PROPOSAL NO.: LAFCO 3213

HEARING DATE: January 18, 2017

RESOLUTION NO. 3239

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3213 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATION TO THE CITY OF CHINO AND DETACHMENT FROM COUNTY SERVICE AREA 70 (GRIFFIN HOMES). The reorganization area encompasses approximately seven acres, which is bounded by the northerly right-of-way of the Southern Pacific Railroad (existing City of Chino boundary) on the north, Pipeline Avenue on the east, and parcel lines on the south and west.

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (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 the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; 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 the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her 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 called for January 18, 2017 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, and all evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

RESOLUTION NO. 3239

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, find, resolve, and order as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A" and "A-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3213.

Condition No. 3. All previously authorized charges, fees, assessments, and/or taxes currently in effect by the City of Chino (annexing agency) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The City of Chino shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 6. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 2. The Commission determines that:

- a) this proposal is certified to be legally uninhabited;
- b) it has 100 % landowner consent; and,
- c) no written opposition to a waiver of protest proceedings has been submitted by any subject agency.

Therefore, the Commission does hereby waive the protest proceedings for this action as permitted by Government Code Section 56662(d).

SECTION 3. DETERMINATIONS. The following determinations are noted in conformance with Commission policy:

1. The reorganization area is legally uninhabited as certified by the County Registrar of Voters office as of November 29, 2016.

RESOLUTION NO. 3239

2. The reorganization area is within the sphere of influence of the City of Chino.
3. The County Assessor has determined that the value of land within the reorganization area is \$3,850,000 as of September 14, 2016.
4. Notice of this hearing has been advertised as required by law through publication in the *Inland Valley Daily Bulletin*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been reviewed by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to landowners within the reorganization area (totaling 8 notices) and to surrounding landowners and registered voters within approximately 700 feet of the exterior boundaries of the reorganization area (totaling 463 notices). Comments from landowners and registered voters have been reviewed and considered by the Commission in making its determination. No expression of opposition to this reorganization has been received by the Commission.
6. The City of Chino has pre-zoned the reorganization area to RD8 (Residential, 4.5 to 8 dwelling units/acre). This zoning designation is consistent with the City's General Plan.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3213 has no direct impact on SCAG's Regional Transportation Plan.

The Sustainable Communities Strategy includes, among others, strategies that support compact infill development as well as expanded housing and transportation choices, which approval of LAFCO 3213 will support.

8. The City of Chino, as a function of its review for the pre-zoning (PL16-0051) for approximately seven acres, prepared an environmental assessment and adopted a Negative Declaration which indicates that approval of the project will not have a significant adverse impact on the environment.

The Commission certifies that it has reviewed and considered the City's Negative Declaration and the environmental effects as outlined in the Initial Study prior to reaching a decision on the project and finds the information substantiating the Negative Declaration is adequate for its use in making a decision as a CEQA responsible agency. The Commission finds that it does not intend to adopt alternatives or mitigation measures for this project.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days with the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the City of Chino as lead agency.

9. The local agencies currently serving the area are: County of San Bernardino, Chino Valley Independent Fire Protection District, West Valley Mosquito and Vector Control District, Inland

RESOLUTION NO. 3239

Empire Resource Conservation District, Chino Basin Water Conservation District, Inland Empire Utilities Agency and its Improvement District No. C (regional wastewater treatment provider), Metropolitan Water District of Southern California (the State Water Contractor) and County Service Area 70 (multi-function unincorporated area Countywide).

The proposal will detach the territory from County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. The City of Chino submitted plans for the provision of services as required by Government Code Section 56653, which indicates that the City can, at a minimum, maintain the existing level of service delivery and can improve the level and range of selected services currently available in the area. The financial information presented within the City's Plan for Service indicates that the project will have a positive financial effect for the City. The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan conforms to those adopted standards and requirements.
11. The reorganization area can benefit from the availability and extension of municipal services from the City of Chino, and is benefitting from water and sewer service being provided by the City to the tract that is being developed.
12. This proposal complies with Commission policies that indicate the preference for areas proposed for future 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. In support of this requirement, the property owner/developer is required to pay all development impact fees to the City of Chino as outlined in the signed Public Improvement Agreement for Tract Map No. 18902 (City of Chino Contract No. 2016-291).
13. This proposal will assist the City's ability to achieve its fair share of the regional housing needs since the reorganization area is being developed with a tract that has 36 single-family residences.
14. With respect to environmental justice, the following demographic and income profile was generated using ESRI's Community Analyst within the City of Chino and within and around the reorganization area (2016 data):

Demographic and Income Comparison	City of Chino (%)	Subject Area & adjacent Unincorporated Sphere (%)
Race and Ethnicity		
• African American Alone	6.7 %	2.9 %
• American Indian Alone	1.0 %	1.1 %
• Asian Alone	11.5 %	9.1 %
• Pacific Islander Alone	0.2 %	0.6 %
• Hispanic Origin (Any Race)	56.9 %	53.7 %
Median Household Income	\$75,656	\$93,302

RESOLUTION NO. 3239

The adjacent unincorporated sphere area already receives water service from either the City or Monte Vista Water District. Wastewater service, if required, is also available from the City through an out-of-agency service agreement for sewer service. Fire protection is already provided by the Chino Valley Independent Fire Protection District, which serves both the City and its entire unincorporated sphere. Therefore, the reorganization area will benefit from the extension of services and facilities from the City and, at the same time, the approval of the reorganization would not result in the deprivation of service or the unfair treatment of any person based on race, culture or income.

15. The City and County have negotiated the transfer of ad valorem taxes as required by State law. Copies of the resolutions adopted by the City Council of the City of Chino and the San Bernardino County Board of Supervisors are on file in the LAFCO office outlining the exchange of revenues.
16. The map and legal description, as revised, are in substantial conformance with LAFCO and State standards as determined by the County Surveyor's Office.

SECTION 4. The primary reason for this reorganization is to receive municipal services from the City for the 36-unit planned development. The reorganization area is contiguous to the City and its policy requires that parcels that are contiguous to the City's boundary be required to annex in order to receive services.

SECTION 5. The affected territory shall not be taxed for existing bonded indebtedness or contractual obligations of the City of Chino through the reorganization. The regular County assessment rolls are utilized by the City of Chino.

SECTION 6. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 7. The Commission hereby orders the territory described in Exhibits "A" and "A-1" reorganized. The Commission hereby directs, that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer shall prepare and file a Certificate of Completion, as required by Government Code Section 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204.

SECTION 8. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

RESOLUTION NO. 3239

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)


I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of January 18, 2017.

DATED:

KATHLEEN ROLLINGS-MCDONALD
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: JANUARY 5, 2015 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #8: LAFCO 3214 – Reorganization to include Annexation to the City of Loma Linda and Detachment from San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70 (California Street Island)

INITIATED BY:

City of Loma Linda Council Resolution

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3214 by taking the following actions:

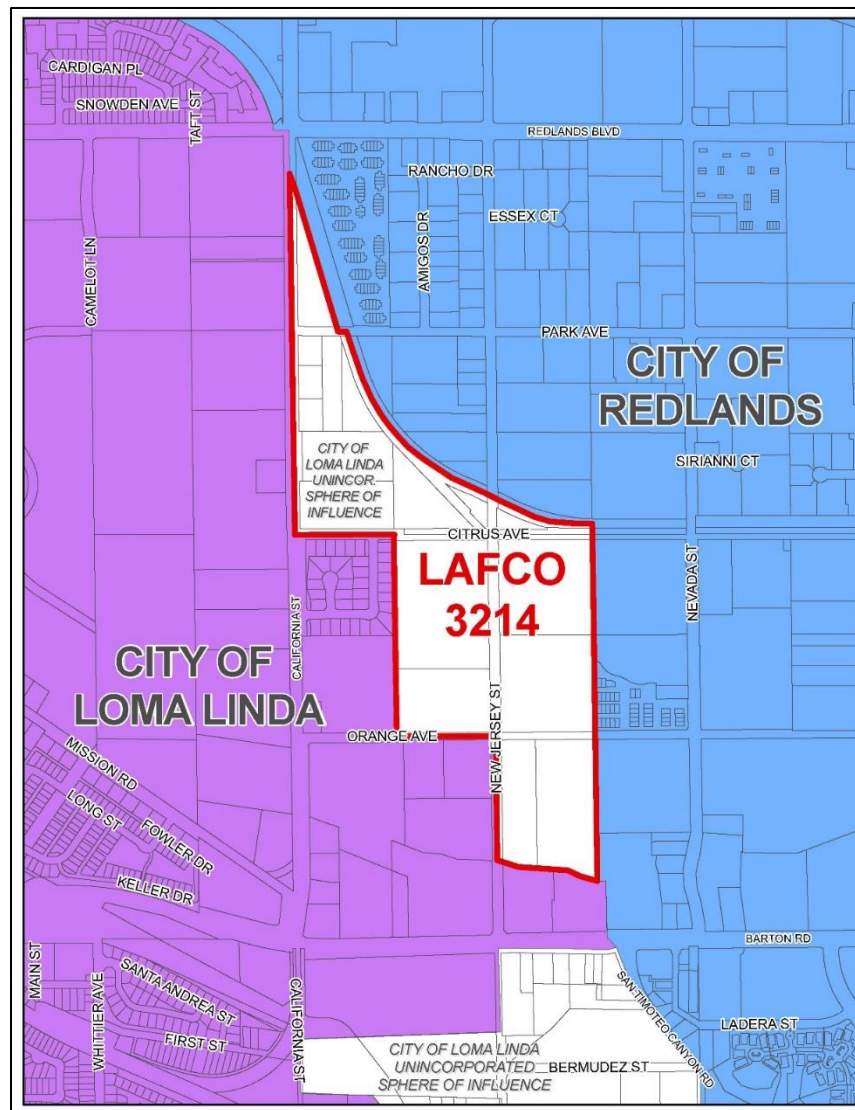
1. With respect to environmental review:
 - a) Certify that the Commission, its staff, and its Environmental Consultant have independently reviewed and considered the City's Initial Study and Mitigated Negative Declaration for General Plan Amendment (GPA 15-044) from Business Park to Low Density Residential for 30-acre property; Pre-zone (ZMA 15-045) for Single Family Residence (R-1) on 39 acres, Multi Family Residence (R-3) on 18 acres, Institutional (I) on 13 acres, and General Business (C-2) on 10 acres; Annexation (ANX 15-043) for a total of approximately 80 acres; and Tentative Tract Map 19963 (TTM 15-046) to Subdivide a 30-acre property into 95 single-family residences and nine (9) common lettered lots;
 - b) Determine that the City's environmental assessment and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA Responsible Agency for its consideration of LAFCO 3214;
 - c) Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the project; that the mitigation measures

identified in the City's environmental document are the responsibility of the City and/or others, not the Commission; and,

- d) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval of LAFCO 3214 since the City of Loma Linda, as lead agency, has paid said fees.
2. Approve LAFCO 3214, with the standard LAFCO terms and conditions that include the "hold harmless" clause for potential litigation costs by the applicant and the continuation of fees, charges, and/or assessments currently authorized by the annexing agency; and,
3. Adopt LAFCO Resolution #3240, setting forth the Commission's determinations and conditions of approval concerning this proposal.

BACKGROUND INFORMATION:

LAFCO 3214 is a reorganization proposal initiated by the City of Loma Linda that includes annexation to the City of Loma Linda (hereafter the "City") and detachment from the San Bernardino County Fire Protection District (SBCFPD), its Valley Service Zone, and County Service Area (CSA) 70. The proposed reorganization area encompasses approximately 84 acres and is a totally surrounded island of unincorporated territory generally bounded by the Mission Zanja Creek (existing City of Redlands boundary) on the northeast, parcel lines (existing City of Redlands boundary) on the east, a combination of parcel lines, New Jersey Street and Orange Avenue (existing City of Loma Linda boundary) on the south, and a combination of parcel lines and California Street (existing City of Loma Linda boundary) on the west, generally located within the City of Loma Linda's eastern sphere of influence. Below is a vicinity map of the reorganization area. Location and vicinity maps are also included as Attachment #1 to this report.



The City's purposes in initiating this reorganization, as outlined in its application, is to provide services for the proposed Tentative Tract Map (TTM) 19963 (also known as the "Orchard Heights Project"), a 95-unit single family residential development on 30 acres of the entire reorganization area. In order for the development to proceed, it requires receipt of water and sewer service from the City of Loma Linda. The parcels associated with TTM 19963 are contiguous to the City's boundaries; therefore, per the City's "Measure V" (a referendum that was approved by its voters in 2006), this proposed development is required to annex to the City prior to receiving such services.

However, annexing only the parcels associated with the Orchard Heights Project would create two totally-surrounded islands of unincorporated territory. Therefore, the City decided to move forward with annexing the entire island to address the requirement of the proposed development project and, at the same time, clean up its boundaries by removing the entirety of the unincorporated island.

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

BOUNDARIES:

The reorganization area is generally bordered by generally bounded by the Mission Zanja Creek (existing City of Redlands boundary) on the northeast, parcel lines (existing City of Redlands boundary) on the east, a combination of parcel lines, New Jersey Street and Orange Avenue (existing City of Loma Linda boundary) on the south, and a combination of parcel lines and California Street (existing City of Loma Linda boundary) on the west, generally located within the City of Loma Linda's eastern sphere of influence.).

As the vicinity map above shows, the area proposed for annexation is a totally surrounded island of unincorporated territory and is less than 150 acres initiated by City resolution. So, the question would be why the island annexation provisions aren't being utilized in this case. The reason is that the territory includes agricultural lands which meet the definition of prime agricultural land as outlined in Govt. Code Section 56064. The island provisions, both Government Code Section 56375.3 which removes protest and Section 56375(a)(4) which eliminates Commission discretion, precludes use if prime agricultural lands are included.

Therefore, no boundary issue has been identified. It is LAFCO staff's position that this reorganization proposal provides for a logical boundary since it removes a totally-surrounded unincorporated island of territory from within the City's sphere of influence and clarifies the boundaries between the City of Loma Linda and the City of Redlands from Barton Road northerly to the I-10 corridor.

LAND USE:

Existing Uses:

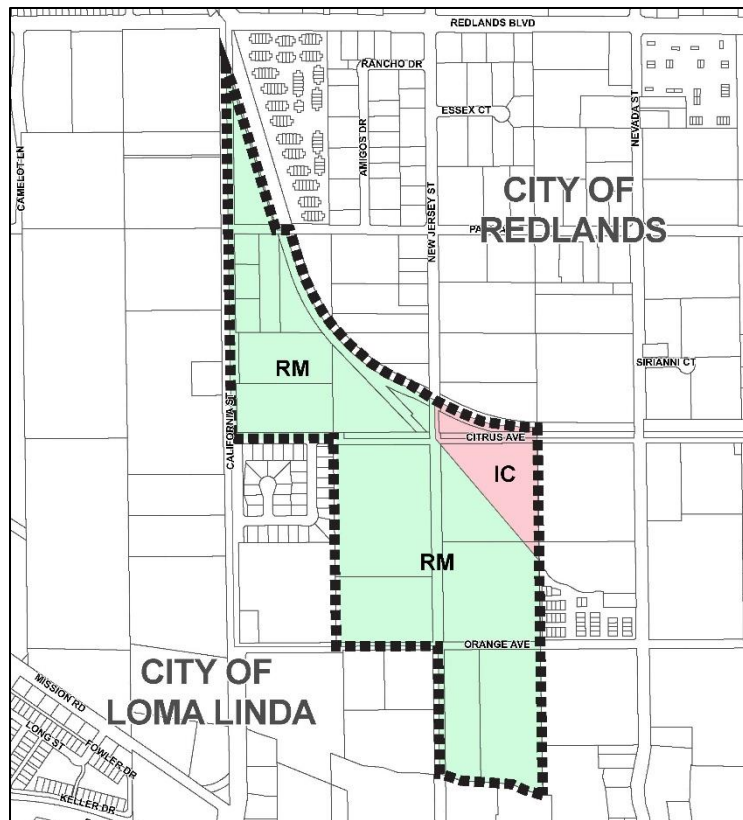
The reorganization area currently has six single family residences, two religious facilities, vacant parcels and citrus groves.



Existing uses directly surrounding the reorganization area include an elementary school, citrus groves, and residential development to the west within the City of Loma Linda, single-family residences, an apartment complex, a religious facility, vacant lands, and commercial development to the north/northeast within the City of Redlands, single-family residences, an apartment complex, vacant land and citrus groves to the east within the City of Redlands, and an apartment complex, a rehabilitation/care facility, a religious facility, and a surgical center southerly of the reorganization area within the City of Loma Linda.

County Land Use Designation:

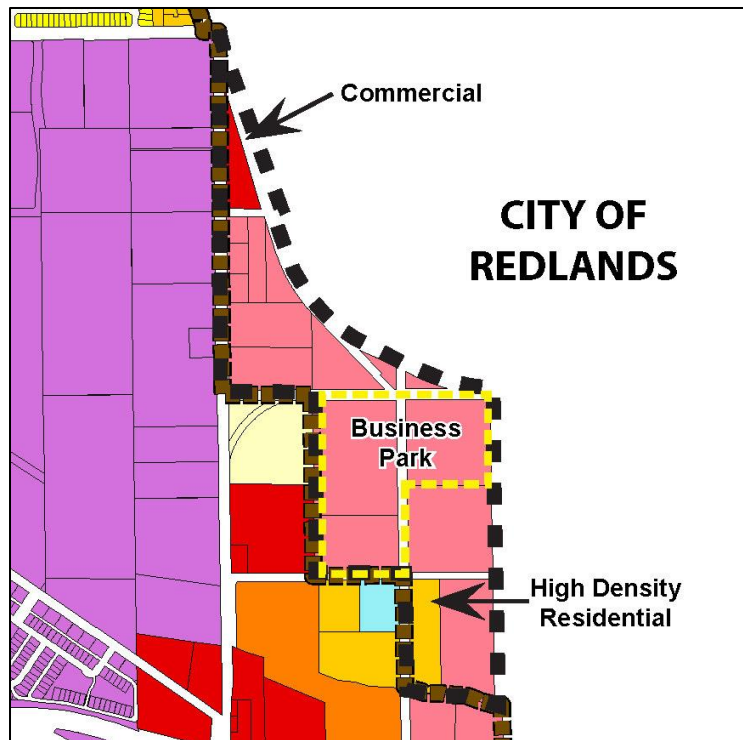
The County's current land use designations for the area are Community Industrial (IC) and Multiple Residential (RM).



Community Industrial allows for light industrial uses such as light manufacturing uses, wholesale/ warehouse services, contract/construction services, transportation services, agriculture support services, incidental commercial and accessing residential uses, and similar and compatible uses. Multiple Residential allows for multi-family residential uses, mixed residential uses, and similar and compatible non-residential uses and/or activities.

City's General Plan:

The City's General Plan designate the unincorporated island area with the following land use designations: High Density Residential, Commercial, and the bulk of the area as Business Park.

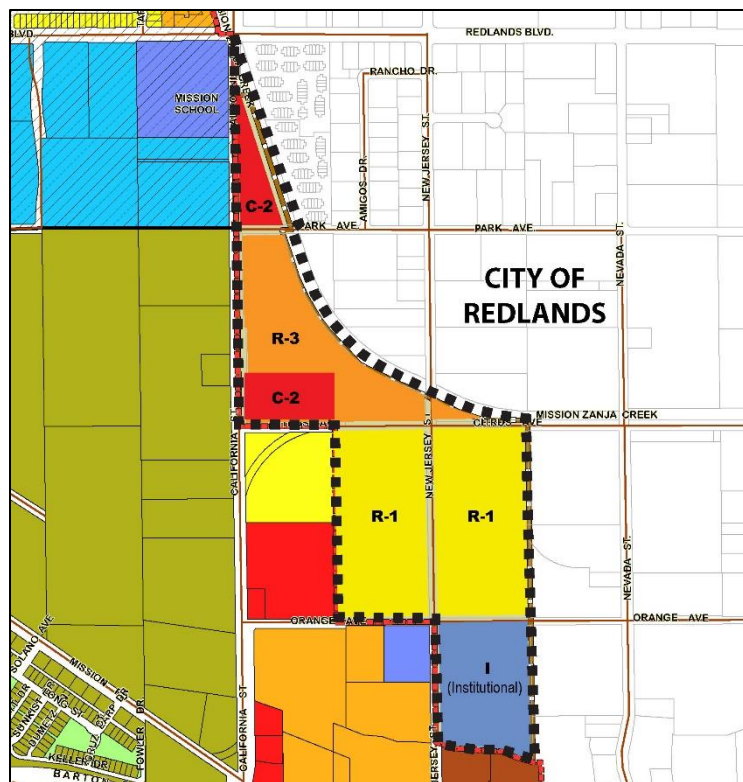


The City's approval of the TTM 19963 included a General Plan Amendment to change the General Plan designation of the 30-acre project from Business Park to Low Density Residential.

Since the County allows for location of its Multiple Residential in areas having close proximity to commercial and public facilities and Community Industrial in areas with commercial and in close proximity to residential development, the land use determinations between the City and County are generally compatible.

City's Pre-Zone Designations:

The City processed the pre-zoning for the entire reorganization area. The City's pre-zone designations that have been assigned for the area include: Single Family Residence (R-1) on 39 acres, Multi Family Residence (R-3) on 18 acres, Institutional (I) on 13 acres, and General Business (C-2) on 10 acres. These pre-zone designations were determined through the City's consideration of Ordinance No. 734, approving the pre-zoning (ZMA 15-045), which was adopted on October 11, 2016.



These pre-zone designations are consistent with the City's General Plan land use designations for the area and are also consistent with surrounding land uses.

Pursuant to the provisions of Government Code Section 56375(e), these zoning designations 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 noticed public hearing, that a substantial change has occurred in circumstances that necessitate a departure from the pre-zoning outlined in the application made to the Commission.

Conversion of Agricultural Land

One of the main tenets of LAFCO Law is the preservation of open-space and prime agricultural lands. According to the California Department of Conservation, Division of Land Resources Protection, Farmland Mapping and Monitoring Program, the 30-acre site for TTM 19963 is designated as Prime Farmland. Government Code Section 56064 sets a different standard for determination of prime agricultural land but a portion of the territory within LAFCO 3214 also meets that standard. Therefore, the proposed development within LAFCO 3214, is anticipated to convert prime farmland to non-agricultural use.

When considering a proposal with agricultural conversion, Government Code Section 56377 requires that the Commission consider policies and priorities regarding such conversion of existing lands by: 1) steering away from agricultural conversion unless the proposal "would not promote the planned, orderly, efficient development of an area", and 2) encourage the development of existing vacant or non-prime agricultural lands for urban uses within the existing jurisdiction or within the sphere of influence of the local agency before any proposal

is approved that would allow for the development of existing open-space lands for non-open-space uses outside the existing jurisdiction or outside the existing sphere of influence of the local agency.

LAFCO 3214 does promote the planned, orderly efficient development of the area through the elimination of an island of unincorporated territory which in the past has had to rely upon out-of-agency service agreements for the municipal level service needs. The proposed development project is adjacent to an existing residential development and a rehabilitation/care facility within the City of Loma Linda and is adjacent to areas that are designated for commercial development within the City and Business Park development within its unincorporated sphere of influence. Moreover, within the neighboring City of Redlands, the proposed development is adjacent to areas that are designated for commercial/industrial development. While the City of Loma Linda does not designate any areas within the City and/or its unincorporated sphere of influence as agricultural, there are still existing agricultural uses within the City.

Therefore, the conversion of prime farmland for the proposed development within LAFCO 3214 can be justified based on the LAFCO directives and priorities related to farmland conversion. Nonetheless, a mitigation measure (Mitigation Measure #2) is included in the City's approval of TTM 19963 to ensure potential impacts to prime farmland are reduced to less than significant levels, which is outlined below:

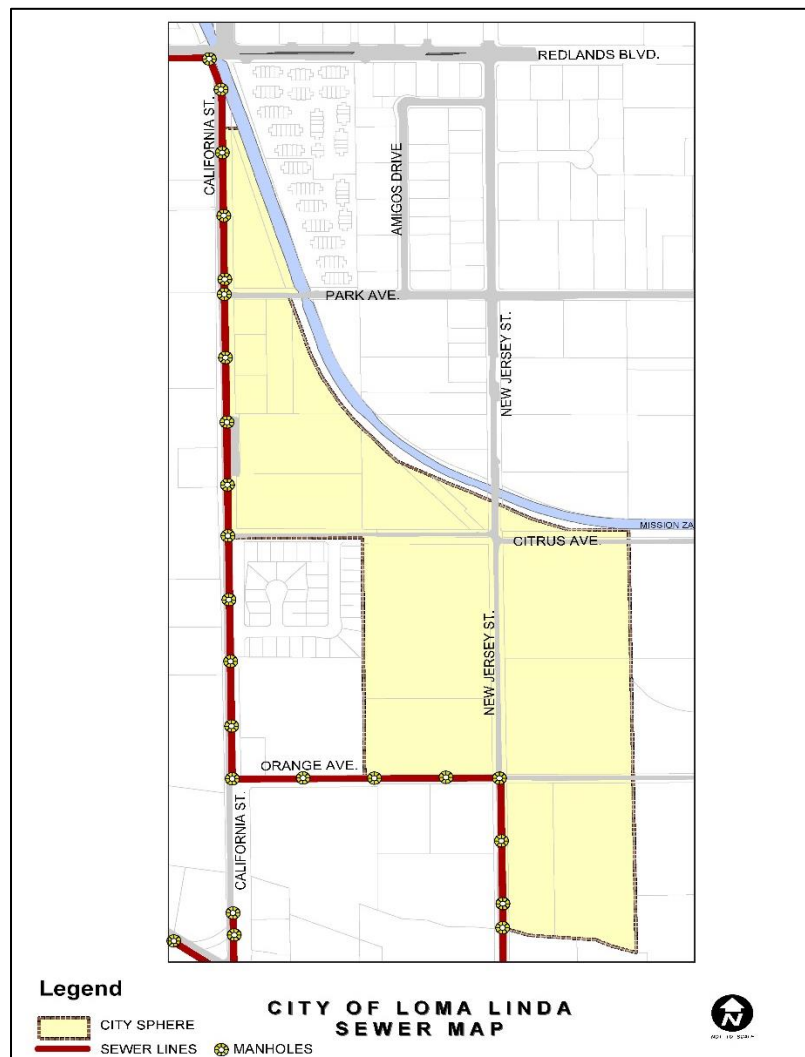
“The Project Proponent is required to replace, protect or provide a conservation easement for the loss of 27.5 acres of Prime Farmland. At the direction of the City of Loma Linda, the Project Proponent shall: 1) replace one-acre of Prime Farmland with 0.25 acres of conservation land for any conservation easements located in the City of Loma Linda, 2) replace one-acre of Prime Farmland with 0.5 acres of conservation land for any conservation easements located outside of Loma Linda, but within either San Bernardino or Riverside counties; or 3) replace one-acre of Prime Farmland with one-acre of conservation land for any conservation easements located elsewhere within the State of California. Based on the current availability of conservation programs, the Project Proponent will contribute monetarily at a 1:1 ratio to the Central Valley Farmland Trust, an established conservation program, located in Elk Grove, California. The trust would be responsible for maintaining conserved farmland in perpetuity.”

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

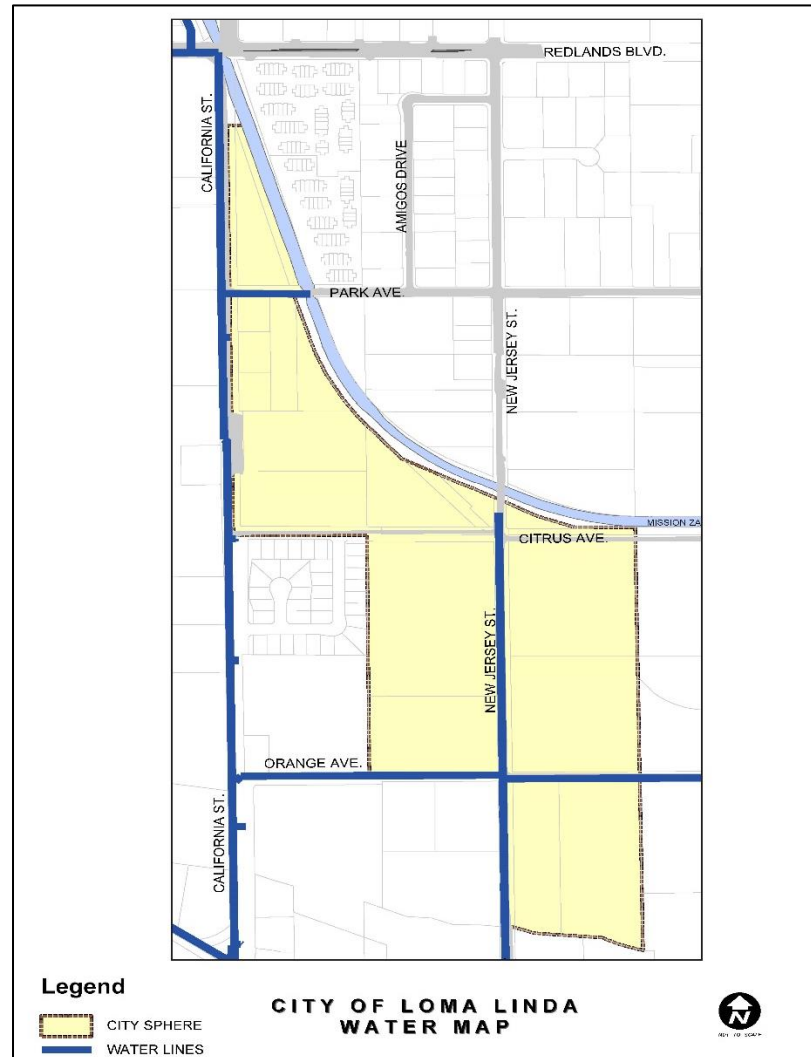
In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area and the level and range of services currently provided. Current County service providers within the reorganization area include the San Bernardino County Fire Protection District and its Valley Service Zone (fire protection/paramedics) and County Service Area 70 (multi-function entity). In addition, the following regional entities overlay the reorganization area: Inland Empire Resource Conservation District, the San Bernardino Valley Water Conservation District, and the San Bernardino Valley Municipal Water District (the State Water Contractor).

The application includes a plan for the extension of services for the reorganization area as required by law and Commission policy (included as part of Attachment #2 to this report). The Plan for Service, which was prepared by Stanley R. Hoffman and Associates and was certified by the City, includes a Fiscal Impact Analysis indicating that the reorganization proposal will have a positive financial effect for the City. In general, the Plan identifies the following:

- The City of Loma Linda provides for the collection of wastewater within its boundaries and is a part of a Joint Powers Agreement with the City of San Bernardino Municipal Water Department for the treatment of its effluent. Wastewater collection services are already provided within the reorganization area by the City through existing out-of-agency services agreements (SC#344). Existing sewer lines are located in California Street (12-inch and 10-inch main), in Orange Avenue (8-inch main), and in New Jersey Street (8-inch main). The development of TTM 19963 will connect to the existing sewer main in Orange Avenue and/or in New Jersey Street. There will be no effect on existing on-site septic system users unless a septic system failure occurs in the future.



- As with sewer service outlined above, water service is already provided to portions of the reorganization area by the City on a contractual basis. Existing water mains are located along California Street, Citrus Avenue, and New Jersey Street. No change in this service will take place upon completion of the reorganization. However, the development of the TTM 19963 will connect to the existing water main in Orange Avenue and/or New Jersey Street.



- Law enforcement responsibilities, which are currently provided by the San Bernardino County Sheriff's Department, will transition to the City's contract for service following the completion of the reorganization. The dispatch and supervisory control are from the Sheriff's Central Station located at 655 East Third Street in the City of San Bernardino, which is about 6.1 miles from the reorganization area.

- Solid waste services are currently provided by Republic Services of Southern California within the reorganization area, which will continue to serve these areas upon completion of the reorganization.
- Fire protection and paramedic services, which is currently provided by the City of Loma Linda by contract with the San Bernardino County Fire Protection District and its Valley Service Zone, will transition to the City of Loma Linda's Fire Department following completion of the reorganization. The City has two fire stations located at 11325 Loma Linda Drive (Fire Station #251) and at 10520 Ohio Street (Fire Station #252). Fire Station #251 is the closest fire station and is approximately 2 miles from the reorganization area.

In addition, the City will continue to provide fire protection and paramedic services to rest of the City's unincorporated sphere area per its contract with the San Bernardino County Fire Protection District. No change to the contract is anticipated except for revising the contract boundary to exclude the reorganization area.

As required by Commission policy and State law, the Plan for Service shows that the extension of the City's services will maintain, and/or exceed, current service levels provided through the County and can be sustained for the foreseeable future.

ENVIRONMENTAL:

The City of Loma Linda prepared an environmental assessment and Mitigated Negative Declarations for the Orchard Heights Project, for the following actions:

- General Plan Amendment (GPA 15-044) from Business Park to Low Density Residential for 30-acre property;
- Pre-zone (ZMA 15-045) for Single Family Residence (R-1) on 39 acres, Multi Family Residence (R-3) on 18 acres, Institutional (I) on 13 acres, and General Business (C-2) on 10 acres;
- Annexation (ANX 15-043) for a total of approximately 80 acres; and,
- Tentative Tract Map 19963 (TTM 15-046) to Subdivide a 30-acre property into 95 single-family residences and nine (9) common lettered lots.

The City's environmental assessment has been reviewed by the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, who determined that, if the Commission chooses to approve LAFCO 3214, the City's documents are adequate for Commission's use as a responsible agency under CEQA. The following are the necessary environmental actions to be taken by the Commission as a responsible agency under CEQA:

- a) Certify that the Initial Study and Mitigated Negative Declaration prepared by the City for the General Plan Amendment (GPA 15-044), Pre-zone (ZMA 15-045),

Annexation (ANX 15-043), and Tentative Tract Map 19963 (TTM 15-046) have been independently reviewed and considered by the Commission, its staff and its Environmental Consultant;

- b) Determine that the City's environmental assessment and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA Responsible Agency for its consideration of LAFCO 3214;
- c) Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the project; that the mitigation measures identified in the City's environmental documents are the responsibility of the City and/or others, not the Commission; and,
- d) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval since the City, as lead agency, has paid said fees.

CONCLUSION:

The proposal was submitted in response to a development project within the reorganization area that requires urban type services, particularly water and sewer service, which is only available from the City of Loma Linda. After discussions between the City, LAFCO staff and the proponent of TTM 19963 it was determined that the whole of the California Street island needed to be addressed. The reorganization area not only includes the proposed development but the entirety of the totally surrounded island that provides for an efficient and effective boundary for service delivery and a clear delineation between the Cities of Redlands and Loma Linda within the area. For these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3214 as the reorganization will benefit from the full range of municipal level services available through the City of Loma Linda.

DETERMINATIONS:

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 uninhabited, containing five (5) registered voters as of November 29, 2016.
- 2. The County Assessor has determined, as of October 7, 2016, that the total assessed value of land and improvements within the reorganization area on the secured assessment roll is \$18,867,826 (land - \$13,004,875 -- improvements - \$5,862,951).
- 3. The reorganization area is within the sphere of influence assigned the City of Loma Linda.

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 an individual notice to the landowners and registered voters within the reorganization area (totaling 21 notices) and to landowners and registered voters surrounding the reorganization area (totaling 1,215 notices) in accordance with State law and adopted Commission policies. Comments from registered voters and landowners and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.
6. The City of Loma Linda has pre-zoned the reorganization area as required by Government Code Section 56375(a)(7) for the following land uses: Single Family Residence (R-1) on 39 acres, Multi Family Residence (R-3) on 18 acres, Institutional (I) on 13 acres, and General Business (C-2) on 10 acres. These zoning designations are consistent with the City's General Plan. Pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. The closest highway to LAFCO 3214 is the I-10 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding express lanes and adding high-occupancy vehicle (HOV) lane in each direction.

The Sustainable Communities Strategy includes, among others, strategies that support compact infill development as well as expanded housing and transportation choices, which approval of LAFCO 3214 will support.

8. As a function of its review for the General Plan Amendment (GPA 15-044), Pre-zone (ZMA 15-045), Annexation (ANX 15-043), and Tentative Tract Map 19963 (TTM 15-046), the City of Loma Linda acted as the lead agency for the environmental assessment for the reorganization proposal.

The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the City's Initial Study and Mitigated Negative Declarations and has indicated that it is his recommendation that the City's environmental assessment and Mitigated Negative Declaration are adequate for the Commission's review of LAFCO 3214 as a responsible agency under CEQA. The necessary actions to be taken by the Commission, as a responsible agency, are outlined in the Environmental Considerations portion of this report. Mr. Dodson's response and the City's environmental assessments for the Orchard Heights Project are included as Attachment #3 to this report.

9. The reorganization area is presently served by the following local agencies:

County of San Bernardino
San Bernardino County Fire Protection District (SBCFPD) and
SBCFPD Valley Service Zone
San Bernardino Valley Municipal Water District
Inland Empire Resource Conservation District
San Bernardino Valley Water Conservation District
County Service Area 70 (multi-function unincorporated area
Countywide)

The San Bernardino County Fire Protection District, its Valley Service Zone, and County Service Area 70 will be detached as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. A plan was prepared for the extension of services to the reorganization area, as required by law. The Plan for Service, prepared by Stanley R. Hoffman and Associates and certified by the City, indicates that the City can maintain and/or improve the level and range of services currently available in the area. A copy of this plan is included as a part of Attachment #2 to this report. The Plan for Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service and the Fiscal Impact Analysis, conform to those adopted standards and requirement.
11. The reorganization area can benefit from the availability and extension of municipal services from the City of Loma Linda and has benefitted from the delivery of water and/or sewer service from the City for some of the properties. In addition, fire protection and emergency medical response service are currently provided to the entirety of the area by the City (through its automatic aid contract with the San Bernardino County Fire Protection District to provide the service).
12. The proposal 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. In addition, the proposal also complies with Commission policies and directives and State law that indicate the preference for all island areas to be included within the boundaries of a City
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs since a portion of the reorganization area is being proposed for development of 95 single-family residences.
14. With respect to environmental justice, which is the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services, the following demographic and income profile was generated using ESRI's Community Analyst within the City of Loma Linda and within and around the reorganization area (2016 data):

Demographic and Income Comparison	City of Loma Linda (%)	Subject Area & adjacent Unincorporated Sphere (%)
Race and Ethnicity		
• African American Alone	8.5 %	6.7 %
• American Indian Alone	0.4 %	0 %
• Asian Alone	31.0 %	26.7 %
• Pacific Islander Alone	0.7 %	0 %
• Hispanic Origin (Any Race)	24.9 %	26.7 %
Median Household Income	\$59,069	\$61,212

Some of the properties within City's unincorporated sphere area already receive water and/or service from the City through out-of-agency service agreements. Nonetheless, the reorganization proposal is to annex the entirety of the unincorporated island. Therefore, the reorganization area will continue to benefit from the extension of services and facilities from the City and, at the same time, the approval of the reorganization to annex the entire island will not result in the deprivation of service or the unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Loma Linda have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
16. 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:

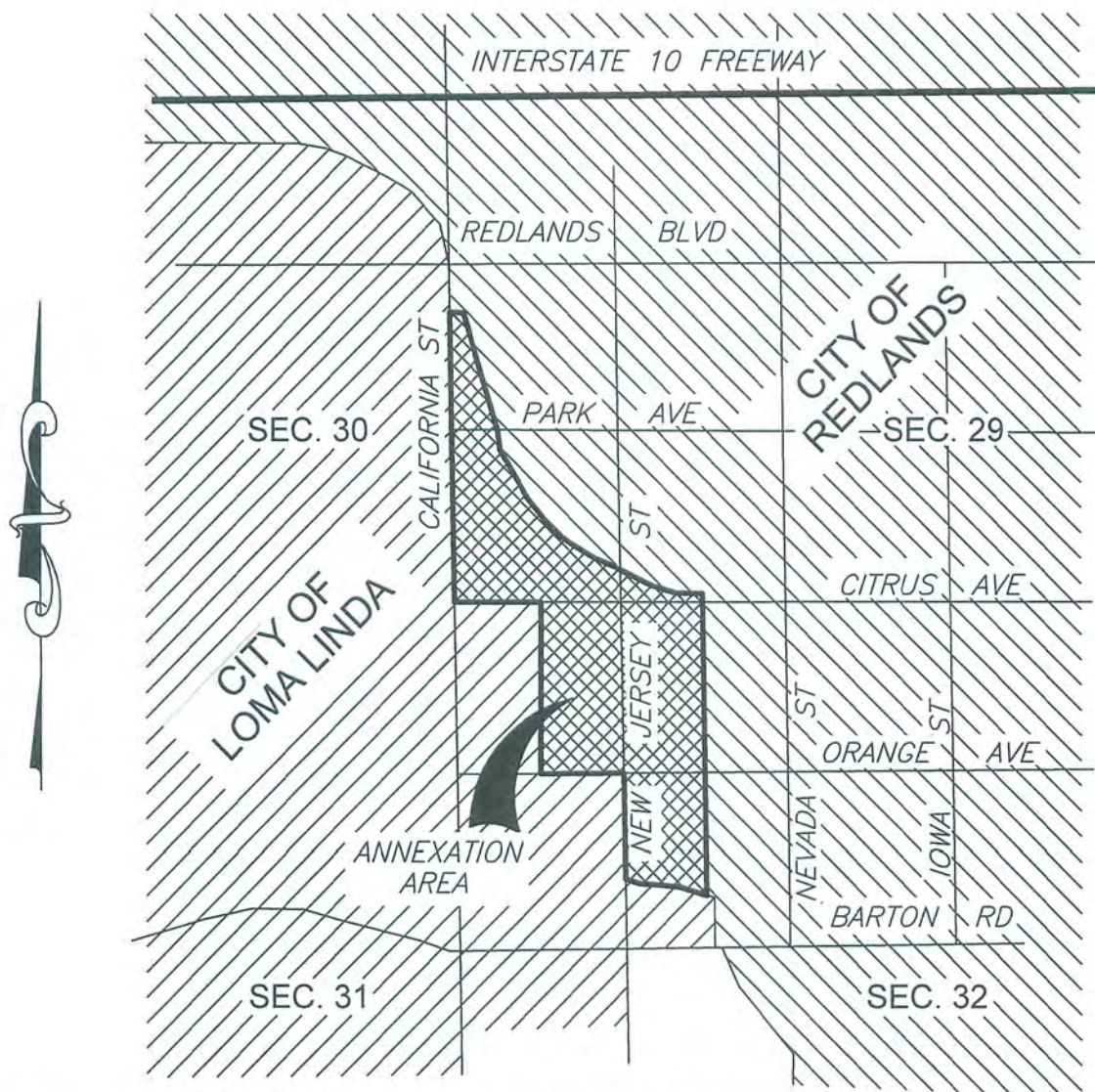
1. Vicinity Maps and Reorganization Area Maps
2. Application and Plan for Service Including Fiscal Impact Analysis
3. Response from Tom Dodson and Associates including the City of Loma Linda's City's Initial Study and Mitigated Negative Declaration for the Orchard Heights Project
4. Draft Resolution No. 3240

**Vicinity Maps
and Reorganization Area Maps**

Attachment 1

VICINITY MAP

TOWNSHIP 1 SOUTH, RANGE 3 WEST



LAFCO 3214 REVISION 2 - DATED 12/05/16

REORGANIZATION TO INCLUDE CITY OF LOMA LINDA ANNEXATION AND DETACHMENT FROM SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

GENERAL DESCRIPTION: LOCATED EAST OF CALIFORNIA STREET, WEST OF NEVADA ST, NORTH OF BARTON RD, & SOUTH OF REDLANDS BLVD

AFFECTED AGENCIES:

- 1) CITY OF LOMA LINDA
- 2) SBCFPD AND ITS VALLEY SERVICE ZONE
- 3) COUNTY SERVICE AREA 70



Prepared by ON POINT LAND SURVEYING, INC.:
1910 Orange Tree Ln, Ste 344, Redlands, CA 92374
(909) 792-2221

ANTHONY D. SMITH, PLS 8133
LICENSE EXPIRES: 12-31-18

12/6/16
DATE

SCALE: N.T.S.

FILE NO.: 019-068

DATE: November 2016

SHEET 1 OF 7

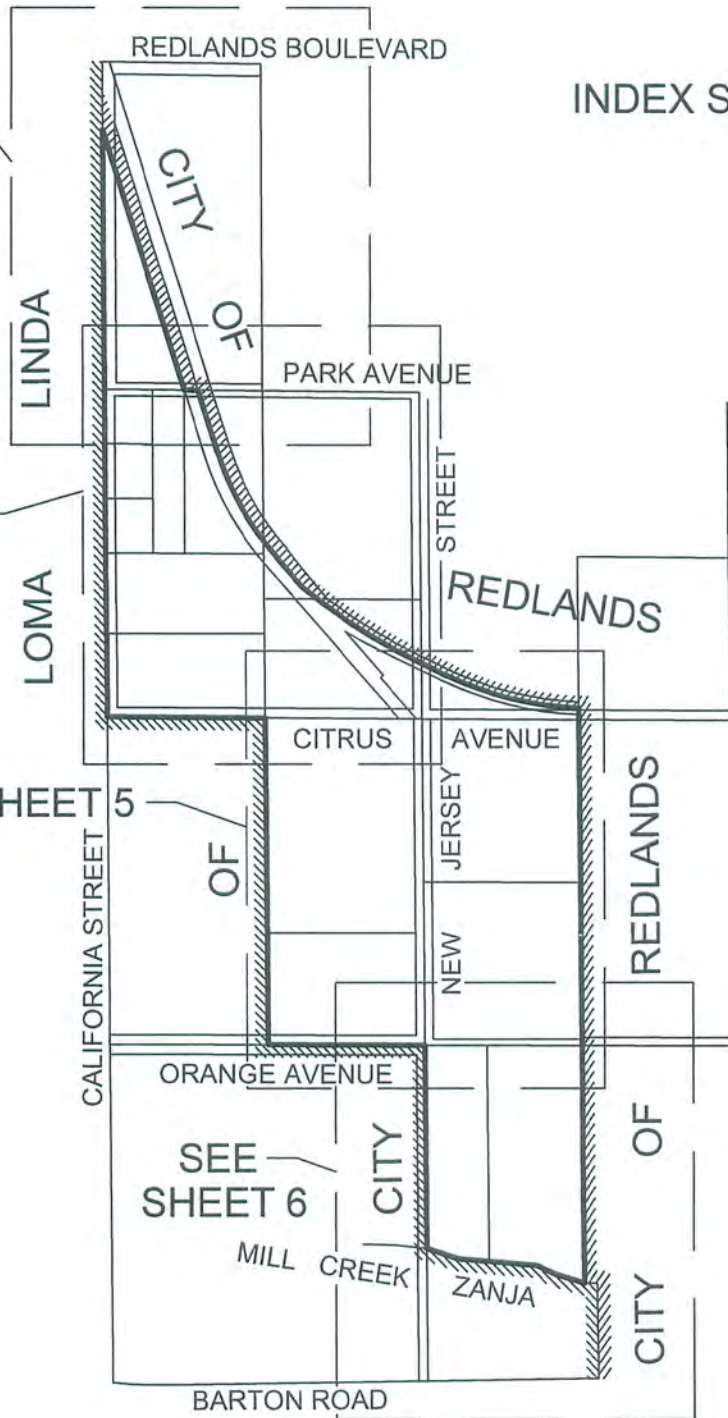
INDEX SHEET

SEE SHEET 3

SEE SHEET 4

SEE SHEET 5

SEE SHEET 6



LAFCO 3214 REVISION 2 - DATED 12/05/16
TOTAL ACREAGE FOR REORGANIZATION AREA: 84.0 ± ACRES



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1910 Orange Tree Ln, Ste 344, Redlands, CA 92374
(909) 792-2221

ANTHONY D. SMITH, PLS 8133
LICENSE EXPIRES: 12-31-18

Anthony D. Smith

12/6/16
DATE

SCALE: 1"=800'

FILE NO.: 019-068

DATE: November 2016

SHEET 2 OF 7

NW'LY PROLONGATION OF
SW'LY LINE OF DEED TO
SB CO. FCD, REC. 6-27-61
5468/323 O.R.

LINDA

CITY OF LOMA
LAFCO 1971
4/10/1981

SW'LY LINE OF DEED TO
SB CO. FCD, REC. 6-27-61
5468/323 O.R.
(SHOWN ON MB 139/11-12)

CITY

CALIFORNIA STREET

P.O.B.

REDLANDS BOULEVARD

TRACT NO. 8882
M.B. 139/11-12

CITY OF REDLANDS
LAFCO 2287 B
4/16/1985

OF NORTH 1/2
BLOCK 76
7/2

APN: 0292-271-04

WEST 1/2
LOT 5
MB

APN: 0292-152-36

S89°27'16"E
57.88'

PARK AVENUE

CENTERLINE OF DEED TO
SB CO. FCD, REC. 3-8-62
5658/594 O.R. & C
MISSION STORM DITCH
SEE SHEET 4

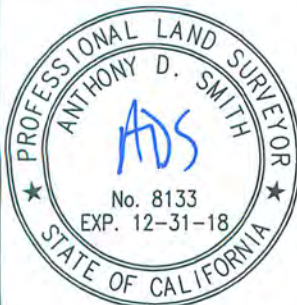
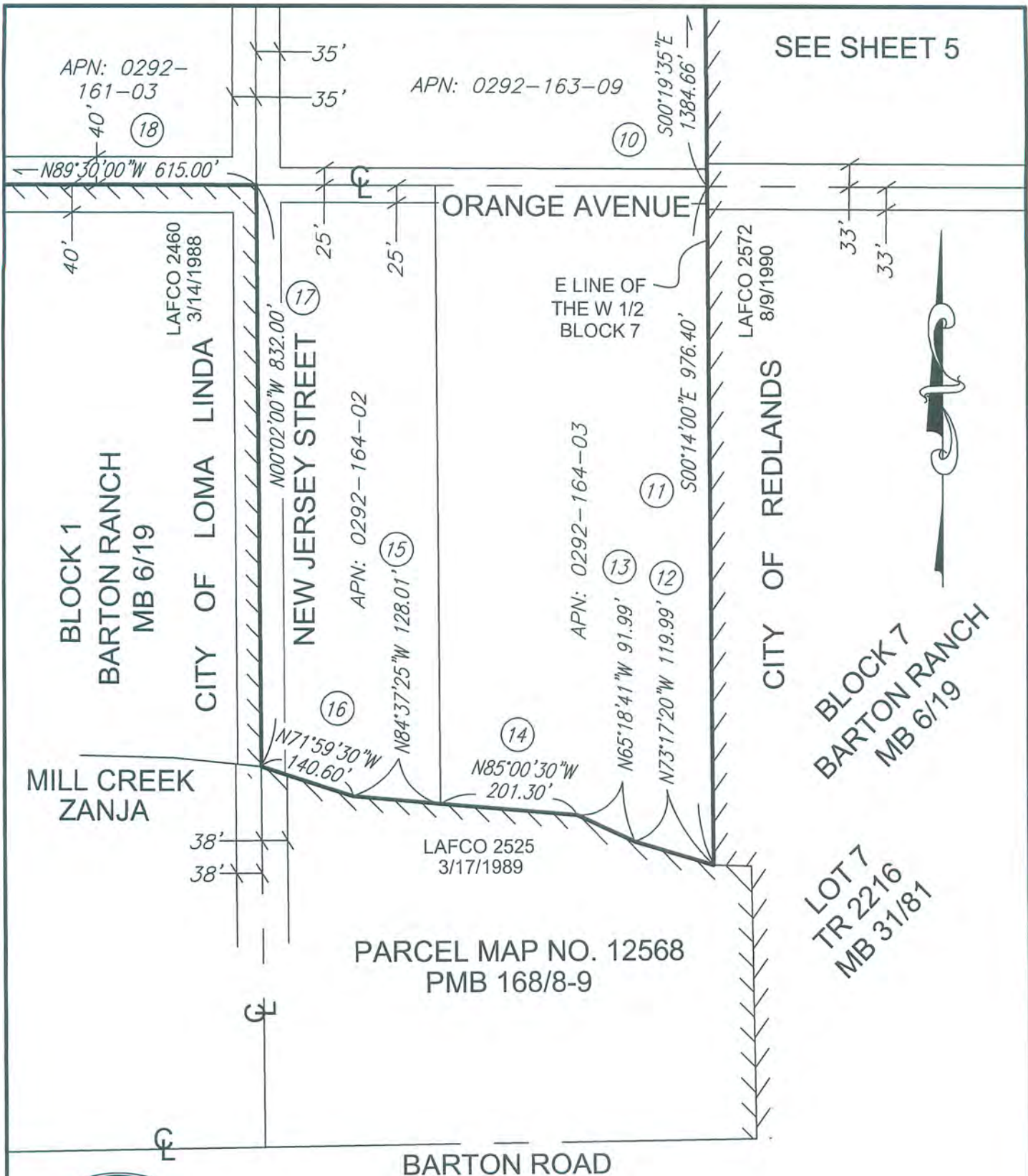


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(909) 792-2221

ANTHONY D. SMITH, PLS. 8133
LICENSE EXPIRES: 12-31-18

12/6/16
DATE

SCALE: 1"=200'
FILE NO.: 019-068
DATE: November 2016
SHEET 3 OF 7



Prepared by ON POINT LAND SURVEYING, INC.:
1910 Orange Tree Ln, Ste 344, Redlands, CA 92374
(909) 792-2221

ANTHONY D. SMITH, PLS 8133
LICENSE EXPIRES: 12-31-18

DATE

SCALE: 1"=200'

FILE NO.: 019-068

DATE: November 2016

SHEET 6 OF 7

Application and Plan for Service Including Fiscal Impact Analysis

Attachment 2

**SAN BERNARDINO LAFCO
APPLICATION AND PRELIMINARY
ENVIRONMENTAL DESCRIPTION FORM**

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: Orchard Heights

2. NAME OF APPLICANT: City of Loma Linda
APPLICANT TYPE: ☐ Landowner ☒ Local Agency
☐ Registered Voter ☐ Other _____
MAILING ADDRESS:
City of Loma Linda Community Development Department
25541 Barton Road, Loma Linda, CA 92354
PHONE: (909) 799-2830
FAX: (909) 799-4413
E-MAIL ADDRESS: lmatarrita@lomalinda-ca.gov
3. GENERAL LOCATION OF PROPOSAL: An approximate 80-acre area located east and west of Nevada Street, south and west of the Mission Zanja Creek, and north of Barton Road within the City of Loma Linda's Sphere of Influence.

4. Does the application possess 100% written consent of each landowner in the subject territory?
YES ☒ NO ☐ If YES, provide written authorization for change.
5. Indicate the reason(s) that the proposed action has been requested. The City of Loma Linda is initiating the annexation in order to provide services for a 95 unit single-family residential development proposed on 30 acres of the 80-acre annexation area.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres):
80 acres
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)
Six (6) single-family residential units.
3. Approximate current population within area:
23
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):
See attached response.

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):
Multiple Residential (RM) and Community Industrial (CI); RM
allows for multi-family development up to 20 units per acre and
CI allows for light manufacturing, warehouse with a FAR of 0.45:1
5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:
There are no land use concerns as most of the citrus groves are not
in production; thus farm equipment mixed with vehicular traffic
does not pose a safety hazard. ASK SAM
6. Indicate the existing use of the subject territory.
Scattered residential, religious assembly and agricultural.
Development within the vicinity includes: institutional uses
(i.e., Mission Elementary School and the Heart & Surgical Hospital).

What is the proposed land use?
With the exception of 95 single-family units within a 30-acre area,
the existing land uses within the 80-acre area would remain
unchanged.
7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- ☒ Agricultural Land Uses
 ☐ Agricultural Preserve Designation
☐ Williamson Act Contract
 ☐ Area where Special Permits are Required
☐ Any other unusual features of the area or permits required: _____

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):
The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services: Upon annexation, the City would provide services including general government, police, police and fire services, parks, and public works services. Based on the analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed 95-unit single-family development.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. The area is relatively flat and at approximately 1,180 feet above mean sea level. There are no hills or prominent landforms in the immediate vicinity.
2. Describe any existing improvements on the subject territory as % of total area.
- | | | | |
|-------------|------------|--------------|-------------|
| Residential | <u>2</u> % | Agricultural | <u>56</u> % |
| Commercial | <u>1</u> % | Vacant | <u>15</u> % |
| Industrial | <u>1</u> % | Other | <u>5</u> % |
- (waterways/roads)
3. Describe the surrounding land uses:
- NORTH Residential, commercial, agricultural
- EAST Residential, commercial, agricultural
- SOUTH Multi-family residential, Institutional, agricultural
- WEST Agricultural, residential, school
4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).
- See attached response (Environmental Information #4)

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐
 NO ☒ Adjacent sites? YES ☐ NO ☒ Unincorporated ☒ Incorporated ☐
See attached response (Environmental Information #5)
6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐
 NO ☒ If YES, please identify.
7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain. This application includes all adjacent land to the east and within the City's Sphere of Influence and ensures that an "island" would not be created.

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Loma Linda Community Development TELEPHONE NO. 909-799-2830

ADDRESS:

25541 Barton Road, Loma Linda, CA 92354

NAME Stratus Development TELEPHONE NO. 949-249-6990

ADDRESS:

17 Corporate Plaza Drive, Suite 200, Newport Beach, CA 92660

NAME Natalie Patty, Lilburn Corp TELEPHONE NO. 909-890-1818

ADDRESS:

1905 Business Center Drive, San Bernardino, CA 92408

CERTIFICATION

As a part of this application, the City/Town of Loma Linda, or the _____ District/Agency, _____ (the applicant) and/or the _____ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees,

and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

9/21/16



SIGNATURE

City of Loma Linda

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

City Manager

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☐ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

SUPPLEMENT

ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO

City of Loma Linda
25541 Barton Road
Loma Linda, CA 92354

DETACHED FROM

County of San Bernardino
385 N Arrowhead Avenue
San Bernardino, CA 92415

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

- a. Has pre-zoning been completed? YES ☐ NO ☒
 b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☒ NO ☐

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

See attached.

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES ☐ NO ☒ If YES, please provide a written justification for the proposed boundary configuration.

No; the inclusion of an additional 50 acres to the 30-acre area
proposed for development, would ensure that an island of
unincorporated territory is not created.

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

No.

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

No.

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

There are no Williamson Act Contracts within the 80-acre annexation area.

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

A 30-acre area within the 80-acre area proposed for annexation includes the development of 95 single-family residential units.

In addition, the R-3 zone proposed for 39 acres would allow for the development of up to 20 units per acre; resulting in the potential for 145 multi-family units.

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory.
- B. An indication of when the service can be feasibly extended to the affected territory.
- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.
- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

**Attachments for the
Supplement
Annexation, Detachment, Reorganization Proposals**

2. The Pre-Zone would establish the Single Family Residence (R-1) Zone for 39 acres, Multi Family Residence (R-3) Zone for 23 acres, Institutional (I) for 13 acres and General Business (C-2) for approximately 5 acres. The R-3 zone allows for up to 20 units per acre and a maximum lot coverage of 60 percent, the C-2 zone could be developed with a maximum lot cover of 60 percent, and a FAR of 0.5. For vacant land that would be pre-zoned Institutional (13 acres) a maximum 0.6 FAR and a maximum lot coverage of 50 percent is permitted. The pre-zoning process is currently underway. A Pre-Zoning Resolution is expected to be approved by the City Council in August or September 2016.

- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

CERTIFICATION

As a part of this application, the City/Town of Loma Linda, or the _____ District/Agency, _____ (the applicant) and/or the _____ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them; the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I acknowledge that annexation to the City/Town of Loma Linda or the _____ District/Agency may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIIC and XIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

8/21/16

T. John Thomas

SIGNATURE

City of Loma Linda

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

City Manager

Title and Affiliation (if applicable)

Orchard Heights Development Annexation Plan for Service and Fiscal Impact Analysis City of Loma Linda

Prepared for:

City of Loma Linda
25541 Barton Road
Loma Linda, CA 92354
Attn: Lorena Matarrita, Associate Planner
909.799.2830

December 9, 2016

SRHA Job #1297

CERTIFICATION

The City of Loma Linda hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *Orchard Heights Development Annexation* to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 12-11-16



SIGNATURE OF APPLICANT

Assistant City Manager

TITLE OF APPLICANT

City of Loma Linda, California

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EXECUTIVE SUMMARY

This report provides an assessment of public service delivery capabilities of the City of Loma Linda and other agencies or special districts affected by the proposed Orchard Heights Development Annexation into the City of Loma Linda. The 80-acre annexation area (within the blue hatched border in Figure 1) is currently located within the City's sphere of influence in unincorporated San Bernardino County. The annexation area is generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road. The annexation area is developed with scattered residential units, religious assembly facilities, citrus groves plus vacant land.

Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as Proposed Tentative Tract Map 19963 in Figure 1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. The City's General Plan zoning for the area outside the subdivision would allow an estimated 84 new multi-family units, general business uses of 15,624 square feet and institutional uses of 169,884 square feet when annexed.

This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. After annexation, the City of Loma Linda would provide services including general government, police protection, community development, fire and paramedic services, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, health and welfare.

Based on an analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed Orchard Heights Development Annexation. This report explains the transfer of service requirements upon annexation, estimates development impact fees and projects recurring fiscal impacts to the City of Loma Linda.

As shown in Table 1, a recurring annual surplus of \$104,099 is projected after buildout of the total Orchard Heights Development Annexation area, with \$60,846 of this total projected for the 95-unit subdivision and the remaining \$43,253 projected for the remaining areas of the annexation. Chapter 5 presents the detailed fiscal impact analysis.

Figure 1
Vicinity Map
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda



Table 1
Summary of Projected Fiscal Impacts after Buildout
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

City General Fund	Subdivision Project Site Annexation	Other Areas in Annexation	Total Annexation Buildout
Annual Recurring Revenues	\$178,369	\$207,042	\$385,411
Annual Recurring Costs	<u>\$117,523</u>	<u>\$163,789</u>	<u>\$281,312</u>
Net Annual Recurring Surplus	\$60,846	\$43,253	\$104,099

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 1

INTRODUCTION

This report presents the plan for service and fiscal analysis of the Orchard Heights Development Annexation to the City of Loma Linda. The 80-acre annexation area is located in the County of San Bernardino unincorporated area adjacent to the boundary of the City of Loma Linda and within the City's sphere of influence. As shown in Figure 1-1, the annexation area is developed with scattered residential units, religious assembly facilities, citrus groves plus vacant land.

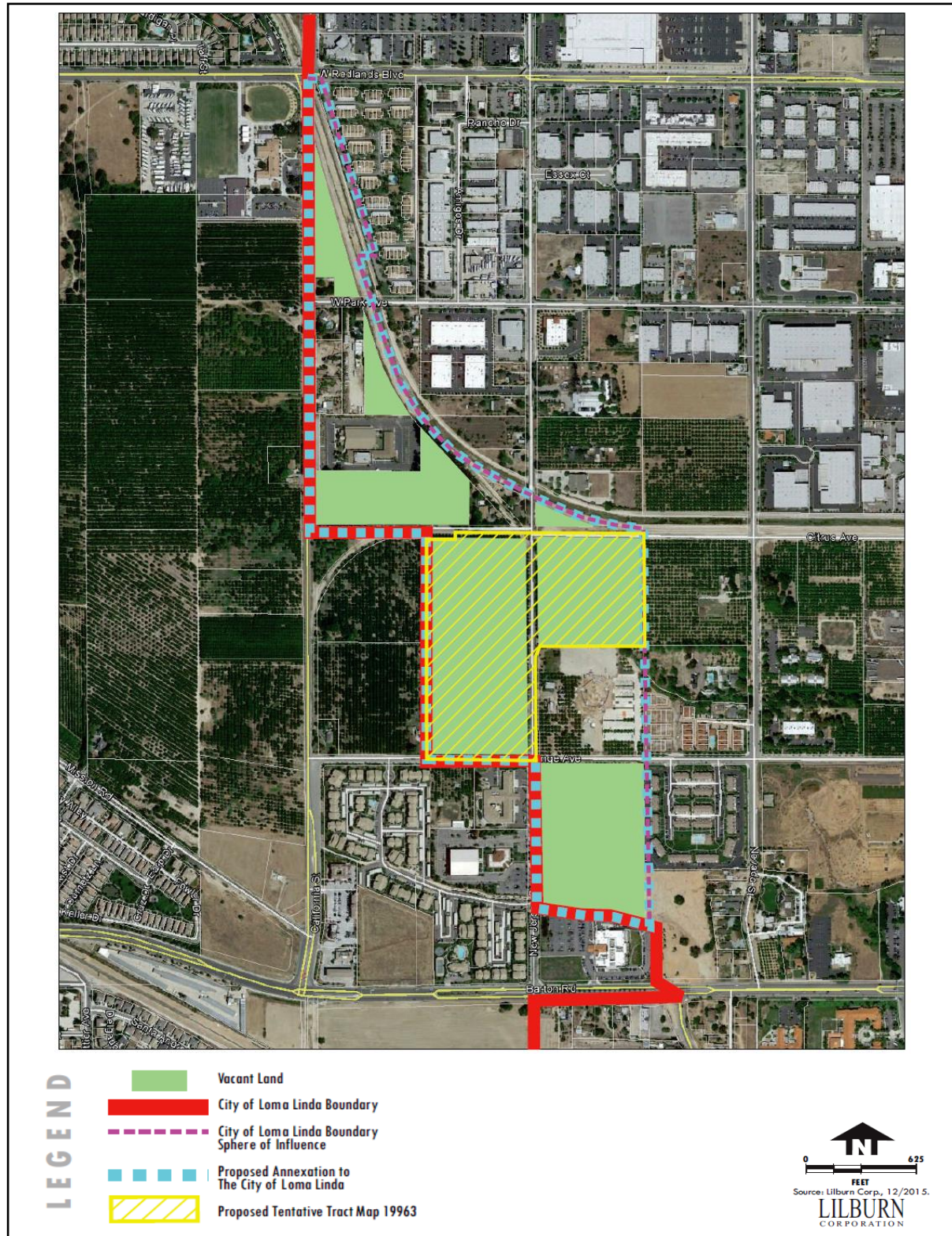
Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as Project Site in Figure 1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. Based on the City's General Plan zoning, the area outside the subdivision would allow an estimated 84 new multi-family units, general business uses of 15,624 square feet and institutional uses of 169,884 square feet when annexed into the City.

1.1 Purpose of the Study

The Local Agency Formation Commission (LAFCO) for San Bernardino County requires a Plan for Service and Fiscal Impact Analysis be prepared and certified when a jurisdiction is affected by a proposed change of organization or reorganization (e.g., annexation, formation). The unincorporated project intends to annex into the City of Loma Linda, which requires the City to show that the necessary infrastructure improvements and services can be provided to the proposed development. Per the *LAFCO Policy and Procedure Manual*, Updated March 2016, the Plan for Service must include the following components:

- a. A description of the level and range of each service to be provided to the affected territory.*
- b. An indication of when those services can feasibly be extended to the affected territory.*
- c. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.*
- d. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.*

Figure 1-1
Vacant Land Map
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda



- e. *An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, a post-redevelopment area infrastructure district, an assessment district, or a community facilities district.*
- f. *If retail water service is to be provided through this change of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Ch3 65352.5.*

1.2 Organization of the Report

Chapter 2 contains the description of the Orchard Heights Development Annexation area. The analysis of existing public service delivery in the annexation area and upon annexation into the City is presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for infrastructure associated with the proposed project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Orchard Heights Development Annexation is provided in Chapter 5. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the detailed development impact fee calculations as provided by the City's Community Development staff. Supporting tables for the fiscal assumptions appear in Appendix B, and Appendix C lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the detailed land uses proposed for the Orchard Heights Development Annexation. Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as R-1 Single-Family Residence with green hatching in Figure 2-1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. Future buildout of the areas outside the proposed 95-unit subdivision is provided by the City, and is based on the City's General Plan pre-zoning.

2.1 Land Use Description

95-Unit Subdivision

As shown in Panel A of Table 2-1, a 95-unit subdivision is proposed for a portion of the annexation area, with units evenly phased over a 4-year construction period. Based on the January 1, 2016 citywide average estimate of 2.61 persons per unit from the State Department of Finance, population for the subdivision is estimated at 249 at buildout. For purposes of projected Senior Center costs, seniors (age 55 and over) are estimated at about 25 percent of total population based on the U.S. Census Bureau *American Community Survey* report presented in Appendix Table B-1. Senior population for the subdivision is projected at 62 at buildout in Year 5, with 16 seniors projected for Year 2 and increasing by about 16 seniors each of Years 3 and 4.

Proposed Annexed Areas Outside the Residential Subdivision

As shown in Panel B of Table 2-1, other annexed areas outside the proposed subdivision include 6 existing single family units and 84 new multi-family units are estimated after buildout as provided by the project team and City staff. No new units are assumed for Years 1 through 5 because there are no existing proposals for development in these areas. Population for these other annexed areas is estimated at 235 after buildout. Senior population for these other annexed areas is estimated at 4 for Years 1 through 5, with buildout senior population estimated at 59.

The City pre-zoning in the annexed areas would allow for an estimated 169,884 square feet of institutional uses and 15,624 square feet of general business retail at buildout. As shown in Panel B of Table 2-1, employment is estimated at 303. All new non-residential development in the annexation area is assumed to occur after Year 5.

Figure 2-1
Proposed City Pre-Zoning in Annexation Area
Orchard Heights Development Annexation, City of Loma Linda

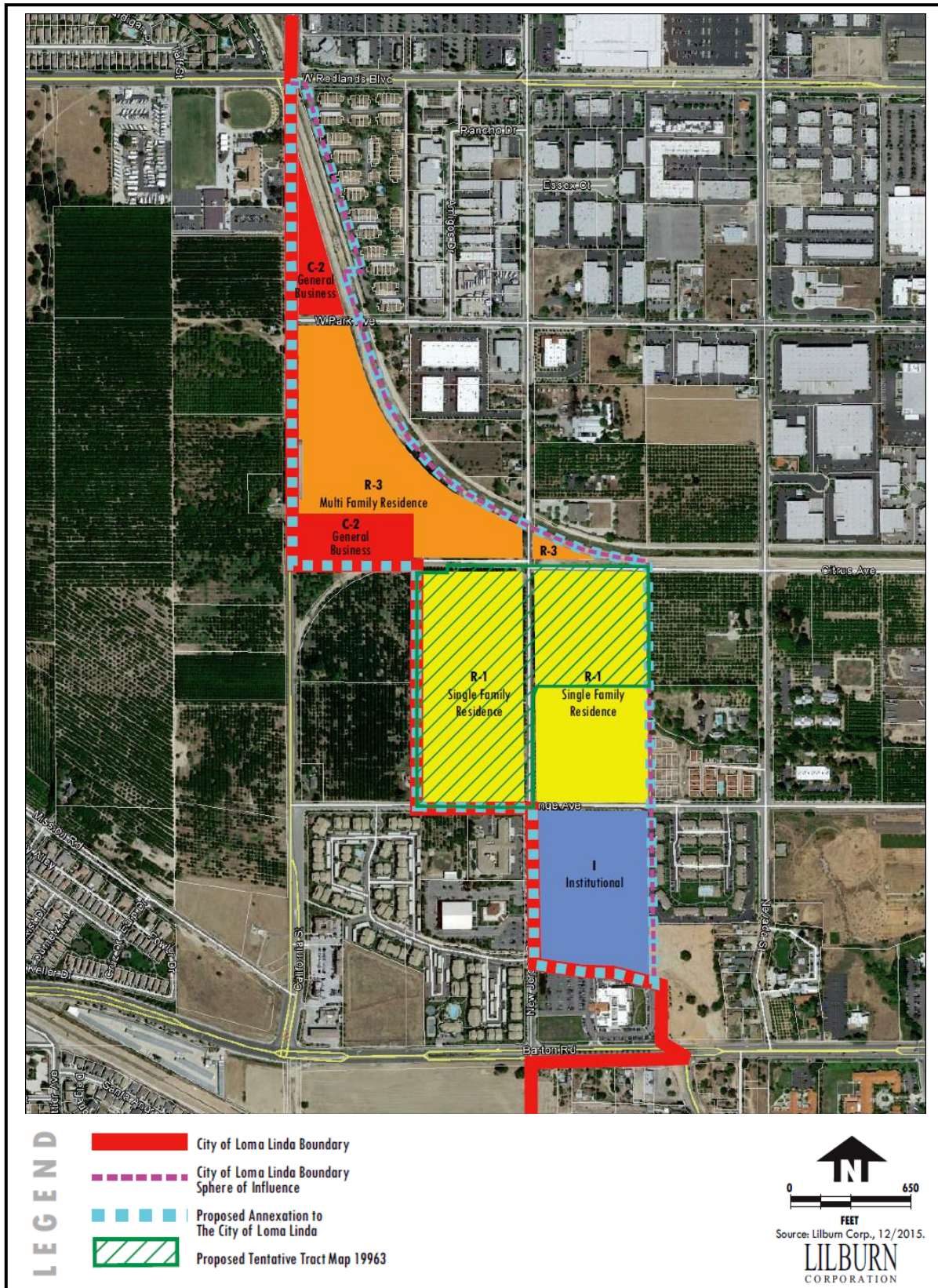


Table 2-1
Development Description: Total Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation					
	Year 1	Year 2	Year 3	Year 4	Subdivision Buildout Year 5	Buildout Post - Year 5
A. SUBDIVISION PROJECT SITE						
<u>Units - Project Site</u>						
<u>New Residential Units - Project Site</u>						
Phase 1	0	24	24	0	0	48
Phase 2	0	0	0	24	23	47
Project Site Annual New Units	0	24	24	24	23	95
Total Cumulative Units	0	24	48	72	95	95
<u>Population - Project Site²</u>						
Annual Population (@ 2.61 per unit)	0	63	63	63	60	249
Total Cumulative Population ²	0	63	126	189	249	249
Cumulative Senior Population (@ 25% of total)	0	16	32	47	62	62
B. OTHER ANNEXATION AREAS ³						
<u>Units - Other Annexation Areas</u>						
<u>Existing Single Family Units</u>						
	6	0	0	0	0	6
<u>New Multi Family Residential Units (R-3 Pre-Zoning)</u>						
	0	0	0	0	0	84
Total Annual Units	6	0	0	0	0	90
Total Cumulative Units	6	6	6	6	6	90
<u>Population - Other Annexation Areas²</u>						
Annual Population	16	0	0	0	0	235
Total Cumulative Population ²	16	16	16	16	16	235
Cumulative Senior Population (@ 25% of total)	4	4	4	4	4	59
<u>Square Feet</u>						
<u>New Institutional (I Pre-Zoning)⁴</u>						
	0	0	0	0	0	169,884
<u>New General Business (C-2 Pre-Zoning)⁵</u>						
	0	0	0	0	0	15,624
Total Square Feet	0	0	0	0	0	185,508
<u>Employment</u>						
<u>New Institutional (I Pre-Zoning)⁴</u>						
	0	0	0	0	0	272
<u>New General Business (C-2 Pre-Zoning)⁵</u>						
	0	0	0	0	0	31
(General Business @ 500 square feet per employee)	0	0	0	0	0	303

Note: 1. Project site residential product information and phasing are provided by Stratus Development Partners, LLC.

2. Total population is projected at the Citywide average of 2.61 persons per unit, and rounded to the nearest whole number.

3. Based on discussion with City staff, all parcels with existing churches would remain as churches and multi family R-3 zoning assumes a maximum density of 20 units per acre and a lot coverage of 60 percent.

4. Based on discussion with City staff, the parcels zoned institutional are assumed to have a lot coverage of 50 percent and an FAR of 0.60. Based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital for these parcels, employment is estimated at 625 employees per square foot.

5. Two separate parcels are designated as general business C-2 with one structure up to 7,812 square feet on each parcel, for a total of 15,624 square feet. Each C-2 parcel is assumed to have a maximum lot coverage of 60 percent and a FAR of 0.50.

Sources: Stanley R. Hoffman Associates, Inc.

Stratus Development Partners, LLC

Lilburn Corporation

City of Loma Linda, Konrad Bolowich, Assistant City Manager

Stanley R. Hoffman Associates, Inc., *Loma Linda University Medical Center Heart and Surgical Hospital Proposed Annexation Fiscal Analysis*,

March 23, 2011

2.2 Infrastructure

The proposed infrastructure for the Orchard Heights Development Annexation is presented in Table 2-2. Only the proposed 1.39 lineal miles of new roads and associated off-site drainage systems will be maintained through the City General Fund. Based on discussion with City Public Works' staff, new on-site interior lot landscaping and on-site drainage will be maintained through a homeowners association.

Table 2-2
Infrastructure Description
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
A. New Publicly Maintained Road Lineal Miles						
On-Site: New Internal Roads	0.00	0.73	0.00	0.00	0.00	0.73
Off-Site: Subdivision's Share of New Off-Site Roads	0.00	0.63	0.00	0.00	0.00	0.63
Off-Site: New Bridge for Morey Arroyo Crossing	<u>0.00</u>	<u>0.03</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.03</u>
Total New Road Lineal Miles	0.00	1.39	0.00	0.00	0.00	1.39
Cumulative Miles	0.00	1.39	1.39	1.39	1.39	
B. New Landscaping Square Feet ¹						
On-Site: Internal Roads	0	36,345	0	0	0	36,345
Off-Site: Subdivision's Share of New Off-Site Roads	<u>0</u>	<u>21,330</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,330</u>
Total New Landscaping Square Feet	0	57,675	0	0	0	57,675
Cumulative Square Feet	0	57,675	57,675	57,675	57,675	
C. New Open Space Square Feet						
On-Site	0	89,225	0	0	0	89,225
Cumulative Square Feet	0	89,225	89,225	89,225	89,225	
D. New Storm Drain Square Feet ²						
On-Site: Not available until final engineering	0	0	0	0	0	0
Off-Site: Morey Arroyo Earthen Channel	<u>0</u>	<u>4,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,900</u>
Total New Storm Drain Square Feet	0	4,900	0	0	0	4,900
Cumulative Square Feet	0	4,900	4,900	4,900	4,900	
E. New Water Line Lineal Feet						
On-Site	0	3,995	0	0	0	3,995
Off-Site	<u>0</u>	<u>1,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,980</u>
Total New Water Line Lineal Feet	0	5,975	0	0	0	5,975
Cumulative Lineal Feet	0	5,975	5,975	5,975	5,975	
F. New Sewer Line Lineal Feet						
On-Site	0	3,860	0	0	0	3,860
Off-Site	<u>0</u>	<u>2,080</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,080</u>
Total New Sewer Line Lineal Feet	0	5,940	0	0	0	5,940
Cumulative Lineal Feet	0	5,940	5,940	5,940	5,940	

Note: 1. Based on discussion with City Public Works staff, new on-site interior lot landscaping will be maintained through a homeowners association (HOA) and off-site landscaping will be maintained by annexing into an existing landscape maintenance district (LMD).
2. Based on discussion with City Public Works staff, new on-site drainage will be maintained through a HOA and off-site drainage will be publicly maintained as part of street maintenance.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Liburn Corporation
Loma Linda Public Works Department, Jeff Peterson, Associate Engineer

On-site interior road landscaping and off-site parkway landscaping will be maintained through a landscape maintenance district. Off-site drainage will be maintained as part of street maintenance by the City. Street lights will be maintained through a street lighting maintenance district.

2.3 Assessed Valuation and Property Tax

95-Unit Subdivision

Assessed valuation and property tax for the proposed 95-unit subdivision are presented in Table 2-3.

Assessed Valuation. Assessed valuation for the proposed subdivision after buildout is projected at about \$60.26 million, as shown in Panel B of Table 2-3. New residential valuation is estimated at \$600,000 per unit by the project developer. The current assessed valuation of about \$3.26 million is estimated for Year 1. Existing assessed valuation is based on the County Assessor's 2016 tax roll values, as shown in Table 2-4.

Projected Property Tax. The City General Fund will receive property tax at about 13.58 percent of the basic one percent property tax levy on assessed valuation, as discussed in the Chapter 6 fiscal assumptions. As shown in Panel C of Table 2-3, property tax to the City General Fund for the current assessed valuation upon annexation (Year 1) is projected at \$4,430. As residential units are completed in Years 2 through 5, cumulative property tax is projected to increase to an annual \$81,811 at buildout.

Projected Vehicle License Fees (VLF) - Property Tax In Lieu. The City General Fund will also receive VLF-property tax in lieu based on the increase in assessed valuation in the City. Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. The City will receive VLF-property tax in-lieu based on the change in its gross assessed valuation of taxable property for new development in the annexed area. As shown in Appendix Table B-6, the VLF - property tax in lieu in the City is projected to increase at \$920 per million dollars of new assessed valuation (AV).

As shown in Panel D of Table 2-3, no VLF-property tax in lieu is projected for existing valuation in Year 1 per State law. By Year 2, VLF - property tax in lieu is projected at \$13,248 and continues to increase with new development to \$52,440 at buildout in Year 5.

Table 2-3
Projected Assessed Valuation and Property Tax: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision					
	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
A. Residential Units						
<u>Project Site New Residential Units</u>						
Phase 1	0	24	24	0	0	48
Phase 2	0	0	0	24	23	48
Annual New Units	0	24	24	24	23	95
Total Annual Units	0	24	24	24	23	95
Total Cumulative Units	0	24	48	72	95	95
B. Assessed Valuation						
<u>Current Valuation</u> ¹						
Project Site	\$3,263,250	\$0	\$0	\$0	\$0	\$3,263,250
<u>New Valuation (Project Site)</u>						
						Value per New Unit
Phase 1	\$0	\$14,400,000	\$14,400,000	\$0	\$0	\$28,800,000
Phase 2	\$0	\$0	\$0	\$14,400,000	\$13,800,000	\$28,200,000
Total New Valuation - Project Site	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$57,000,000
<u>Total Valuation</u>						
Incremental Valuation for Property Tax	\$3,263,250	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$60,263,250
Total Cumulative Valuation	\$3,263,250	\$17,663,250	\$32,063,250	\$46,463,250	\$60,263,250	\$60,263,250
C. Projected Property Tax						
<u>Annual 1 Percent Property Tax Levy</u>	\$32,633	\$144,000	\$144,000	\$144,000	\$138,000	\$602,633
Cumulative 1 Percent Property Tax Levy	\$32,633	\$176,633	\$320,633	\$464,633	\$602,633	
<u>Annual General Fund Property (@ 13.58% of 1 Percent Levy)</u>	\$4,430	\$19,549	\$19,549	\$19,549	\$18,734	\$81,811
Total Cumulative Property Tax - General Fund	\$4,430	\$23,979	\$43,528	\$63,077	\$81,811	
D. Projected VLF-Property Tax In Lieu						
<u>Total Annual Valuation for VLF-Property Tax In Lieu</u> ²	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$57,000,000
Total Cumulative Valuation for VLF-Property In Lieu	\$0	\$14,400,000	\$28,800,000	\$43,200,000	\$57,000,000	
<u>Total Annual VLF-Property Tax In Lieu</u> (@ \$920 per \$1,000,000 Assessed Valuation)	\$0	\$13,248	\$13,248	\$13,248	\$12,696	\$52,440
Total Cumulative Projected VLF-Property Tax In Lieu	\$0	\$13,248	\$26,496	\$39,744	\$52,440	

Note: 1. Current valuation is based on the 2016 tax roll values as presented in Table 2-4. When new units are constructed in Year 2, the existing land value of about \$3.21 million is included in estimated new valuation.

2. Vehicle license fees (VLF) property tax in lieu is projected based on the increase in assessed valuation in a jurisdiction. Per State law, when an annexation occurs the existing valuation in the annexing area cannot be used in adjusting the amount of assessed valuation in the annexing City. Therefore, the current valuation of \$3,263,250 is not included in the projection of property tax in lieu of VLF.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation

Table 2-4
Estimated Existing Assessed Valuation of Annexation Area
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

County PIMS (Property Information Management System)										
Parcel Number	2016 Assessed Valuation					Tax Rate Area	Acres per Parcel Map	Use Code	Land Type	Owner
	Land	Improvement	minus Exemptions		Net Value					
			Homeowner	Special						
A. SUBDIVISION PROJECT SITE										
0292-161-02-0000	\$1,493,864	\$0	\$0	\$0	\$1,493,864	13052	12.20	Citrus	MF Res	Orange Heights 1
0292-161-03-0000	732,280	0	0	0	732,280	13052	6.96	Citrus	MF Res	Orange Heights 1
0292-163-08-0000	1,037,106	0	0	0	1,037,106	104100	8.47	Citrus	MF Res	Orange Heights 1
Total	\$3,263,250	\$0	\$0	\$0	\$3,263,250		27.63			
B. AREAS OUTSIDE SUBDIVISION PROJECT SITE										
Between Redlands Boulevard and Park Avenue										
0292-271-04-0000	\$56,758	\$0	\$0	\$0	\$56,758	104100	3.20	Vacant	SF Res	MTB Inland Empire Properties LLC
Between Park Avenue and Citrus Lane										
0292-152-10-0000	\$50,761	\$1,033	\$0	\$0	\$51,794	104100	5.16	Citrus	MF Res	Laura Anne Ramirez
0292-152-12-0000	63,396	107,501	(7,000)	0	163,897	104100	1.04	SFR	SF Res	Trieu Hoang Nguyen Living Trust
0292-152-13-0000	58,466	117,162	0	0	175,628	104100	1.01	SFR	SF Res	Hartnell Lister & Moore APC PRO Shar PL
0292-152-14-0000	10,997	75,500	(7,000)	0	79,497	104100	1.01	SFR	SF Res	Johnson Family Trust
0292-152-15-0000	89,104	101,834	(7,000)	0	183,938	104100	2.00	SFR	SF Res	Murrey, Joseph and Janet
0292-152-23-0000	419,628	4,519,816	0	(4,939,444)	0	104100	4.78	Religious Structure	SF Res	Southeastern California Conference, 7th Day Adventist
0292-152-31-0000	38,732	110,529	(7,000)	0	142,261	104100	4.15	SFR	Agriculture	Christine Chaves Trust
0292-152-34-0000	456,887	0	0	0	456,887	104100	1.55	Vacant	MF Res	Southeastern California Conference, 7th Day Adventist
0292-152-37-0000	54,612	127,429	0	0	182,041	104100	0.76	SFR	SF Res	Laura Anne Ramirez
0292-154-16-0000	171,326	0	0	0	171,326	104100	0.50	Vacant	Industrial	Ieronim Andronsesi
Subtotal	\$1,413,909	\$5,160,804	(\$28,000)	(\$4,939,444)	\$1,607,269		21.96			
South of Orchard Heights Project Site										
0292-163-09-0000	\$998,352	\$702,147	\$0	\$0	\$1,700,499	104100	9.21	Citrus	SF Res	Southeastern California Conference, 7th Day Adventist
0292-164-02-0000	2,886,026	0	0	0	2,886,026	104073	4.00	Vacant	Commercial	Loma Linda University Medical Center
0292-164-03-0000	4,386,760	0	0	0	4,386,760	104073	7.69	Citrus	Industrial	Loma Linda University Medical Center
Subtotal	\$8,271,138	\$702,147	\$0	\$0	\$8,973,285		20.90			
Total Areas Outside Subdivision Site	\$9,741,805	\$5,862,951	(\$28,000)	(\$4,939,444)	\$10,637,312		46.06			
C. TOTAL ANNEXATION	\$13,005,055	\$5,862,951	(\$28,000)	(\$4,939,444)	\$13,900,562		73.69			

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Assessor, Property Information Management System (PIMS), Year 2016 Tax Roll
City of Loma Linda, Konrad Bolowich, Assistant City Manager
City of Loma Linda, Guillermo Arreola, former Senior Planner

Proposed Annexed Areas Outside the Residential Subdivision

Assessed valuation and property tax for the areas outside the subdivision that are proposed for annexation are presented in Table 2-5.

Assessed Valuation. Assessed valuation for new development in the other areas proposed for annexation is projected at about \$38.40 million, as shown in Panel B of Table 2-5. New multi-family residential valuation is estimated at about 70 percent of single family value per unit, or at \$420,000 per unit. Institutional value is not projected because these uses are assumed to be exempt from property tax. General business retail valuation is projected at \$200 per square foot.

The current assessed valuation of about \$10.64 million is estimated for Year 1 through Year 5. Existing assessed valuation is based on the County Assessor's 2016 tax roll values, as shown in

Table 2-5
Projected Assessed Valuation and Property Tax: Outside Subdivision Site
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision					Buildout Post - Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5	
A. Outside Subdivision Site						
<u>Existing Units - Outside Subdivision Site</u>	6	0	0	0	0	6
<u>New Units - Outside Subdivision Site</u>	0	0	0	0	0	84
Total Annual Units	6	0	0	0	0	90
Total Cumulative Units	6	6	6	6	6	90
<u>Potential New Square Feet</u>						
New Institutional	0	0	0	0	0	169,884
General Business (two separate parcels of 7,812 square feet) ¹	0	0	0	0	0	15,624
New Annual Square Feet	0	0	0	0	0	185,508
Total Cumulative Square Feet	0	0	0	0	0	185,508
B. Assessed Valuation						
<u>Current Valuation</u> ²						
Outside Subdivision Site	\$10,637,312	\$0	\$0	\$0	\$0	\$10,637,312
<u>New Valuation - Outside Subdivision Site</u>						
Residential (@ \$420,000 per unit)	\$0	\$0	\$0	\$0	\$0	\$35,280,000
New Institutional ³	0	0	0	0	0	0
General Business ⁴	0	0	0	0	0	3,124,800
Total New Valuation - Outside Subdivision Site	\$0	\$0	\$0	\$0	\$0	\$38,404,800
Incremental Valuation	\$10,637,312	\$0	\$0	\$0	\$0	\$49,042,112
Cumulative Valuation	\$10,637,312	\$10,637,312	\$10,637,312	\$10,637,312	\$10,637,312	\$49,042,112
C. Projected Property Tax						
<u>1 Percent Property Tax Levy</u>	\$106,373	\$106,373	\$106,373	\$106,373	\$106,373	\$490,421
Annual General Fund Property (@ 13.58% of 1 Percent Levy)	\$14,441	\$14,441	\$14,441	\$14,441	\$14,441	\$66,577
D. Projected VLF-Property Tax In Lieu						
<u>Valuation for VLF-Property Tax In Lieu</u> ⁵	\$0	\$0	\$0	\$0	\$0	\$38,404,800
Total Annual VLF-Property Tax In Lieu (@ \$920 per \$1,000,000 Assessed Valuation)	\$0	\$0	\$0	\$0	\$0	\$35,332

Note: 1. Two separate parcels are designated as general business C-2 with one structure up to 7,812 square feet on each parcel, for a total of 15,624 square feet of general business uses.
2. Current valuation is based on the 2016 tax roll values as presented in Table 2-4.
3. Valuation is not estimated for institutional uses because they are assumed to be tax exempt.
4. General business valuation is projected at \$200 per square foot.
5. Vehicle license fees (VLF) property tax in lieu is projected based on the increase in assessed valuation in a jurisdiction. Per State law, when an annexation occurs the existing valuation in the annexing area cannot be used in adjusting the amount of assessed valuation in the annexing City. Therefore, the estimated current valuation of \$10,637,312 is not included in the projection of property tax in lieu of VLF.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation

Table 2-4. At buildout of these areas, the existing valuation of \$10.64 million is added to the new valuation, resulting in total valuation of \$49.04 million.

Projected Property Tax. The City General Fund will receive property tax at about 13.58 percent of the basic one percent property tax levy on assessed valuation, as discussed in the Chapter 6,

fiscal assumptions. As shown in Panel C of Table 2-5, property tax to the City General Fund for the current assessed valuation upon annexation (Year 1) is projected at \$14,441. Because no new development is currently proposed for these areas, projected property tax remains at \$14,441 until buildout sometime after Year 5, when property tax is projected at \$66,577.

Projected Vehicle License Fees (VLF) - Property Tax In Lieu. The City General Fund will also receive VLF-property tax in lieu based on the increase in assessed valuation in the City. Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. The City will receive VLF-property tax in-lieu based on the change in its gross assessed valuation of taxable property for new development in the annexed area. As shown in Appendix Table B-6, the VLF - property tax in lieu in the City is projected to increase at \$920 per million dollars of new assessed valuation (AV).

As shown in Panel D of Table 2-5, no VLF-property tax in lieu is projected for existing valuation in Year 1 through Year 5 per State law. After buildout, annual VLF - property tax in lieu is projected at \$35,332.

2.4 Sales and Use Tax

Sales and use tax is projected for the retail taxable purchases that will be captured in the City from both the off-site purchases of future residents of the annexation area and for the on-site sales and use tax generated by the potential institutional and general business uses in the annexation area.

The projected off-site sales and use tax from future residents are first presented, followed by the projected on-site sales and use tax. The fiscal analysis assumes that the new residents of the annexation area will also shop at the potential new general business stores in the annexation area. Therefore, the projected off-site sales and use tax is reduced by the projected on-site sales and use tax.

Off-Site Sales and Use Tax

Sales and use tax is projected for the retail taxable sales that will be captured in the City from off-site purchases made by the future residents of both the proposed 95-unit subdivision and the new units in the other annexed areas within the Orchard Heights Development Annexation. The fiscal analysis assumes that the retail purchases from the current residents in the annexation area

are already being captured in the City; therefore retail taxable sales are not projected for the current residents in the annexation area.

Off-site retail sales and use tax from taxable purchases made by future Orchard Heights Development Annexation residents is projected based on the resident's estimated household income and the estimated taxable retail purchases made in the City. Household income is estimated at 25 percent of average housing value based on a mortgage cost analysis by Stanley R. Hoffman Associates. Based on the U.S. Bureau of Labor Statistic, *Consumer Expenditure Survey*, the fiscal analysis estimates the Orchard Heights Development Annexation residents will generate total taxable retail purchases at about 32 percent of household income.

95-Unit Subdivision. As shown in Table 2-6, estimated annual off-site retail sales and use tax from taxable purchases made by future subdivision residents are projected at \$26,901 after buildout. This estimate is based on total household income projected at about \$15.07 million after buildout (25 percent of residential valuation of about \$60.26 million). At 32 percent of household income, the projected retail taxable purchases made by new subdivision residents are projected at about \$4.82 million after buildout. The fiscal analysis assumes that 50 percent of the retail taxable purchases or about \$2.41 million will be made annually in the City.

At one percent of the estimated captured taxable sales of about \$2.41 million, sales tax is projected at \$24,105 after buildout. At the City average use tax rate of 11.6 percent of sales tax, an additional \$2,796 of use tax is projected after buildout. Total sales and use tax captured in the City by the subdivision residents is projected at \$26,901 after buildout. Based on the projected new residential valuation from year 2-5, no off-site sales and use tax is projected for Year 1. The off-site sales and use tax from future residents of the subdivision are projected at \$7,885 for Year 2 and increases over the 5-year development period to \$26,901 at buildout.

Proposed Annexed Areas Outside the Residential Subdivision. Estimated annual off-site retail sales and use tax from taxable purchases made by future residents of the other annexed areas after buildout is projected at \$15,749, as presented in Table 2-7. This estimate is based on total household income projected at about \$8.82 million after buildout (25 percent of residential valuation of about \$35.28 million). At 32 percent of household income, the projected retail taxable purchases made by new residents in the other annexed areas are projected at about \$2.82 million after buildout. The fiscal analysis assumes that 50 percent of the retail taxable purchases or about \$1.41 million will be made annually in the City.

Table 2-6
Estimated Off-Site Sales and Use Tax: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision				
	Year 1	Year 2	Year 3	Year 4	Buildout Year 5
<u>Cumulative New Residential Valuation</u> ¹	\$3,263,250	\$17,663,250	\$32,063,250	\$46,463,250	\$60,263,250
<u>Household Income (@ 25% of household valuation)</u> ²	\$815,813	\$4,415,813	\$8,015,813	\$11,615,813	\$15,065,813
<u>Retail Taxable Sales (@ 32% of household income)</u>	\$261,060	\$1,413,060	\$2,565,060	\$3,717,060	\$4,821,060
<u>Projected Off-Site Retail Taxable Sales Captured in Loma Linda</u> (@ 50% capture)	\$130,530	\$706,530	\$1,282,530	\$1,858,530	\$2,410,530
<u>Projected Sales and Use Tax to Loma Linda</u>					
Sales Tax (@ 1% of taxable sales)	\$0	\$7,065	\$12,825	\$18,585	\$24,105
Use Tax (@ 11.6% of sales tax)	\$0	\$820	\$1,488	\$2,156	\$2,796
Total Projected Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901

Note: 1. The fiscal analysis assumes retail sales and use tax will begin with development of housing units in Year 2.

2. Based on a mortgage cost analysis by the fiscal consultant, household income is estimated at 25 percent of average housing value.

Source: Stanley R. Hoffman Associates, Inc.

Table 2-7
Estimated Off-Site Sales and Use Tax: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision					Buildout Post - Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5	
<u>Cumulative New Residential Valuation</u> ¹	\$0	\$0	\$0	\$0	\$0	\$35,280,000
<u>Household Income (@ 25% of household valuation)</u> ²	\$0	\$0	\$0	\$0	\$0	\$8,820,000
<u>Retail Taxable Sales (@ 32% of household income)</u>	\$0	\$0	\$0	\$0	\$0	\$2,822,400
<u>Projected Off-Site Retail Taxable Sales Captured in Loma Linda</u> (@ 50% capture)	\$0	\$0	\$0	\$0	\$0	\$1,411,200
<u>Projected Sales and Use Tax to Loma Linda</u>						
Sales Tax (@ 1% of taxable sales)	\$0	\$0	\$0	\$0	\$0	\$14,112
Use Tax (@ 11.6% of sales tax)	\$0	\$0	\$0	\$0	\$0	\$1,637
Total Projected Sales and Use Tax	\$0	\$0	\$0	\$0	\$0	\$15,749

Note: 1. The fiscal analysis assumes that the current residents in the annexation area are making purchases in the City, therefore off-site retail sales and tax is not projected for the first five years. The analysis assumes future residents will make off-site purchases in the City.

2. Based on a mortgage cost analysis by the fiscal consultant, household income is estimated at 25 percent of average housing value.

Source: Stanley R. Hoffman Associates, Inc.

At one percent of the estimated captured taxable sales of about \$1.41 million, sales tax is projected at \$14,112 after buildout, as shown in Table 2-7. At the City average use tax rate of 11.6 percent of sales tax, an additional \$1,637 of use tax is projected after buildout. Total sales and use tax captured in the City by the residents of the other annexed areas is projected at \$15,749 after buildout. No off-site sales and use tax is projected for Year 1 through Year 5 because no residential development is currently planned for the areas annexing outside the proposed subdivision within the overall Orchard Heights annexation area.

On-Site Sales and Use Tax

Sales and use tax is projected to the City for the proposed institutional and general business retail uses in the annexation area. As shown in Table 2-8, after buildout of these uses, annual on-site sales and use tax is projected at \$53,832. Taxable sales for institutional uses are projected at \$10 per square foot based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital. Because the amount of taxable uses in the general business designation is uncertain, taxable sales are projected at \$200 per square foot based on the average taxable sales per square foot data from HdL Companies.

Adjusted Off-Site Sales and Use Tax

Table 2-9 presents the projected off-site sales and use tax adjusted to account for the taxable retail purchases that could be made by future residents at the potential new general business uses in the annexation area. Panel A includes a summary of the total projected \$42,650 off-site sales and use tax generated by the new residents, and shows that the 60 percent of the total projected \$42,650 off-site sales and use tax is generated by the 95-unit new subdivision residents and 40 percent of the off-site sales and use tax is generated by the new residents of the other annexed area outside the subdivision.

In Panel B of Table 2-9, the projected on-site general business retail sales and use tax of \$34,873 is allocated 60 percent to the new 95-unit subdivision and 40 percent is allocated to the other annexed areas. When this allocation is subtracted from the projected off-site retail sales and use tax in Panel A, off-site sales and use tax is adjusted to a total of \$7,777 after the 5 year development period, as shown in Panel C of Table 2-9.

Table 2-8
Estimated On-Site Sales and Use Tax: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Factor	Annexed Areas Outside Subdivision					Buildout Post - Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	
<u>Potential New Square Feet</u>							
New Institutional		0	0	0	0	0	169,884
New General Business		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,624</u>
New Annual Square Feet		0	0	0	0	0	185,508
Total Cumulative Square Feet		0	0	0	0	0	185,508
<u>Taxable Sales</u>	Taxable Sales per Square Foot						
New Institutional ¹	\$10	\$0	\$0	\$0	\$0	\$0	\$1,698,840
New General Business ²	\$200	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,124,800</u>
		\$0	\$0	\$0	\$0	\$0	\$4,823,640
Total Cumulative Taxable Sales		\$0	\$0	\$0	\$0	\$0	\$4,823,640
<u>On-Site Sales and Use Tax</u>							
<u>Sales Tax</u>	Sales Tax Levy						
New Institutional	1.0%	\$0	\$0	\$0	\$0	\$0	\$16,988
New General Business	1.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$31,248</u>
Total Sales Tax		\$0	\$0	\$0	\$0	\$0	\$48,236
	Percent of Sales Tax						
<u>Use Tax</u>							
New Institutional	11.6%	\$0	\$0	\$0	\$0	\$0	\$1,971
New General Business	11.6%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,625</u>
Total Use Tax		\$0	\$0	\$0	\$0	\$0	\$5,596
<u>Total Sales and Use Tax</u>							
New Institutional		\$0	\$0	\$0	\$0	\$0	\$18,959
New General Business		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$34,873</u>
Total Sales and Use Tax		\$0	\$0	\$0	\$0	\$0	\$53,832
<u>Total Cumulative On-Site Sales and Use Tax</u>		\$0	\$0	\$0	\$0	\$0	\$53,832

Note: 1. Projected sales and use tax after buildout of the new institutional uses are projected at \$10 taxable sales per square foot based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital.
2. Because the amount of taxable uses for the general business designation is uncertain, taxable sales for general business uses in the annexed area are projected at \$200 per square foot based on average taxable sales per square foot from HdL Companies.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation
Stanley R. Hoffman Associates, Inc., *Loma Linda University Medical Center Heart and Surgical Hospital Proposed Annexation Fiscal Analysis*,
March 23, 2011
HdL Companies, *2012-2013 California Retail Analytics, Expanding Retailers and Retail Store Sales Estimates*, April 2012

Table 2-9
Adjusted Off-Site Sales and Use Tax
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation						Buildout Post - Year 5	Share of Total
	Year 1	Year 2	Year 3	Year 4	Year 5			
A. Total Projected Off-Site Retail Sales and Use Tax without Adjustment for On-Site ¹								
95-Unit Subdivision	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$26,901	60%	
Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$15,749	40%	
Total Projected Off-Site Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$42,650	100%	
minus								
B. Projected On-Site General Business Sales and Use Tax ²								
Allocated 50% to 95-Unit Subdivision	\$0	\$0	\$0	\$0	\$0	\$20,924	60%	
Allocated 50% to Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$13,949	40%	
Total Projected On-Site Sales and Use Tax	\$0	\$0	\$0	\$0	\$0	\$34,873	100%	
equals								
C. Allocated Off-Site Sales and Use Tax with Adjustment for On-Site								
95-Unit Subdivision	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$5,977	80%	
Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$1,800	20%	
Total Adjusted Off-Site Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$7,777	100%	

Note: 1. The detailed projected off-site sales and use tax without the adjustment for on-site retail sales and use tax is presented in Table 2-6 and Table 2-7.
2. Detailed projected on-site sales and use tax is presented in Table 2-8.

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 3

PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed Orchard Heights Development Annexation. The level and range of the following services are in this chapter:

- General Government
- Fire and Paramedic
- County Sheriff and Public Safety
- Library
- Parks and Recreation
- Animal Control
- Street Lighting and Traffic Signals
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management
- Health and Welfare

As presented in Table 3-1, San Bernardino County and local special districts provide many services to the annexation area, located in Loma Linda's Sphere of Influence (SOI), including general government, fire and paramedic, sheriff services, library, animal control, street lighting, road maintenance, flood control, solid waste management and health and welfare. Also, the Redlands Unified School District (RUSD) provides educational services and a number of private utilities serve the annexation area.

After annexation, the City of Loma Linda is anticipated to provide services including general government, community development, fire and paramedic, public safety under contract with the County Sheriff, library under contract with the County Library System, local parks and recreation, street lighting and traffic signals, landscape maintenance, water, sewer, transportation, and utilities.

Certain one-time development impact fees are collected for public facilities, and are detailed in Chapter 4. These one-time development impact fees (DIFs) are estimated for the proposed 95-unit subdivision and the estimated new development for the other annexed areas in the Orchard

Table 3-1
Service Providers Before and After Proposed Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Service	Current Service Provider	Anticipated Service Provider
General Government Services:		
Finance Division	San Bernardino County	City of Loma Linda
Human Resources Division	San Bernardino County	City of Loma Linda
Business Registration	San Bernardino County	City of Loma Linda
Economic Development	San Bernardino County	City of Loma Linda
Community Development:		
Planning	San Bernardino County	City of Loma Linda
Building & Safety	San Bernardino County	City of Loma Linda
Code Compliance	San Bernardino County	City of Loma Linda
Fire and Paramedic	Loma Linda Fire Department (contract with County)	Loma Linda Fire Department
Sheriff/Police	San Bernardino County Sheriff	City Contract with San Bernardino County Sheriff
Library	San Bernardino County Library	City Contract with San Bernardino County Library
Parks and Recreation:		
Local facilities	City of Loma Linda	City of Loma Linda
Regional facilities	San Bernardino County	San Bernardino County
Animal Control	San Bernardino County Contract with City of San Bernardino	City Contract with City of San Bernardino Animal Control
Street Lighting and Traffic Signals	Southern California Edison and/or County of San Bernardino	City of Loma Linda - Street Light Benefit Assessment District No. 1
Landscape Maintenance	n/a	City of Loma Linda - Landscape Maintenance District No. 1, Annexation 74
Water:		
Domestic Water	City of Loma Linda	City of Loma Linda
Recycled Water	City of Loma Linda	City of Loma Linda
Irrigation Water	Bear Valley Municipal Water Company/Redlands	n/a
Water Quality	City of Loma Linda	City of Loma Linda
Sewer	Septic Service	City of Loma Linda
Transportation:		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and collectors	San Bernardino County Public Works	City of Loma Linda
Local roads	San Bernardino County Public Works	City of Loma Linda
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local facilities	San Bernardino County Flood Control District	San Bernardino County Flood Control District
Regional facilities	San Bernardino County Flood Control District	San Bernardino County Flood Control District
Utilities:		
Cable/Internet Provider/Telephone	Time Warner/Verizon	Time Warner/Verizon
Power	Southern California Edison	Loma Linda Connected Community Program (LLCCP)
Natural Gas	Southern California Gas Company	Southern California Edison
		Southern California Gas Company
Schools	(K-12) Redlands Unified School District	(K-12) Redlands Unified School District
Solid Waste Management	San Bernardino County contract with Republic Services of Southern California	Loma Linda Contract with Republic Services of Southern California
Health and Welfare	San Bernardino County Department of Public Health	San Bernardino County Department of Public Health

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Website and Loma Linda General Plan, Public Services and Facilities Element
City of Loma Linda, Planning Department
City of Loma Linda, Finance Department
County of San Bernardino, Public Works Department and Special Services District

Heights Development Annexation. One-time development impact fees are not estimated for existing development in the annexation area.

The County of San Bernardino will provide services such as county library (city leases the library building to the County Library System and provides the facility maintenance), regional parks and recreation, flood control and drainage, and health and welfare. The City of Loma Linda will contract for animal control services from the City of San Bernardino. Public schools and solid waste management service providers (where the contract is with Loma Linda and not SBC) will continue to be the same before and after annexation.

3.1 General Government and Community Development

Before Annexation

San Bernardino County currently provides general government, including administrative and economic development, and community development services to the annexation area.

After Annexation

The City of Loma Linda will provide general government services which include administrative services as well as services such as General Governance, Finance, Human Resources and Economic Development to the entire annexation area. Also Loma Linda will provide Community Development services comprised of Planning, Building and Safety and Code Compliance to the entire annexation area.

The City collects one-time development impact fees on new development for general government and community development facilities, which are detailed in Chapter 4.

3.2 Fire and Paramedic

Before Annexation

The City of Loma Linda's Fire Department provides fire protection to unincorporated areas adjacent to the City of Loma Linda based on the June 7, 2011 *Fire Protection Services Agreement Between San Bernardino County Fire Protection District and City of Loma Linda*. The unincorporated areas are identified as Area A in the agreement. The proposed Orchard Heights annexation area is located Area A and is currently receiving fire protection from the City.

After Annexation

The City of Loma Linda will continue to provide fire protection to the Orchard Height development after annexation. In addition, the City will continue to provide services to other unincorporated portions of Area A identified in the 2011 agreement with the County. Deputy Chief Don Trapp of the San Bernardino County Fire Protection District reviewed the 2011 agreement and did not identify any changes to the contract with the City, other than updating the boundary of Area 1 after annexation of the Orchard Heights development area to the City. The correspondence from Chief Trapp to LAFCO staff regarding the existing fire protection agreement is presented in the following November 1, 2016 e-mail.

From: Trapp, Don [<mailto:dtrapp@sbcfire.org>]
Sent: Tuesday, November 1, 2016 10:12 AM
To: Rollings-McDonald, Kathleen <kmcdonald@lafco.sbcounty.gov>
Cc: Hartwig, Mark <mhartwig@sbcfire.org>
Subject: LAFCO - 3214

Hi Kathy,

After reviewing our agreement (attached) with the City of Loma Linda for fire rescue and EMS services to unincorporated areas we see no need to change the contract other than the service area map (attachment map of area A) at the conclusion of LAFCO 3214.

Thanks,

Don Trapp
Deputy Chief
San Bernardino County FIRE
Office 909-387-5749
Cell 951-515-3656
dtrapp@sbcfire.org

The City's Department of Public Safety, Community Safety Division provides fire and paramedic services to the City. The Fire and Rescue Division handles structural, wildland, vehicle, fire suppression, fire investigation, heavy rescue, technical rescue, confined-space rescue, hazardous materials response, vehicle extrication, emergency medical procedures, building collapse, train derailment, CPR/First-aid training, and fire hydrant testing.

The response time for emergency calls varies within the City. Based on the origination of the call, the drive time may vary. The City has two fire stations, #251 and #252, located at 11325 Loma Linda Drive and 10520 Ohio Street respectively. The annexation area is about 2 miles from Fire Station #251 (also known as the "Civic Center" fire station) and considered within its service area. The City has a performance standard of a five-minute response time (including three-minute running time) for 80 percent of emergency fire, medical and hazardous materials calls citywide as shown in Loma Linda's General Plan.

The City will receive the annual property tax currently allocated to the County Fire Department upon annexation of the project area for operations and maintenance services. Also, a one-time City impact fee for fire facilities is estimated for the proposed annexation area, as shown later in Table 4-2 and Table 4-3.

3.3 Sheriff (Police) and Public Safety

Before and After Annexation

The County Sheriff currently provides public safety services to the annexation area. After the annexation, the City of Loma Linda will contract with the San Bernardino County Sheriff-Coroner Department to provide their local police services. The Sheriff's Headquarters, Central Station, is located at 655 East Third Street in the City of San Bernardino which is about 6.1 miles from the proposed project site. The City shares the cost of law enforcement personnel and equipment with the City of Grand Terrace. According to the Loma Linda General Plan, Public Services and Facilities Element, the level of calls for police services has been steadily increasing over the past several years to about 55 to 60 calls per day. This trend is expected to continue in the future.

3.4 Library

Before and After Annexation

The Loma Linda Public Library facility is a branch of the San Bernardino County Library system. The library is located at 25581 Barton Road in the City of Loma Linda. Based on discussion with the City Finance Director, the library is located in a City-owned facility that is leased by the San Bernardino County Library and is funded by San Bernardino County property taxes and the State of California. As part of the lease agreement with Loma Linda, the City provides library facility maintenance services. These services are expected to continue upon annexation with no expected change in service levels or costs.

3.5 Parks and Recreation

Before Annexation

There are no local or regional park facilities in the annexation area and current residents in the annexation area are assumed to use nearby City park facilities. Regional park facilities outside the area that serve the annexation area are operated and maintained by San Bernardino County.

After Annexation

Local Park and Recreation services provided by the City of Loma Linda and regional facilities located in San Bernardino County are expected to be accessible to the residents of the annexation area. The City owns ten existing parks in the City with an estimated 49.33 acres that are developed and maintained. These parks range from 0.16 acre to 19.60 acres in size. Some of the amenities the parks provide are baseball fields, basketball courts, lighted tennis courts,

volleyball/sport courts, open areas for football and soccer, general playground and tot lot areas, picnic tables, barbecue pits, electricity upon request, drinking fountains, restrooms, trails and a dog park for dogs of all sizes. Currently, the City has no formal recreation programs, but Park Use Permits for special events are available on a no-fee basis to local organizations and the general public.

The Community Development Department is responsible for park facility planning and the Public Works Department provides maintenance of the parks. According to the General Plan, the City hopes to achieve a ratio of 5.0 acres of park land per 1,000 persons at General Plan buildout. With a population of 24,649 persons in 2016 and 49.33 acres of developed parkland, the City currently has a park ratio of about 2.0 acres per 1,000 population. This does not include the open space in the South Hills Preserve, half of which is located in the southern region of the City, and the other half in San Bernardino County and Riverside County. The South Hills Preserve in Loma Linda is an estimated 850 acres of wild land with unimproved, informal trails that are permanently protected from any development.

The City imposes a Parkland Acquisition and Development Impact Fee on all new residential development, at \$12,489 per single family unit and \$7,459 per multi-family unit, as shown later in Table 4-2.

3.6 Animal Control

Before Annexation

Currently, the City of San Bernardino Animal Control provides services to the annexation area under contract to the County of San Bernardino.

After Annexation

Upon annexation, the City of Loma Linda will contract with the City of San Bernardino for animal control services to the proposed annexation area.

3.7 Street Lighting and Traffic Signals

Before Annexation

Street lighting is currently serviced by Southern California Edison (SCE) for two existing street lights. One street light is located at the intersection of California Street and West Park Avenue and the other is located at the intersection of Citrus Avenue with California Street across from the project site. There is one existing traffic signal just north of the annexation area, at the intersection of California Street and Redlands Boulevard.

After Annexation

City street lighting services are provided by the existing City of Loma Linda Street Light Benefit District No. 1. Annexation to this district does not occur with annexation to the City. When the developer requests entitlement for subdivision, the project will initiate annexation to the existing City of Loma Linda Street Light Benefit District No. 1. Once the engineering and other required documents are reviewed and approved and the project area is annexed into the district, street lights will be installed and maintained by the City. There are no new traffic signals planned for the 95-unit project or the remainder of the annexation area at this time.

Typically, starting from the first light at the intersection, one street light would be installed every 200 feet. The developer is expected to cover all street light installation costs in addition to maintenance costs for a year. After a year, the City will start maintaining the street lights and will charge an annual parcel assessment fee. The current citywide average assessment for street lighting is about \$56 per unit. The assessment for the proposed project would be close to the citywide average, however, the exact assessment would be determined by the engineer's report.

3.8 Landscape Maintenance

Before Annexation

The annexation area is not currently in a landscape maintenance district.

After Annexation

The City has an existing City of Loma Linda Landscape Maintenance District No. 1 (LMD No. 1). Annexation to this district does not occur with annexation to the City. Upon request for entitlement for subdivision, the proposed project would initiate annexing to the existing LMD No. 1, as Annexation 74, if no other projects annex before Orchard Heights. Based on review and acceptance of an engineer's report and other required documents, the project would be annexed to the existing LMD No. 1.

An engineer's report would be required to assess properties based on the estimated costs to maintain the improvements that provide special benefit to properties annexing to the district. Each property is assessed proportionately for only those improvements from which the parcel receives special benefit. These benefits could include the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of the ornamental structures and the landscaping. Benefits could also include furnishing electricity for the lighting and operation of the ornamental structures, and water for the irrigation and control of the landscaping. While the

exact assessment for the proposed project is not known at this time, based on discussion with City engineering staff, typical annual assessments for landscaping are about \$203 per unit.

The developer is responsible for the plans and specifications for the landscaping and irrigation improvements for the proposed project. It is possible for the property owner to provide their own landscape maintenance and receive no assessment from the LMD associated with the maintenance costs, since the associated costs would be paid directly by the property owner. However, the property owner will still be assessed administrative costs to ensure that the required landscaping will be maintained to the City's standards.

3.9 Water

Before and After Annexation

The City of Loma Linda provides the production and distribution of water within the City and to developments outside its boundaries after annexation. The City obtains its water from groundwater wells in the Bunker Hill Basin, an aquifer underlying the eastern San Bernardino Valley. The City operates five groundwater wells: Richardson Wells 1, 3, and 4 and Mountain View Wells 3 and 5. These production wells have a combined capacity of 14 million gallons per day. The City also has emergency water connections with the City of San Bernardino as well as the City of Redlands water systems.

In addition to the existing wells, a new water-treatment plant, located on City of Loma Linda-owned land surrounded by the City of San Bernardino opened in October, 2010. This treatment plant provides Loma Linda's 22,000 water customers with an additional supply of water. Once contaminated by chemicals, Lockheed Martin developed the water-treatment plant on the site to treat the groundwater that was contaminated by its operational facility in the 1960's and 1970's. The new plant is capable of pumping and filtering 4,800 gallons of water per minute or about 6.9 million gallons per day (mgd).

Currently, the City's water resources are sufficient to meet the demand at build out based on the City's current resources and the anticipated new development. The City has the ability to finance and construct required facilities necessary to obtain the water supply to meet planned growth through the collection of development fees, as shown on Table 4-2 and Table 4-3, and the use of other funding methods.

There are existing water lines along the western and southern edges of the annexation area which are California Street and Orange Avenue, respectively. The existing units in the annexation area

use wells while the church facilities have an agreement with the City of Loma Linda for provision of water. Future development would include connection to existing lines near the project site. Construction plans shall be reviewed by the City Engineer to ensure the design will have sufficient carrying capacity to meet the proposed project.

3.10 Sewer

Before and After

The City of Loma Linda provides the operations and maintenance of sewer collection facilities for the City and the areas outside its boundaries after annexation. This service is maintained by the City's Department of Public Works, Utilities Division. Sewer line maintenance is administered by the City while wastewater treatment services are administered under provisions in a Joint Powers Agreement (JPA) with the City of San Bernardino. At the San Bernardino Municipal Water Department wastewater facility, wastewater is treated to the secondary level. Effluent is then piped to a tertiary treatment facility, known as the RI/X plant, before being discharged to the Santa Ana River. The City of Loma Linda, through its agreement with the City of San Bernardino, also participates in the cost of the RI/X plant.

As shown in Table 3-2, the wastewater facility in the City of San Bernardino has the capacity to process up to 33 million gallons per day (gpd), of which 7 million gpd is allotted to Loma Linda. Of the 7 million gpd, the City currently uses less than half of the assigned 7 million gpd. According to the Loma Linda's General Plan, the average wastewater flow generated by the City during ultimate build out conditions is projected to be 6.27 million gpd. This leaves adequate total capacity for the City's wastewater flow from the proposed annexation.

The western side of the annexation area borders existing City sewer lines along California Street and Orange Avenue that are connected to the City's sanitary sewer system. The developer would be responsible for connecting the new development to this line. The existing units in the annexation area utilize septic service and the existing church facilities have a contract with the City of Loma Linda for provision of sewer services. However, any future development on the property at a density exceeding ½ acre per unit would require connection to the City's sanitary sewer system.

The proposed development is not projected to make a significant impact on the City's current usage of less than half of the assigned 7 million gpd at the wastewater facility in the City of San Bernardino. The proposed project would not require the expansion of existing treatment

Table 3-2
Sewer System Approximate Daily Usage (In Gallons)
Orchard Heights Development Annexation Plan for Service and Fiscal Impact Analysis
City of Loma Linda

	Treatment Plant Capacity	Approximate Daily Usage	Approximate Surplus
Existing Daily Total	7,000,000	Less than 3,500,000	More than 3,500,000
Build-Out Daily Total	7,000,000	6,270,000	730,000

Source: Stanley R. Hoffman Associates, Inc.
Loma Linda General Plan, Public Services and Facilities Element, 2009.

facilities although a wastewater collection system fee would be required for new development, as shown in Table 4-2 and Table 4-3.

3.11 Transportation

Before Annexation

Current transportation services for the City of Loma Linda include freeways and interchanges serviced by Caltrans; arterials, collectors and local roads serviced by the Public Works Department, San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Caltrans and Omnitrans will continue to provide their services post annexation. As for arterials, collectors and local roads, the City of Loma Linda will service any local roads and signals associated with the proposed project.

The developer will be responsible for street improvements development impact fees for local circulation systems and regional circulation systems, as shown on Table 4-2 and Table 4-3.

3.12 Flood Control and Drainage

Before and After Annexation

The San Bernardino County Flood Control District services the City for local and regional flood control and drainage facilities and is expected to be the future service provider for the proposed project. The County Flood Control District is responsible for flood protection on major streams, water conservation, and storm drainage construction. In accordance to the National Pollutant Discharge Elimination System (NPDES) permit program, the proposed project is required to design their storm water collection system to control water pollution by regulating point sources

that discharge pollutants into the water. Any improvements to the current drainage system will be determined by the City engineer. Costs for these improvements will be covered by the developer or through development impact fees, as estimated in Table 4-2 and Table 4-3.

3.13 Utilities

Before Annexation

Utilities include Cable, Internet, Telephone, Power, and Natural Gas. Before annexation, these services are provided as follows:

1. Cable/Internet/ Telephone - Time Warner and Verizon
2. Power – Southern California Edison
3. Natural Gas – Southern California Gas Company

After Annexation

According to the City of Loma Linda, Public Works Department, once the area is annexed into the City of Loma Linda, the providers for the following utilities will be as follows:

1. Cable/Internet/Telephone – Loma Linda Connected Community Program (LLCCP), Time Warner, and Verizon
2. Power – Southern California Edison
3. Natural Gas – Southern California Gas Company

The Orchard Heights Development Annexation Area is located southeast of the intersection of Redlands Boulevard and California Street, which currently is part of the Loma Linda Connected Community Program (LLCCP). The LLCCP uses a citywide fiber optic network that can support very high data speeds. These lines would be able to service the proposed development in the annexation area as well. Costs to connect the utility lines to the proposed development would not impact the city and would be paid for either by the developer or by the utility companies where their costs are recovered through their user fees and charges.

The existing electrical utility lines will have to be under grounded with development of the new residential units. The City Engineer has indicated that the cost to underground the electrical utility lines will be covered by Southern California Edison and not by the developer, with cost recovery through their user fees and charges.

3.14 Schools

Before and After Annexation

Public education in the City of Loma Linda is provided by the Redlands Unified School District (RUSD). Schools that provide service to the annexation area include Mission Elementary

School, Cope Middle School and Redlands High School. Collectively, these schools provide education for students from Kindergarten through 12th grade. RUSD is the current school service provider for the annexation area as well as after the annexation. There is a one-time residential development impact school fee estimated at \$3.51 per residential square foot, and a one-time non-residential development impact school fee estimated at \$0.54 per square foot. Estimated school impact fees for the total annexation area are about \$2.10 million, as shown in Table 4-1.

3.15 Solid Waste Management

Before Annexation

Republic Services of Southern California currently provides solid waste collection in the annexation area.

After Annexation

The City also contracts with Republic Services of Southern California to provide solid waste collection services. Solid waste that is not diverted to recycling or composting facilities is transported to the County-owned San Timoteo Sanitary Landfill located in the City of Redlands. The facility is permitted to receive up to 1,000 tons per day, and the proposed project is expected to have minimal impact on its capacity. The facility has an estimated closure date of 2043.

3.16 Health and Welfare

Before and After Annexation

San Bernardino County Department of Public Health provides general health and welfare services to all County residents, whether they live in a City or the unincorporated area. The department provides a variety of programs and services that inform and educate the public about health issues. No changes in service levels or costs are expected to occur after the annexation of the proposed project.

CHAPTER 4 ONE-TIME FEES AND CHARGES

This section presents the estimated one-time fees and charges associated with the new development in the proposed annexation area. Development impact fees are one-time fees paid by the developer to offset the additional public capital costs of new development.

As shown in Table 4-1, the total City and school one-time development impact fees (DIF) for the proposed new development in the total annexation area are estimated at about \$7.32 million after buildout. Of this total, City development impact fees for Community Development, Public Safety and Engineering are estimated at about \$5.63 million and school development impact fees are estimated at about \$1.69 million.

Total fees for the 95-unit subdivision are estimated at \$3.91 million, with about \$2.91 million estimated as City fees and the remaining \$1.00 million are estimated school development impact fees. For the annexed areas outside the subdivision, total fees are estimated at about \$3.41 million after buildout, with about \$2.72 million estimated City fees and the remaining \$689,854 estimated school development impact fees.

Detailed residential development impact fee calculations are presented in Table 4-2 and Table 4-3 presents the detailed development impact fee calculations for non-residential development. Appendix Table B-1 is the City fee schedule as provided by the City's Community Development staff.

Table 4-1
Summary of Estimated Development Impact Fees
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	City Impact Fees	School Impact Fees	Total Impact Fees
<u>95-Unit Subdivision</u>	\$2,906,905	\$1,000,350	\$3,907,255
<u>Annexed Areas Outside Subdivision</u>	\$2,723,863	\$689,854	\$3,413,717
Total Annexation	\$5,630,768	\$1,690,204	\$7,320,972

Note: 1. The fees in this table represent summaries of the detailed residential fees included in Table 4-2 and the detailed non-residential fees included in Table 4-3.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division

Table 4-2
Estimated Development Impact Fees: Residential
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Fee Category for Residential Development	Subdivision			Annexed Areas Outside Subdivision			Total Residential Fees
	Fee per Single Family Unit	New Units	Fees	Fee per Multi-Family Unit	New Units	Fees	
City Community Development							
General Government Facilities	\$393	95	\$37,335	\$393	84	\$33,012	\$70,347
Parkland Acquisition and Development	\$12,489	95	\$1,186,455	\$7,459	84	\$626,556	\$1,813,011
Open Space Acquisition	n/a		n/a	n/a		n/a	
Public Meeting Facilities	\$1,575	95	\$149,625	\$941	84	\$79,044	\$228,669
Art in Public Places							
	Percent of Project Value	Project Valuation		Percent of Project Value	Project Valuation		
	0.25%	\$57,000,000	\$142,500	0.25%	\$35,280,000	\$88,200	\$230,700
	Fee per Unit	New Units		Fee per Unit	New Units		
City Public Safety							
Fire Suppression Facilities	\$1,120	95	\$106,400	\$142	84	\$11,928	\$118,328
City Engineering							
Local Circulation Systems (Streets, Signals and Bridges)	\$1,551	95	\$147,345	\$893	84	\$75,012	\$222,357
Regional Circulation Systems (Streets, Signals and Bridges)	\$3,741	95	\$355,395	\$2,154	84	\$180,936	\$536,331
Storm Drainage Facilities	\$1,331	95	\$126,445	\$311	84	\$26,124	\$152,569
Water Generation, Storage and Distribution	\$5,826	95	\$553,470	\$4,303	84	\$361,452	\$914,922
Wastewater Collection System	\$1,073	95	\$101,935	\$793	84	\$66,612	\$168,547
Total City Development Impact Fees			\$2,906,905			\$1,548,876	\$4,455,781
	Fee per Residential Building Square Foot	Total Square Feet of Units		Fee per Residential Building Square Foot	Total Square Feet of Units		
School Fees							
Redlands Unified School District	\$3.51	285,000	\$1,000,350	\$3.51	168,000	\$589,680	\$1,590,030
Total Residential Development Impact Fees			\$3,907,255			\$2,138,556	\$6,045,811

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division, 11/29/2015

Table 4-3
Estimated Development Impact Fees: Non-Residential
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Fee Category for Non-Residential Development	Annexed Areas Outside Subdivision						
	Square Feet		Fee per Square Foot		Estimated Fees		
	Institutional	Commercial Retail	Institutional	Commercial Retail	Institutional	Commercial Retail	Total
<u>City Community Development</u>							
General Government Facilities	169,884	15,624	\$0.095	\$0.095	\$16,139	\$1,484	\$17,623
Parkland Acquisition and Development	169,884	15,624	n/a	n/a	\$0	\$0	\$0
Open Space Acquisition	169,884	15,624	\$1.226	\$1.207	\$208,278	\$18,858	\$227,136
	Project Valuation	Project Valuation	Percent of Project Value	Percent of Project Value			
Art in Public Places	\$0	\$3,124,800	0.50%	0.50%	\$0	\$15,624	\$15,624
	Square Feet		Fee per Square Foot				
	Institutional	Commercial Retail	Institutional	Commercial Retail			
<u>City Public Safety</u>							
Fire Suppression Facilities	169,884	15,624	\$0.556	\$0.056	\$94,456	\$875	\$95,330
<u>City Engineering</u>							
Local Circulation Systems (Streets, Signals and Bridges)	169,884	15,624	\$0.915	\$2.832	\$155,444	\$44,247	\$199,691
Regional Circulation Systems (Streets, Signals and Bridges)	169,884	15,624	\$2.206	\$6.831	\$374,764	\$106,728	\$481,492
Storm Drainage Facilities	169,884	15,624	\$0.207	\$0.288	\$35,166	\$4,500	\$39,666
Water Generation, Storage and Distribution	169,884	15,624	\$0.463	\$0.288	\$78,656	\$4,500	\$83,156
Wastewater Collection System	169,884	15,624	\$0.085	\$0.053	\$14,440	\$828	\$15,268
Total City Development Fees					\$977,343	\$197,644	\$1,174,987
<u>School Fees - Redlands Unified School District</u>	169,884	15,624	\$0.540	\$0.540	\$91,737	\$8,437	\$100,174
Total Non-Residential Development Impact Fees					\$1,069,080	\$206,081	\$1,275,161

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division, 11/29/2015

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal impacts of the Orchard Heights Development Annexation to the City of Loma Linda General Fund after annexation for the first five years and for buildout, post year 5. Fiscal impacts are shown in constant 2016 dollars with no adjustment for possible future inflation. The fiscal assumptions for the fiscal analysis are presented in Chapter 6.

As shown in summary Table 5-1, a recurring annual surplus of \$104,099 is projected for the total Orchard Heights Development Annexation to the City General Fund after buildout. Of this total surplus, \$60,846 (58 percent) is projected for the proposed 95-unit subdivision and the remaining surplus of \$43,253 (42 percent) is projected for the other areas in the annexation.

Table 5-1
Summary of Projected Fiscal Impacts after Buildout
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

City General Fund	Subdivision Project Site Annexation	Other Areas in Annexation	Total Annexation Buildout
Annual Recurring Revenues	\$178,369	\$207,042	\$385,411
Annual Recurring Costs	<u>\$117,523</u>	<u>\$163,789</u>	<u>\$281,312</u>
Net Annual Recurring Surplus	\$60,846	\$43,253	\$104,099

Source: Stanley R. Hoffman Associates, Inc.

5.1 Phased Fiscal Impacts – Total Annexation Area

The projected cumulative impacts to the City General Fund for the first five years after annexation and post-buildout of the total Orchard Heights Development Annexation are included in Table 5-2. The current development in the 80-acre annexation area is assumed during the first year after annexation, with the 95-unit subdivision beginning in the second year after annexation. Buildout of the remaining annexed areas is assumed after Year 5.

As shown in Table 5-2, a \$14,492 surplus is projected to the City General Fund upon annexation in Year 1, which includes the existing development. A surplus of \$25,831 is projected for Year 2 when construction of new single family units in the subdivision begins. The projected surplus

Table 5-2
Detailed Projected Recurring Fiscal Impacts: Total Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation					Buildout Post - Year 5	Percent of Total
	Year 1	Year 2	Year 3	Year 4	Year 5		
<u>General Fund Annual Recurring Revenues</u>							
Property Taxes	\$18,871	\$38,420	\$57,969	\$77,518	\$96,252	\$148,388	38.5%
VLF-Property Tax in Lieu	0	13,248	26,496	39,744	52,440	87,772	22.8%
Property Transfer Tax	28	611	1,086	1,561	2,017	2,719	0.7%
Off-Site Retail Sales and Use Tax ¹	0	7,885	14,313	20,741	26,901	7,777	2.0%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	18,959	4.9%
On-Site Retail Sales and Use Tax	0	0	0	0	0	34,873	9.0%
Proposition 172 Half Cent Sales Tax	0	77	139	202	262	804	0.2%
Franchise Fees	383	1,891	3,399	4,908	6,344	15,598	4.0%
Business Licenses	0	0	0	0	0	6,998	1.8%
Animal Licenses and Fines	18	90	162	233	302	612	0.2%
Fire Permits	20	97	97	94	326	634	0.2%
Recycling and Refuse	499	2,462	4,425	6,388	8,258	16,052	4.2%
Other Charges for Services (excluding one-time charges)	118	581	1,044	1,507	1,948	3,675	1.0%
Other Revenue	848	4,186	7,523	10,861	14,040	27,293	7.1%
Transfers In: State Gas Tax	328	1,621	2,914	4,206	5,437	10,260	2.7%
Transfers In: From Other City Funds	93	460	826	1,193	1,542	2,998	0.8%
Total Recurring Revenues	\$21,205	\$71,628	\$120,392	\$169,155	\$216,068	\$385,411	100.0%
<u>General Fund Annual Recurring Costs</u>							
General Government	\$1,034	\$7,052	\$11,143	\$15,234	\$19,130	\$43,315	15.4%
Police Protection	1,553	7,670	13,786	19,903	25,728	63,256	22.5%
Senior Center	10	164	318	472	618	762	0.3%
Community Development	144	709	1,274	1,839	2,378	5,845	2.1%
Fire Protection	2,785	13,750	24,714	35,679	46,121	113,392	40.3%
Public Works: Street Maintenance	0	10,588	10,588	10,588	10,588	10,588	3.8%
Public Works: Refuse and Recycling	487	2,406	4,325	6,244	8,072	19,846	7.1%
Public Works: Park Maintenance	445	2,198	3,950	5,703	7,372	13,910	4.9%
Public Works: Other Costs	255	1,260	2,266	3,271	4,229	10,398	3.7%
Total Recurring Costs	\$6,713	\$45,797	\$72,364	\$98,933	\$124,236	\$281,312	100.0%
<u>General Fund Annual Recurring Surplus</u>	\$14,492	\$25,831	\$48,028	\$70,222	\$91,832	\$104,099	
<u>General Fund Revenue/Cost Ratio</u>	3.16	1.56	1.66	1.71	1.74	1.37	

Note: 1. The off-site retail sales and use tax declines post-year 5 because of the net effect of adding on-site retail sales and use tax in the annexation area.

Source: Stanley R. Hoffman Associates, Inc.

continues to increase throughout the subdivision construction, with the projected surplus to the General Fund at \$91,832 in Year 5. With buildout of the other annexed areas after Year 5, the projected recurring surplus to the City General Fund for the total annexation area after buildout is projected at \$104,099.

Projected Recurring Revenues – Total Annexation Area

About 77.2 percent of the total projected revenues after buildout of the total Orchard Heights Development Annexation are comprised of property tax, VLF - property tax in lieu and sales and use tax.

Projected Recurring Costs – Total Annexation Area

Fire protection, police protection and general government are the largest projected recurring costs and account for about 78.2 percent of total projected recurring costs for the total Orchard Heights Development Annexation after buildout.

5.2 Phased Fiscal Impacts – 95-Unit Subdivision

The projected cumulative impacts to the City General Fund for the first five years after annexation of the 95-unit subdivision in the Orchard Heights Development Annexation are included in Table 5-3. The existing development on the subdivision property is assumed during the first year after annexation, with development as proposed on the 95-unit property beginning in the second year after annexation.

As shown in Table 5-3, a surplus of \$4,430 is projected to the City General Fund for Year 1, which includes the existing property taxes on the property. A surplus of \$15,769 is projected for Year 2 when the first 24 new units in the subdivision are completed. As new units are completed in Years 3 through 5, the projected surplus to the General Fund increases to \$60,846 at buildout of the subdivision.

Projected Recurring Revenues – 95-Unit Subdivision

About 78.7 percent of the total projected revenues after buildout of the proposed Orchard Heights subdivision are comprised of property tax, VLF - property tax in lieu, and off-site sales and use tax.

Projected Recurring Costs – 95-Unit Subdivision

Fire protection, police protection and general government are the largest projected recurring costs and account for about 72.9 percent of total projected recurring costs for the new subdivision after buildout.

5.3 Phased Fiscal Impacts –Annexed Areas Outside Subdivision

As shown in Table 5-4, a surplus of \$10,062 is projected to the City General Fund for Year 1, which includes the existing development on the property. Currently there are no proposed development plans for the areas outside the proposed 95-unit subdivision in the total Orchard Heights Development Annexation. Therefore, the projected impacts upon annexation are the same for the first five years. However, for future buildout of the areas outside the subdivision an annual recurring surplus of \$43,253 is projected based on the land use description in Chapter 2.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision						
	Upon Annexation Year 1	Year 2	Year 3	Year 4	Project Buildout Year 5	Post - Year 5	Percent of Total
<u>General Fund Annual Recurring Revenues</u>							
Property Taxes	\$4,430	\$23,979	\$43,528	\$63,077	\$81,811	\$81,811	45.9%
VLFF-Property Tax in Lieu	0	13,248	26,496	39,744	52,440	52,440	29.4%
Property Transfer Tax	0	583	1,058	1,533	1,989	1,989	1.1%
Off-Site Retail Sales and Use Tax ¹	0	7,885	14,313	20,741	26,901	5,977	3.4%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	0	0.0%
On-Site Retail Sales and Use Tax	0	0	0	0	0	0	0.0%
Proposition 172 Half Cent Sales Tax	0	77	139	202	262	262	0.1%
Franchise Fees	0	1,508	3,016	4,525	5,961	5,961	3.3%
Business Licenses	0	0	0	0	0	0	0.0%
Animal Licenses and Fines	0	72	144	215	284	284	0.2%
Fire Permits	0	77	77	74	306	306	0.2%
Recycling and Refuse	0	1,963	3,926	5,889	7,759	7,759	4.3%
Other Charges for Services (excluding one-time charges)	0	463	926	1,389	1,830	1,830	1.0%
Other Revenue	0	3,338	6,675	10,013	13,192	13,192	7.4%
Transfers In: State Gas Tax	0	1,293	2,586	3,878	5,109	5,109	2.9%
Transfers In: From Other City Funds	0	367	733	1,100	1,449	1,449	0.8%
Total Recurring Revenues	\$4,430	\$54,853	\$103,617	\$152,380	\$199,293	\$178,369	100.0%
<u>General Fund Annual Recurring Costs</u>							
General Government	\$0	\$6,018	\$10,109	\$14,200	\$18,096	\$18,096	15.4%
Police Protection	0	6,117	12,233	18,350	24,175	24,175	20.6%
Senior Center	0	154	308	462	608	608	0.5%
Community Development	0	565	1,130	1,695	2,234	2,234	1.9%
Fire Protection	0	10,965	21,929	32,894	43,336	43,336	36.9%
Public Works: Street Maintenance	0	10,588	10,588	10,588	10,588	10,588	9.0%
Public Works: Refuse and Recycling	0	1,919	3,838	5,757	7,585	7,585	6.5%
Public Works: Park Maintenance	0	1,753	3,505	5,258	6,927	6,927	5.9%
Public Works: Other Costs	0	1,005	2,011	3,016	3,974	3,974	3.4%
Total Recurring Costs	\$0	\$39,084	\$65,651	\$92,220	\$117,523	\$117,523	100.0%
<u>General Fund Annual Recurring Surplus</u>	\$4,430	\$15,769	\$37,966	\$60,160	\$81,770	\$60,846	
<u>General Fund Revenue/Cost Ratio</u>	n/a	1.40	1.58	1.65	1.70	1.52	

Note: 1. The off-site retail sales and use tax declines post-year 5 because of the net effect of adding on-site retail sales and use tax in the annexation area.

Source: Stanley R. Hoffman Associates, Inc.

Table 5-4
Detailed Projected Recurring Fiscal Impacts: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision						
	Upon Annexation Year 1	Year 2	Year 3	Year 4	Year 5	Buildout Post - Year 5	Percent of Total Buildout
<u>General Fund Annual Recurring Revenues</u>							
Property Taxes	\$14,441	\$14,441	\$14,441	\$14,441	\$14,441	\$66,577	32.2%
VLF-Property Tax in Lieu	0	0	0	0	0	35,332	17.1%
Property Transfer Tax	28	28	28	28	28	730	0.4%
Off-Site Retail Sales and Use Tax	0	0	0	0	0	1,800	0.9%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	18,959	9.2%
On-Site Retail Sales and Use Tax	0	0	0	0	0	34,873	16.8%
Proposition 172 Half Cent Sales Tax	0	0	0	0	0	542	0.3%
Franchise Fees	383	383	383	383	383	9,637	4.7%
Business Licenses	0	0	0	0	0	6,998	3.4%
Animal Licenses and Fines	18	18	18	18	18	328	0.2%
Fire Permits	20	20	20	20	20	327	0.2%
Recycling and Refuse	499	499	499	499	499	8,293	4.0%
Other Charges for Services (excluding one-time charges)	118	118	118	118	118	1,845	0.9%
Other Revenue	848	848	848	848	848	14,101	6.8%
Transfers In: State Gas Tax	328	328	328	328	328	5,151	2.5%
Transfers In: From Other City Funds	93	93	93	93	93	1,549	0.7%
Total Recurring Revenues	\$16,775	\$16,775	\$16,775	\$16,775	\$16,775	\$207,042	100.0%
<u>General Fund Annual Recurring Costs</u>							
General Government	\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	\$25,219	15.4%
Police Protection	1,553	1,553	1,553	1,553	1,553	39,081	23.9%
Senior Center	10	10	10	10	10	154	0.1%
Community Development	144	144	144	144	144	3,611	2.2%
Fire Protection	2,785	2,785	2,785	2,785	2,785	70,056	42.8%
Public Works: Street Maintenance	0	0	0	0	0	0	0.0%
Public Works: Refuse and Recycling	487	487	487	487	487	12,261	7.5%
Public Works: Park Maintenance	445	445	445	445	445	6,983	4.3%
Public Works: Other Costs	255	255	255	255	255	6,424	3.9%
Total Recurring Costs	\$6,713	\$6,713	\$6,713	\$6,713	\$6,713	\$163,789	100.0%
<u>General Fund Annual Recurring Surplus</u>	\$10,062	\$10,062	\$10,062	\$10,062	\$10,062	\$43,253	
<u>General Fund Revenue/Cost Ratio</u>	2.50	2.50	2.50	2.50	2.50	1.26	

Source: Stanley R. Hoffman Associates, Inc.

Projected Recurring Revenues –Annexed Areas Outside Subdivision

Projected property tax, VLF - property tax in lieu and sales and use tax account for about 76.2 percent of the total projected revenues after buildout of the other annexed areas.

Projected Recurring Costs –Annexed Areas Outside Subdivision

After buildout of the other annexed areas, fire protection, police protection and general government account for about 82.1 percent of total projected recurring costs.

CHAPTER 6

CITY OF LOMA LINDA FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the fiscal analysis of the Orchard Heights Development Annexation proposed annexation. The general demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. The City's revenues and costs as presented in the *City of Loma Linda, Fiscal Year 2015-2016 Adopted Budget*, discussions with key City staff and information from LAFCO staff are the sources for calculating fiscal factors.

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per road mile. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2015-2016 budget categories by the City's resident population, employment or total service population. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Loma Linda's total population of 24,649 is based on the State Department of Finance (DOF) estimate as of January 1, 2016. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvended gas taxes.

Estimated Senior Population

For purposes of projecting Senior Center costs, the fiscal analysis estimates the current Loma Linda population age 55 and over at 6,162. This estimate is based on the U.S. Census Bureau, 2010-2014 American Community Survey (ACS) estimate that people 55 years and over represent about 25 percent of the total City population, as shown in Appendix Table B-1.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. The total City employment of 17,242 for the year 2016 is based on an interpolation of the 2012 and 2040 City employment estimates from the Southern California Council of Governments' (SCAG) *2016-2040 RTP/SCS*, June 2015 estimates.

Table 6-1
City Population, Housing and Employment Assumptions
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Assumption	Description
	<u>Population and Housing</u> ¹
23,923	Household Population
<u>726</u>	<u>Group Quarters Population</u>
24,649	Total Population
5,865	Single Family Units
<u>3,831</u>	<u>Multi-Family Units</u>
9,696	Total Housing Units
9,147	Occupied Housing Units
2.61	Average Citywide Household Size
	<u>Estimated Senior Population</u> ²
25%	Share of Population over 55
6,162	Estimated Population over 55
	<u>Employment</u>
17,242 <i>times</i>	Total Employment in the City ³
88%	Estimated Share of Total Employment Commuting into the City ⁴
<i>equals</i>	
15,173	Estimated Employment Commuting into the City ⁴
	<u>Daily Students and Visitors</u> ⁵
5,300	Daily University Students and Visitors
	<u>Estimated Service Population</u> ⁶
24,649	Total Population
7,587	Estimated Employment (at 50 percent of 15,173 workers commuting into the City)
<u>2,650</u>	<u>Daily University Students and Visitors (at 50 percent of 5,300 daily students and visitors)</u>
34,886	Estimated Daily Total Service Population

- Note: 1. Population and housing estimates are January 1, 2016 estimates from the California Department of Finance (DOF).
2. For purposes of projecting Senior Center costs, the City's senior population is estimated at 6,162 based on the over 55 population representing about 25 percent of the total City population, as reported in the American Community Survey (ACS) cited below.
3. The total City employment estimate is for 2016 based on an interpolation of the 2012 and 2040 estimates from the Southern California Association of Governments, (SCAG), *2016-2040 RTP/SCS* June 2015 estimates.
4. Residents that live and work in the City are removed from the total City employment estimate because the impacts from these workers are included in the impacts to residents. Based on the 2014 U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) report for the City, about 88 percent of the total workers in the City come from outside the City, resulting in an estimate of 15,173 workers commuting into the City.
5. The estimates of the average daily university students and visitors are provided by City Community Development staff.
6. The fiscal analysis defines the service population as an estimate of resident population plus 50 percent of employment from outside the City and 50 percent of daily University students and visitors. Estimates of employment from outside the City and daily University students and visitors are weighted at 50 percent to account for the estimated less frequent use of City services by employment and University students and visitors versus resident population.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2016*, Sacramento, California, May 2016

Southern California Association of Governments (SCAG), *2016-2040 RTP/SCS*, June 2015

U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), *OnTheMap for Loma Linda, California*, 2014

U.S. Census Bureau, *2010-2014 American Community Survey (ACS) 5-Year Estimates, Demographic and Housing Estimates, DP04*

Loma Linda Community Development Department

To account for the workers who live and work in the City, the estimated share of workers from outside the City is used as the employment estimate for the fiscal analysis. Based on the U.S. Census Bureau 2014 Longitudinal Employer-Household Dynamic (LEHD) report for the City, about 88 percent of the total workers in the City come from outside the City, as shown in Appendix Table B-2. When this share is applied to the total employment estimate of 17,242, workers that commute into the City are estimated at 15,173.

Daily University Students and Visitors

To account for the impacts from the large number of daily University students and visitors to the City, they are included in the estimated service population for the fiscal analysis. The City Community Development staff provided an estimate of 5,300 daily University students and visitors.

Estimated Service Population

Fiscal factors that are impacted by population, employment, students and visitors to the City are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the estimated City employment from outside the City and 50 percent of the estimated daily University students and daily visitors to the City. Employment from outside the City and daily University students and daily visitors are weighted at 50 percent to account for the estimated less frequent use of City services by employment and visitors versus population.

As shown in Table 6-1, the service population for the City is estimated at 34,886. The service population estimate includes the resident population of 24,649, the weighted employment from outside the City of 7,587 (50 percent of 17,173), and the weighted University students and visitors estimate of 2,650 (50 percent of 5,300). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the resident population estimate.

6.2 City General Fund Revenue Assumptions

The revenue factors for the General Fund recurring revenues projected in the fiscal analysis are summarized in Table 6-2. These revenue factors are based on the City's Fiscal Year (FY) 2015-2016 revenues presented in Appendix Table B-3 and the City's population and service population estimates that are presented in Table 6-1. The remainder of this section describes the revenue factors.

Table 6-2
General Fund Recurring Revenue Factors
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Source	Adopted FY 2015-2016 Revenues	Projection Basis ¹	Annual Projection Factors or Amounts
<u>Property Taxes</u> ²	\$1,390,700	Case Study: Project Valuation	13.58% City General Fund share of 1% levy
<u>VLF - Property Tax In Lieu</u> ³	\$1,824,700	Case Study	\$920 per \$1,000,000 assessed valuation
<u>Property Transfer Tax</u>	\$40,000	Property Turnover and Valuation Assumptions	6.0% turnover rate \$0.55 per \$1,000 assessed valuation
<u>Sales and Use Tax</u>	\$6,607,000	Taxable Sales	1% of taxable sales
<u>Use Tax</u>		Use Tax as Percent of Sales Tax	11.6% of sales tax
<u>Proposition 172 (Half Cent Sales Tax)</u>	\$65,000	Total City Sales and Use Tax = \$6,672,000	\$9.74 per \$1,000 of City sales and use tax
<u>Franchise Fees</u>	\$835,000	Service Population = 34,886	\$23.94 per service population
<u>Business Licenses</u>	\$398,200	Employment = 17,242	\$23.09 per employee
<u>Animal Licenses and Fines</u>	\$28,000	Population = 24,649	\$1.14 per capita
<u>Fire Permits</u>	\$43,000	Service Population = 34,886	\$1.23 per service population
<u>Recycling and Refuse</u>	\$1,087,200	Service Population = 34,886	\$31.16 per service population
<u>Other Charges for Services</u>	\$181,100	Population = 24,649	\$7.35 per capita
<u>Other Revenue</u>	\$1,848,200	Service Population = 34,886	\$52.98 per service population
<u>Transfers In:</u>			
<u>Gas Tax Fund</u>	\$505,700	Population = 24,649	\$20.52 per capita
<u>Transfers from Other Funds</u>	\$203,000	Service Population = 34,886	\$5.82 per service population
<u>Interest Earnings</u>	\$23,000	Share of Non-Interest Recurring Revenues = \$15,079,800	0.15% not projected

Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.
2. The fiscal analysis projects property tax at the average exchange of the basic one percent property tax allocations for tax rate areas (TRAs) in the project site upon annexation to the City, as shown in Appendix Table B-5.
3. The State has lowered the VLF rate, which reduces the amount of VLF received by cities and counties. However, the State is providing property taxes to offset the VLF reduction. VLF is estimated to change according to the City's increase in assessed valuation, as shown in Appendix Table B-6.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2016, Sacramento, California*, May 2016
Southern California Association of Governments (SCAG), *2016-2040 RTP/SCS*, June 2015
City of Loma Linda, Finance Department and Fire Department
San Bernardino County Local Agency Formation Commission (LAFCO)

As shown in Table 6-2, projected General Fund revenues include property tax; vehicle license fees (VLF) - property tax in lieu; property transfer tax; sales and use tax; Proposition 172 half-cent sales tax; franchise fees; animal licenses and fines; recycling and refuse; other charges for services; other revenue; transfers in; and interest earned on recurring revenues.

Property Tax

Property tax revenues are projected based on the City's share of the one percent property tax levy on the estimated assessed valuation for the proposed development in the Orchard Heights Development Annexation. The current allocation rates of the one percent property tax for the tax

rate areas (TRAs) 104073 and 104100 in the annexation area are presented in Appendix Table B-4. The City's share of the 1.0 percent basic levy is estimated at about 13.58 percent upon annexation, as shown in Appendix Table B-5. The calculations are based on property tax exchange amounts adopted in the San Bernardino County Administrative Office, *Property Tax Exchange Related to Local Agency Formation Commission 3214 - Reorganization to Include City of Loma Linda Annexation and Detachment from San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70*, December 6, 2016. This document is included in Appendix Exhibit B-1 of this report.

VLF - Property Tax In Lieu

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the State reduced the vehicle license tax in 2004. This VLF - property tax in lieu is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. VLF - Property tax in lieu revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table B-6, the VLF - property tax in lieu in the City is projected to increase at \$920 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in VLF - property tax in lieu in the City over the period from fiscal year 2004-2005 to fiscal year 2015-2016. The change over the period from fiscal year 2004-2005 to fiscal year 2015-2016 is used to represent an average of the economic upturns and downturns.

Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. The City will receive property tax in-lieu of VLF based on the change in its gross assessed valuation of taxable property for new development in the annexed area.

Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2010-2014 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 6.0 percent per year (see Appendix Table B-7). Non-residential turnover is assumed to be negligible.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. The fiscal analysis projects sales and use tax based on the estimated retail taxable sales made in the City by the future residents of the Orchard Heights Development Annexation.

Use Tax

In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table B-8 presents the City sales and use tax for calendar year 2015 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$726,123 of total sales and use tax was made from levies designated as use tax and the remaining \$6,279,529 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Loma Linda are estimated at an additional 11.6 percent of point-of-sale sales tax.

Proposition 172 (Half Cent Sales Tax)

As shown in Table 6-2, these revenues are projected at \$9.74 per \$1,000 of sales and use tax based on City estimated FY 2015-2016 Proposition 172 revenues of \$65,000 and the City's total sales and use tax estimate of \$6,607,000.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and refuse businesses within Loma Linda for use of public rights-of-way. Based on the City Fiscal Year (FY) 2015-2016 adopted budget revenues of \$835,000, franchise fees are projected at \$23.94 per service population, as shown in Table 6-2.

Business Licenses

Business license revenues are project at \$23.09 per employee based on the 2016 City employment estimate of 17,242 and FY 2015-2016 adopted budget revenues of \$398,200.

Animal Licenses and Fines

These fees are projected at \$1.14 per capita based on revenues of \$398,200 and the current city population estimate 24,649. Projected animal control fines are combined with animal licenses in the projected fiscal impacts for the annexation.

Fire Permits

City fire permit revenues are projected at \$1.23 per service population based on the City Fiscal Year (FY) 2015-2016 adopted budget revenues of \$43,000 and the City's estimated service population of 34,886, as shown in Table 6-2.

Recycling and Refuse

Refuse recycling service charges and collection revenues are projected at \$31.16 per service population based on FY 2015-2016 adopted budget revenues of \$1,087,200 and the City's estimated service population of 34,886.

Other Charges for Services

These revenues are projected at \$7.35 per capita based on FY 2015-2016 adopted revenues of \$181,100 and the City's estimated population of 24,649. These other current service charges include sales of maps and publications, towing fees, household hazard waste, emergency medical service (EMS) membership, EMS response fees and miscellaneous services.

Other Revenue

As shown in Table 6-2, these revenues are projected at \$52.98 per service population based on FY 2015-2016 adopted revenues of \$1,848,200 and the City service population estimate of 34,886. Revenues in this category include refunds/reimbursements, miscellaneous revenue, damage claim recovery revenues and overhead revenues for services provided to the Water Enterprise Fund and the Sewer Enterprise Fund.

Transfers In

These revenues include transfers to the City General Fund from other City funds.

State Gas Tax. State gasoline taxes are projected at \$20.52 per capita based on the FY 2015-2016 adopted budget revenue amount of \$505,700 and the City population estimate of 24,649. State Gasoline tax accrues to the Gas Tax Fund, and these revenues contribute to Public Works Department expenditures for street maintenance, including sidewalks, curbs, gutters and other street related maintenance.

Other City Funds. Other transfers to the General Fund are projected at \$5.82 per service population based on adopted FY 2015-2016 budget revenues of \$203,000 and the City's estimated service population of 34,886.

Interest Earnings

These revenues represent about 0.15 percent of projected recurring General Fund revenues. However, because interest earned on investments are minimal, they are not projected in the fiscal analysis.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the Orchard Heights Development Annexation are presented in Table 6-3. These factors are based on the adopted expenditures in the City's FY 2015-2016 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of police, senior center, community development services, fire protection and public works.

General Government

General government costs such as City Council, City Clerk, City Manager, Finance, Information Services and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2015-2016 adopted general government costs of \$3,194,600 represent about 24.2 percent of direct line costs of \$13,197,800. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 18.2 percent of direct costs.

Police Protection

Police costs are projected at \$97.09 per service population, as shown in Table 6-3, based on FY 2015-2016 adopted budget expenditures of \$3,387,200 and the City's service population estimate of 34,886.

Table 6-3
General Fund Recurring Cost Factors
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Cost Category	Adopted FY 2015-2016 Expenditures	Net Cost	Projection Basis ¹	Annual Projection Factors
<u>General Government</u> ²	\$3,194,600	\$2,395,950	Case study	18.2% of direct line costs
<u>Police Protection</u>	\$3,387,200	\$3,387,200	Service population = 34,886	\$97.09 per service population
<u>Senior Center</u> ³	\$60,200	\$60,200	Senior population = 6,162	\$9.77 per senior
<u>Community Development</u> ⁴	\$777,200	\$312,900	Service population = 34,886	\$8.97 per service population
<u>Fire Department</u>	\$6,071,400	\$6,071,400	Service population = 34,886	\$174.04 per service population
<u>Public Works:</u>				
Street Maintenance ⁵	\$537,700	n/a	Case Study	\$7,600 per lineal mile
Refuse and Recycling	\$1,062,600	\$1,062,600	Service population = 34,886	\$30.46 per service population
Parks Maintenance ⁶	\$685,700	\$685,700	Population = 24,649	\$27.82 per capita
Other Public Works ⁷	<u>\$615,800</u>	\$556,900	Service population = 34,886	\$15.96 per service population
Total Public Works	\$2,901,800			

Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.

2. The calculation of the general government overhead rate is presented in Table 6-4.

3. Senior Center costs are projected for the senior population (55 years and over), which is estimated at about 25 percent of the total City population, as shown in Appendix Table B-1.

4. Initial community development costs are reduced by projected one-time revenues. Net costs for community development are presented in Panel A of Appendix Table B-9.

5. The estimated street maintenance cost per mile is presented in Appendix Table B-10.

6. No parks are planned for the proposed project, however park costs are projected at the current average Citywide cost per capita.

7. Other public works costs include traffic safety, engineering and facilities maintenance. Net costs for other public works are presented in Panel B of Appendix Table B-9.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*
City of Loma Linda, Finance Department and Public Works Department

Table 6-4
Calculation of City General Government Overhead Rate
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

General Fund Expenditures	Adopted FY 2015-2016 Expenditures	General Government	Non-General Government
<u>General Government</u>			
<u>Administration</u>			
City Council	\$109,300	\$109,300	
City Clerk	80,300	80,300	
City Manager	196,400	196,400	
Finance	420,900	420,900	
Information Services	73,400	73,400	
General Government	<u>2,314,300</u>	<u>2,314,300</u>	
Total Overhead Administration	\$3,194,600	\$3,194,600	
<u>Non-General Government</u>			
<u>Administration</u>			
Police Services - Administration	\$3,387,200		\$3,387,200
Senior Center - Administration	<u>60,200</u>		<u>60,200</u>
Non-General Government Administration Total	\$3,447,400		\$3,447,400
<u>Community Development</u>			
Planning	\$313,700		\$313,700
Building & Safety	272,700		272,700
Code Enforcement	<u>190,800</u>		<u>190,800</u>
Community Development Total	\$777,200		\$777,200
<u>Fire Department</u>			
Parking Control	\$147,500		\$147,500
Fire Prevention	267,800		267,800
Fire & Rescue Services	5,402,900		5,402,900
Disaster Preparation	<u>253,200</u>		<u>253,200</u>
Fire Department Total	\$6,071,400		\$6,071,400
<u>Public Works</u>			
Traffic Safety	\$116,100		\$116,100
Engineering	192,700		192,700
Street Maintenance	537,700		537,700
Facilities Maintenance	307,000		307,000
Refuse	1,043,900		1,043,900
Recycling	18,700		18,700
Parks Maintenance	<u>685,700</u>		<u>685,700</u>
Public Works Total	\$2,901,800		\$2,901,800
GRAND TOTAL GENERAL FUND	\$16,392,400	\$3,194,600	\$13,197,800

Current General Government Overhead Rate

General Government Expenditures			\$3,194,600
		<i>divided by</i>	
Direct General Fund Expenditures			\$13,197,800
		<i>equals</i>	
Current General Government Overhead Rate			24.2%

Marginal Increase in General Government Costs @ 75%¹

18.2%

Note: 1. General government costs for the project are not assumed to increase on a one-to-one basis. Therefore, the fiscal analysis projects general government at a marginal rate of 75 percent or 18.2 percent of non-general recurring costs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*

Senior Center

As shown in Table 6-3, Senior Center costs are projected at \$9.77 per senior person based on FY 2015-2016 adopted expenditures of \$60,200 and the City's senior (age 55 and over) population estimate of 6,162. The U.S. Census Bureau, 2010-2014 American Community Survey (ACS) estimates that people 55 years and over represent about 25 percent of the total City population. The ACS estimated population by age groups is presented in Appendix Table B-1.

Community Development

Based on FY 2015-2016 net community development costs of \$312,900 and the City service population estimate of 34,886, non-fee supported costs for community development are estimated at \$8.97 per service population. As shown in Table 6-3, the total General Fund community development costs of \$777,200 are offset by one-time processing permit and fee revenues of \$464,300, as shown in Panel A of Appendix Table B-9.

Fire Department

As shown previously in Table 6-3, fire protection costs are projected at \$174.04 per service population based on FY 2015-2016 adopted expenditures of \$6,071,400 and the City's estimated 34,886 service population.

Public Works

Public works costs include street maintenance; refuse and recycling; park maintenance and other public works costs.

Street Maintenance. Based on discussion with the City's Public Works staff, street maintenance costs are projected at \$7,600 per lineal mile. As shown Appendix Table B-10, based on discussion with City staff, street maintenance costs were estimated at an annualized cost of about \$7,000 per mile for slurry seal and overlay costs in 2011. City Public Works staff estimates that these costs have increased by about \$600 based on the increase in construction costs from Engineering News Record, or to \$7,600 per mile for slurry seal and overlay costs.

Refuse and Recycling. These costs are projected at \$30.46 per service population based on FY 2015-2016 adopted budget costs of \$1,062,600 for refuse and recycling services and the estimated current City service population of 34,886.

Park Maintenance. No parks are planned the Orchard Heights Development Annexation. However, park maintenance cost for project residents' use of City parks is projected at \$27.82

per capita. This cost factor is based on the FY 2015-2016 adopted budget costs of \$685,700 for park maintenance and the existing City population estimate of 24,649.

Other Public Works. Net recurring costs are projected for the other recurring public works costs of traffic safety, engineering and facilities maintenance. Based on FY 2015-2016 net costs of \$556,900 for these services and the City service population estimate of 34,886, non-fee supported costs for other public works are estimated at \$15.96 per service population. As shown in Table 6-3, the total General Fund other public works costs of \$615,800 are offset by one-time processing permit and fee revenues of \$58,900, as shown in Panel B of Appendix Table B-9.

APPENDIX A

DETAILED DEVELOPMENT IMPACT FEES

Table A-1 (page 1 of 3)
Development Impact Fees Schedule
Orchard Heights Development Annexation Plan for Services, City of Loma Linda
(In Constant 2016 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

FEES DUE? (Yes/No)		Bldg Permit #	
CASE NUMBER:		APN:	
PROJECT NAME:		SQ. FT.:	
PRJ. ADDRESS:		DATE:	
PLAN CHK. NO.:		Fees Updated	
PLANNER:			

COMMUNITY DEVELOPMENT

1. GENERAL GOVERNMENT FACILITIES

				Acct. No. 16-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$393.00		\$ -
Attached Dwelling Units	0	393.00		-
Mobile Home Units	0	393.00		-
Rural Dwelling Units	0	393.00		-
Senior Restricted Dwelling Units	0	393.00		-
	Sq. Ft.			
Assisted Care Living Units		\$0.095		-
	Rooms			
Commercial Lodging	0	\$58.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.095		-
Medical/Healthcare Office Uses	0.00	0.095		-
Hospital Uses	0.00	0.095		-
Industrial Uses	0.00	0.095		-
Institutional Uses	0.00	0.095		-
TOTAL	Note			\$ -

2. PARKLAND ACQUISITION AND DEVELOPMENT

				Acct. No. 4-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$12,489.00		\$ -
Attached Dwelling Units	0	7,459.00		-
Mobile Home Units	0	7,636.00		-
Rural Dwelling Units	0	12,489.00		-
Senior Restricted Dwelling Units	0	5,515.00		-
TOTAL	Note			\$ -

3. OPEN SPACE ACQUISITION

				Acct. No. 4-9411
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Commercial Lodging	0	\$667.00		\$ -
	Sq. Ft.	Fees/Sq.Ft.		
Assisted Care Living Units	0.00	0.32		-
Retail/Service/Office Uses	0.00	\$1.207		-
Medical/Healthcare Office Uses	0.00	1.226		-
Hospital Uses	0.00	0.500		-
Industrial Uses	0.00	1.226		-
Institutional Uses	0.00	1.226		-
TOTAL	Note			\$ -

4. PUBLIC MEETING FACILITIES

				Acct. No. 18-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,575.00		\$ -
Attached Dwelling Units	0	941.00		-
Mobile Home Units	0	963.00		-
Rural Dwelling Units	0	1,575.00		-
Senior Restricted Dwelling Units	0	696.00		-
TOTAL	Note			\$ -

5. ART IN PUBLIC PLACES

				Acct. No. 23-9409
DEVELOPMENT TYPE	Project \$ Value	% of Value	Credit	TOTAL
Residential Valuation	\$0.00	\$0.0025		\$ -
Commercial/Industrial Valuation		\$0.0050		-
TOTAL	Note			\$ -

(Continued...)

Table A-1 (page 2 of 3)
Development Impact Fees Schedule
Orchard Heights Development Annexation Plan for Services, City of Loma Linda
(In Constant 2016 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

PUBLIC SAFETY				
6. FIRE SUPPRESSION FACILITIES, ET. AL.				
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	Acct. No. 15-9409 TOTAL
Detached Dwelling Units	0	\$1,120.00		\$ -
Attached Dwelling Units	0	142.00		-
Mobile Home Units	0	771.00		-
Rural Dwelling Units	0	1,109.00		-
Senior Restricted Dwelling Units	0	1,448.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.663		-
	Rooms			
Commercial Lodging	0	77.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.056		-
Medical/Healthcare Office Uses	0.00	0.438		-
Hospital Uses	0.00	0.436		-
Industrial Uses	0.00	0.353		-
Institutional Uses	0.00	0.556		-
TOTAL	Note			\$ -

ENGINEERING				
7a. LOCAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES)				
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	Acct. No. 12-9409 TOTAL
Detached Dwelling Units	0	\$1,551.00		\$ -
Attached Dwelling Units	0	893.00		-
Mobile Home Units	0	779.00		-
Senior Restricted Dwelling Units	0	307.00		-
Rural Dwelling Units	0	1,551.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.298		-
	Rooms	Fees/room		
Commercial Lodging Units	0	\$ 463.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	2.832		-
Medical/Healthcare Office Uses	0.00	2.443		-
Hospital Uses	0.00	1.283		-
Industrial Uses	0.00	0.524		-
Institutional Uses	0.00	0.915		-
Fair Share - PROW Improvements				
TOTAL	Note			\$ -

7b. REGIONAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES)				
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	Acct. No. 24-9409 TOTAL
Detached Dwelling Units	0	\$3,741.00		\$ -
Attached Dwelling Units	0	2,154.00		-
Mobile Home Units	0	1,879.00		-
Senior Restricted Dwelling Units	0	740.00		-
Rural Dwelling Units	0	3,741.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.298		-
	Rooms	Fees/room		
Commercial Lodging Units	0	\$ 1,117.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$6.831		-
Medical/Healthcare Office Uses	0.00	\$5.893		-
Hospital Use	0.00	\$3.095		-
Industrial Uses	0.00	1.265		-
Institutional Uses	0.00	2.206		-
TOTAL	Note			\$ -

8. STORM DRAINAGE FACILITIES				
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	Acct. No. 9-9481 TOTAL
Detached Dwelling Units	0	\$1,331.00		\$ -
Attached Dwelling Units	0	311.00		-
Mobile Home Units	0	296.00		-
Rural Dwelling Units	0	4,024.00		-
Senior Restricted Dwelling Units	0	197.00		-
	Sq. Ft.			
Assisted Care Units	0.00	0.109		-
	Room			
Commercial Lodging	0	118.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.221		-
Medical/Healthcare Office Uses	0.00	0.237		-
Hospital Uses	0.00	0.099		-
Industrial Uses	0.00	0.214		-
Institutional Uses	0.00	0.207		-
TOTAL	Note			\$ -

(Continued...)

Table A-1 (page 3 of 3)
Development Impact Fees Schedule
Orchard Heights Development Annexation Plan for Services, City of Loma Linda
(In Constant 2016 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

9. WATER GENERATION, STORAGE AND DISTRIBUTION FACILITIES				Acct. No. 38-9782
DEVELOPMENT TYPE	# of Units	Fees/Unit		TOTAL
Detached Dwelling Units	0	\$5,826.00		\$ -
Attached Dwelling Units	0	4,303.00		-
Mobile Home Units	0	3,951.00		-
Rural Dwelling Units	0	5,826.00		-
Senior Restricted Dwelling Units	0	1,908.00		-
	Sq. Ft.			
Assisted Care Units	0.00	0.749		-
	Rooms			
Commercial Lodging	0	2,863.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.288		-
Medical/Healthcare Office Uses	0.00	1.448		-
Hospital Uses	0.00	0.607		-
Industrial Uses	0.00	0.455		-
Institutional Uses	0.00	0.463		-
TOTAL	Note			\$ -

10. WASTEWATER (SEWER) COLLECTION SYSTEM				Acct. No. 17-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,073.00		\$ -
Attached Dwelling Units	0	793.00		-
Mobile Home Units	0	726.00		-
Rural Dwelling Units	0	1,073.00		-
Senior Restricted Dwelling Units	0	351.00		-
	Sq. Ft.			
Assisted Care Units	0.00	0.138		-
	Rooms			
Commercial Lodging	0	527.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.053		-
Medical/Healthcare Office Uses	0.00	0.267		-
Hospital Uses	0.00	0.112		-
Industrial Uses	0.00	0.085		-
Institutional Uses	0.00	0.085		-
TOTAL	Note			\$ -

TOTAL DEVELOPMENT FEE COST	\$ -
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ADDITIONAL CONTACT INFORMATION:

SCHOOL FEES REDLANDS UNIFIED SCHOOL DISTRICT (909) 748-6730

SEWER CAPACITY FEES
CITY OF SAN BERNARDINO CITY OF SAN BERNARDINO WATER DEPT (909) 384-5093

CITY OF LOMA LINDA PLAN CHECK & PERMIT FEES:
BUILDING PLAN CHECK CITY OF LOMA LINDA BUILDING DEPT (909) 799-2836
BUILDING PERMIT
GRADING PERMIT
FIRE SPRINKLER
FIRE PLAN CHECK

Fee Schedule Last Updated as of 8/21/2015

Development fees including Regional Transportation - Resolution #2841
Adopted 04-14-15
Effective 07-01-15

Water Connection fees- Resolution #2315
Adopted 02-10-04
Effective 03-01-04

Art in Public Places - Ordinance #651
Adopted 12/13/05
Effective 01/10/06

APPENDIX B SUPPORTING FISCAL TABLES

Table B-1
U. S. Census, American Community Survey: Population by Age
City of Loma Linda

Subject	Loma Linda City	
	Estimate	Percent
SEX AND AGE		
Total population	23,648	100%
Male	11,720	49.6%
Female	11,928	50.4%
Under 5 years	1,503	6.4%
5 to 9 years	1,435	6.1%
10 to 14 years	1,244	5.3%
15 to 19 years	1,098	4.6%
20 to 24 years	1,629	6.9%
25 to 34 years	4,997	21.1%
35 to 44 years	2,970	12.6%
45 to 54 years	2,797	11.8%
55 to 59 years	1,303	5.5%
60 to 64 years	1,350	5.7%
65 to 74 years	1,781	7.5%
75 to 84 years	979	4.1%
85 years and over	562	2.4%
Total 55 and Over	5,975	25%

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2010-2014 American Community Survey, Report DP05

Table B-2
U.S. Census 2014 Live/Work Data
City of Loma Linda

Category	2014	
	Count	Share
<u>Selection Area Labor Market Size (Primary Jobs)</u>		
Employed in the Selection Area	16,876	100.0%
Living in the Selection Area	7,989	47.3%
Net Job Inflow (+) or Outflow (-)	8,887	-
<u>In-Area Labor Force Efficiency (Primary Jobs)</u>		
Living in the Selection Area	7,989	100.0%
Living and Employed in the Selection Area	2,085	26.1%
Living in the Selection Area but Employed Outside	5,904	73.9%
<u>In-Area Employment Efficiency (Primary Jobs)</u>		
Employed in the Selection Area	16,876	100.0%
Employed and Living in the Selection Area	2,085	12.4%
Employed in the Selection Area but Living Outside	14,791	87.6%
<u>Outflow Job Characteristics (Primary Jobs)</u>		
External Jobs Filled by Residents	5,904	100.0%
Workers Aged 29 or younger	1,298	22.0%
Workers Aged 30 to 54	3,312	56.1%
Workers Aged 55 or older	1,294	21.9%
Workers Earning \$1,250 per month or less	1,214	20.6%
Workers Earning \$1,251 to \$3,333 per month	2,079	35.2%
Workers Earning More than \$3,333 per month	2,611	44.2%
Workers in the "Goods Producing" Industry Class	559	9.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	1,148	19.4%
Workers in the "All Other Services" Industry Class	4,197	71.1%
<u>Inflow Job Characteristics (Primary Jobs)</u>		
Internal Jobs Filled by Outside Workers	14,791	100.0%
Workers Aged 29 or younger	2,524	17.1%
Workers Aged 30 to 54	9,022	61.0%
Workers Aged 55 or older	3,245	21.9%
Workers Earning \$1,250 per month or less	1,120	7.6%
Workers Earning \$1,251 to \$3,333 per month	4,738	32.0%
Workers Earning More than \$3,333 per month	8,933	60.4%
Workers in the "Goods Producing" Industry Class	115	0.8%
Workers in the "Trade, Transportation, and Utilities" Industry Class	498	3.4%
Workers in the "All Other Services" Industry Class	14,178	95.9%
<u>Interior Flow Job Characteristics (Primary Jobs)</u>		
Internal Jobs Filled by Residents	2,085	100.0%
Workers Aged 29 or younger	388	18.6%
Workers Aged 30 to 54	1,139	54.6%
Workers Aged 55 or older	558	26.8%
Workers Earning \$1,250 per month or less	172	8.2%
Workers Earning \$1,251 to \$3,333 per month	446	21.4%
Workers Earning More than \$3,333 per month	1,467	70.4%
Workers in the "Goods Producing" Industry Class	11	0.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	17	0.8%
Workers in the "All Other Services" Industry Class	2,057	98.7%

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household

Dynamics (LEHD) Origin-Destination Employment Statistics, Loma Linda, California, 2014

Table B-3 (page 1 of 2)
General Fund Recurring Revenues
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Category	Adopted FY 2015/2016 Revenue	Orchard Heights Development Annexation		
		Annual Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
<u>Taxes and Assessments</u>				
<u>Property Taxes</u>				
Current Secured	\$960,000	\$0	\$0	\$960,000
Current Unsecured	40,700	0	0	40,700
Statutory Pass-Thru	50,000	0	0	50,000
Prior Taxes	50,000	0	0	50,000
Supplemental Current	10,000	0	0	10,000
Miscellaneous Taxes	15,000	0	0	15,000
Negotiated Pass-Thru	55,000	0	0	55,000
Residual Balance RPTTF	<u>210,000</u>	<u>0</u>	<u>0</u>	<u>210,000</u>
Property Taxes Total	\$1,390,700	\$0	\$0	\$1,390,700
<u>Franchises</u>				
Franchises	\$715,000	\$0	\$0	\$715,000
Pavement Improvement Fees	<u>120,000</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
Franchises Total	\$835,000	\$0	\$0	\$835,000
<u>Sales and Use Tax</u>				
Sales Tax - SBE	\$5,440,500	\$0	\$0	\$5,440,500
Sales Tax - In Lieu	1,166,500	0	0	1,166,500
Sales Tax - Proposition 172	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>65,000</u>
Sales and Use Tax Total	\$6,672,000	\$0	\$0	\$6,672,000
<u>Other Taxes</u>				
Transient Occupancy Tax	\$220,000	\$0	\$220,000	\$0
Property Transfer Tax	40,000	0	0	40,000
Business Licenses	<u>398,200</u>	<u>0</u>	<u>0</u>	<u>398,200</u>
Other Taxes Total	\$658,200	\$0	\$220,000	\$438,200
Taxes and Assessments Total	\$9,555,900	\$0	\$220,000	\$9,335,900
<u>Licenses and Permits</u>				
Animal Licenses	\$25,000	\$0	\$0	\$25,000
Public Works - Miscellaneous Permits	9,000	9,000	0	0
Building Permits	336,000	336,000	0	0
Fire Plan Check	34,600	34,600	0	0
Fire Permits - Annual	43,000	0	0	43,000
Miscellaneous Permits	<u>500</u>	<u>0</u>	<u>500</u>	<u>0</u>
Licenses and Permits Total	\$448,100	\$379,600	\$500	\$68,000
<u>Fines and Forfeits</u>				
State Mandate Fee	\$1,500	\$0	\$1,500	\$0
Code Violations	1,000	1,000	0	0
Animal Code Fines	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Fines and Forfeits Total	\$5,500	\$1,000	\$1,500	\$3,000
<u>Use of Money and Property</u>				
Interest	\$23,000	\$0	\$0	\$23,000
Lease Income	199,000	0	199,000	0
Facilities Rental	<u>18,000</u>	<u>0</u>	<u>18,000</u>	<u>0</u>
Use of Money and Property Total	\$240,000	\$0	\$217,000	\$23,000
<u>Intergovernmental</u>				
Federal Grants	\$9,000	\$0	\$9,000	\$0
Vehicle License Fee - In Excess	9,700	0	9,700	0
VLF - Property Tax In-Lieu	1,824,700	0	0	1,824,700
Homeowners Property Tax Relief	<u>12,000</u>	<u>0</u>	<u>12,000</u>	<u>0</u>
Intergovernmental Total	\$1,855,400	\$0	\$30,700	\$1,824,700

Table B-3 (page 2 of 2)
General Fund Recurring Revenues
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Category	Adopted FY 2015/2016 Revenue	Orchard Heights Development Annexation		
		Annual Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
<u>Charges for Services</u>				
General Plan Update	\$33,000	\$0	\$33,000	\$0
VA Fire Services	190,800	0	190,800	0
CSA 38 Fire Services	13,000	0	13,000	0
Planning Fees	87,200	87,200	0	0
Environmental Impact Fees	5,000	5,000	0	0
Sale of Maps & Publications	100	0	0	100
Project Plans/Specific Plans	500	500	0	0
Engineering Inspection	24,700	24,700	0	0
Engineering Plan Check	25,200	25,200	0	0
Towing Fees	3,000	0	0	3,000
Weed Abatement	25,000	0	0	25,000
Refuse Recycling Revenue	100	0	0	100
Household Hazard Waste	32,500	0	0	32,500
Recycling Service Charges	52,600	0	0	52,600
Refuse Collection	741,400	0	0	741,400
Refuse - Pass Through	159,300	0	0	159,300
LL Disposal Direct Collections	133,800	0	0	133,800
EMS - Membership	19,100	0	0	19,100
EMS Response Fee	97,400	0	0	97,400
Miscellaneous Services	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>4,000</u>
Charges for Services Total	\$1,647,700	\$142,600	\$236,800	\$1,268,300
<u>Other Revenue</u>				
Refunds/Reimbursements	\$13,000	\$0	\$0	\$13,000
Miscellaneous Revenue	20,000	0	0	20,000
Donations	300	0	300	0
Cash Over or Short	100	0	100	0
Damage Claim Recovery	5,000	0	0	5,000
Overhead - M & O	1,810,200	0	0	1,810,200
Overhead - Capital	<u>112,100</u>	<u>0</u>	<u>112,100</u>	<u>0</u>
Other Revenue Total	\$1,960,700	\$0	\$112,500	\$1,848,200
<u>Transfers In</u>				
Traffic Safety Fund	\$120,000	\$0	\$0	\$120,000
Gas Tax Fund	505,700	0	0	505,700
Citizens' Option Public Safety (COPS)	<u>83,000</u>	<u>0</u>	<u>0</u>	<u>83,000</u>
Transfers In Total	\$708,700	\$0	\$0	\$708,700
TOTAL GENERAL FUND OPERATING REVENUES	\$16,422,000	\$523,200	\$862,000	\$15,036,800

Note: 1. Revenues that occur on a one-time basis and revenues that occur as a fixed amount payment from other agencies are not projected.
2. Certain revenues, such as transient occupancy tax, are not projected because they are not impacted by the proposed annexation.
3. These are the recurring revenue categories projected for the proposed annexation.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*
City of Loma Linda, Finance Department

Table B-4
Current Tax Rate Area (TRA) Allocations
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Agency Code	Agency ¹	TRA 104073	TRA 104100	Weighted Average ²
AB01 GA01	San Bernardino County General Fund	0.15531525	0.15482052	0.15501346
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.23519720	0.23444772	0.23474002
BF03 GA01	Flood Control Zone 3	0.02718768	0.02710240	0.02713566
BF08 GA01	Flood Control District, Administration, Zones 3-6	0.00093893	0.00093623	0.00093728
BL01 GA01	San Bernardino County Free Library	0.01504050	0.01499019	0.01500981
BS01 GA01	County Superintendent of Schools, Countywide	0.00532964	0.00531252	0.00531920
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00209641	0.00209036	0.00209272
BS01 GA05	County Superintendent of Schools, Development Center	0.00054952	0.00054799	0.00054859
SC54 GA01	San Bernardino Community College	0.05458819	0.05441154	0.05448043
SU48 GA01	Redlands Unified School District	0.32087916	0.31987572	0.32026706
UF01 GA01	San Bernardino County Fire Protect District - Valley Service Area	0.12624374	0.12584842	0.12600259
UF01 GA05	San Bernardino County Fire Protect District - SBCFPD-ADMIN	0.02788616	0.02779762	0.02783215
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00034872	0.00202692	0.00137242
WT01 GL01	San Bernardino Valley Water Conservation District	0.00030765	0.00178788	0.00121059
WU23 GA01	San Bernardino Valley Municipal Water	<u>0.02809125</u>	<u>0.02800397</u>	<u>0.02803801</u>
	Total	1.00000000	1.00000000	1.00000000
	Current Assessed Value	\$7,272,786	\$11,595,040	\$18,867,826
	Share of Total Valuation	39%	61%	100%

Note: 1. The property tax allocations affected by the annexation are shown in bold print. All tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).

2. The weighted average is based on the TRA share of the total valuation of about \$18.87 million for both TRAs, or for each allocation 39 percent is for TRA 104073 and 61 percent is for TRA 104100.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, 11/05/15

San Bernardino County Administrative Office, *Property Tax Exchange Related to Local Agency Formation Commission 3214 -*

Reorganization to Include City of Loma Linda Annexation and Detachment from San Bernardino County Fire Protection

District and its Valley Service Zone, and County Service Area 70, December 6, 2016

Table B-5
Tax Rate Area (TRA) Allocations upon Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Category	Property Tax Transfers From ¹		Property Tax Transfers To ¹	
	San Bernardino County Districts Property Tax Revenue	Share of Total Property Tax of \$188,678 in Annexing TRAs ²	San Bernardino County General Fund Property Tax	City of Loma Linda
Property Tax Recipient Impacted by Annexation ¹				
CSA 70	\$0	0.0000		
San Bernardino County Fire Protect District - Valley Service Area	\$23,773	0.1260		
San Bernardino County Fire Protect District - SBCFPD-ADMIN	<u>\$5,251</u>	<u>0.0278</u>		
Total	\$29,024	0.1538		
<i>divided by</i>				
Total Property Tax of \$188,678 in Annexing TRAs			\$3,410	\$25,614
<i>equals</i>				
Share of Total Property Tax of \$188,678 in Annexing TRAs ²			0.0181	0.1358

Note: 1. Only the districts impacted by the fiscal analysis of the proposed annexation are presented in this table, as shown in bold in Appendix Table B-4. Property tax numerical amounts and allocation amounts are based on the December 6, 2016 property tax exchange between the City and the County adopted in the agreement cited below.

2. The fiscal consultant calculated the shares of the one percent property tax of \$188,678 based on the amounts in the adopted agreement between the City and the County. The fiscal analysis assumes the City of Loma Linda will receive 13.58 percent of the basic one percent property tax levy on the estimated valuation of the proposed project.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, 11/06/15

San Bernardino County Administrative Office, *Property Tax Exchange Related to Local Agency Formation Commission 3214 - Reorganization to Include City of Loma Linda Annexation and Detachment from San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70, December 6, 2016*

Exhibit B-1 (page 1 of 3)
Property Tax Exchange
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

32

December 6, 2016

FROM: GREGORY C. DEVEREAUX, Chief Executive Officer
County Administrative Office

SUBJECT: PROPERTY TAX EXCHANGE RELATED TO LOCAL AGENCY FORMATION
COMMISSION 3214 – REORGANIZATION TO INCLUDE CITY OF LOMA LINDA
ANNEXATION AND DETACHMENT FROM SAN BERNARDINO COUNTY FIRE
PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY
SERVICE AREA 70

RECOMMENDATION(S)

Adopt Resolution approving the property tax revenue amounts that would be transferred as a result of the pending jurisdictional change related to Local Agency Formation Commission 3214 – reorganization to include annexation to the City of Loma Linda and detachment from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70.

(Presenter: Katrina Turturro, Deputy Executive Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS AND OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.
Ensure Development of a Well-Planned, Balanced, and Sustainable County.
Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Approval will potentially result in an ongoing reduction of \$29,024 in funding for the San Bernardino County Fire Protection District (SBCFPD), due to the transfer of property tax revenue to the City of Loma Linda (City). However, the City will assume responsibility and cost for municipal services in the reorganization area. The proposed transfer does not affect County Service Area 70 (CSA 70) as it currently receives no property tax revenue for the reorganization area. The property tax exchange associated with this action will only be effective upon satisfactory completion of the reorganization proceedings.

The recommended redistribution of property tax revenue as a result of the pending reorganization related to LAFCO 3214 is as follows:

Page 1 of 2

PROPERTY TAX EXCHANGE RELATED TO LOCAL AGENCY
FORMATION COMMISSION 3214 – REORGANIZATION TO INCLUDE CITY
OF LOMA LINDA ANNEXATION AND DETACHMENT FROM SAN
BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY
SERVICE ZONE, AND COUNTY SERVICE AREA 70
DECEMBER 6, 2016
PAGE 2 OF 2

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AFFECTED AGENCY	TRANSFER TO	TRANSFER FROM
City of Loma Linda	\$25,614	
County General Fund	\$3,410	\$0
County Service Area 70		\$0
SBCFPD – Valley Service Zone		\$23,773
SBCFPD – Administration		\$5,251
TOTAL TRANSFER	\$29,024	\$29,024

BACKGROUND INFORMATION

On September 21, 2016, the City submitted an application to LAFCO proposing a reorganization to include annexation of the California Street Island. The application states that the reason for the proposed action is to provide services for a 95-unit single-family residential development proposed on 30 acres of the 81-acre annexation area.

The proposed reorganization area is generally located east of California Street, south of Redlands Blvd., west of the City of Redlands boundary, and north of Barton Road. The proposed reorganization area encompasses approximately 81 acres and is a totally surrounded island of unincorporated territory.

On September 22, 2016, LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the reorganization proposal. The NOF requires the San Bernardino County Auditor-Controller to estimate the property tax revenue and proportions by agency, which is used to establish the property tax revenue amounts to be transferred. A determination of the property tax revenue associated with the jurisdictional change must occur prior to issuance of the Certificate of Filing by LAFCO. The property tax exchange associated with this action will only be effective upon satisfactory completion of the reorganization proceedings. In accordance with Section 99 of the California Revenue and Taxation Code, both the City and the Board of Supervisors (Board) must adopt resolutions related to the property tax exchange. The Board is responsible for acting on behalf of all special districts (board-governed or independent).

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Dawn Messer, Deputy County Counsel, 387-5455) on November 16, 2016; Finance (Allegra Pajot, Administrative Analyst, 387-5005) on November 15, 2016; LAFCO (Kathleen Rollings-McDonald, Executive Officer, 388-0480) on November 17, 2016; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on November 18, 2016.

Exhibit A

	TRA	104073	104100	GRAND TOTAL
Assessed Value	\$	7,272,786	\$ 11,595,040	\$ 18,867,826
RDA Increment	\$	-	\$ (3,567,165)	\$ (3,567,165)
Net Value After RDA / TRA Frozen Base	\$	7,272,786	\$ 15,162,205	\$ 22,434,991
Tax Revenue	\$	72,728	\$ 115,950	\$ 188,678

TRANSFER TO					
COUNTY GENERAL FUND	\$	1,325	\$	2,085	\$ 3,410
CITY OF LOMA LINDA	\$	9,884	\$	15,730	\$ 25,614
Total Transfers To	\$	11,209	\$	17,815	\$ 29,024

Table B-6
Estimated Vehicle License Fees (VLF) - Property Tax In Lieu Factor
Orchard Heights Development Annexation Area Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Fiscal Year		Change
	2004-2005	2015-2016	
A. Nominal Dollars			
VLF - Property Tax In Lieu	\$1,191,535	\$1,824,700	\$633,165
Assessed Valuation (AV)	\$1,145,639,299	\$1,794,950,892	\$649,311,593
B. Percent Change in Consumer Price Index (January 2016 over January 2005)	195.40	247.16	1.26
C. Constant 2014 Dollars			
VLF - Property Tax In Lieu	\$1,501,334	\$1,824,700	\$323,366
Assessed Valuation (AV)	\$1,443,505,517	\$1,794,950,892	\$351,445,375
VLF Increase divided by AV			0.000920
VLF Increase per \$1,000,000 increase in AV			\$920

Sources: Stanley R. Hoffman Associates, Inc.

State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section*

97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005

City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*

San Bernardino County, Office of Assessor, *2015 Assessment Roll*

Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, Annual CPI, November 2015*

Table B-7
Estimated Annual Residential Turnover
Orchard Heights Development Annexation Area
Plan for Service and Fiscal Analysis, City of Loma Linda

City of Loma Linda	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	8,637	
Moved in 2010 or later	3,288	
Moved in 2000 to 2009	<u>3,782</u>	
Total Moved 2000 to 2014	7,070	
Annual Turnover Rate: 2000 to 2014 ¹	505	6%

Note: 1. The annual turnover rate is based on the assumption of fourteen years for the 2000 to 2014 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, *2010-2014 American Community Survey (ACS) 5-Year Estimates, Tenure by Year Householder Moved Into Unit, Report DP04*

Table B-8
Calculation of Use Tax Factor
Orchard Heights Development Annexation Area Plan for Service and Fiscal Analysis
City of Loma Linda

City of Loma Linda		Amount
<u>Use Tax</u>		
County Pool		\$721,612
State Pool		<u>4,511</u>
Total Use Tax		\$726,123
		<i>divided by</i>
<u>Point-of-Sale</u>		\$6,279,529
		<i>equals</i>
Use Tax Rate		11.6%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Sources: Stanley R. Hoffman Associates, Inc.
The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2015*

Table B-9
General Fund Net Community Development and Public Works Cost Factors
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Amount
A. COMMUNITY DEVELOPMENT	
<u>Community Development Costs</u>	\$777,200
	<i>minus</i>
<u>One-Time Processing Fees/Permits</u>	
Building Permits	\$336,000
Fire Plan Check	34,600
Code Violations	1,000
Planning Fees	87,200
Environmental Impact	5,000
Project Plans/Specific Plans	<u>500</u>
Total One-Time Revenues	\$464,300
	<i>equals</i>
<u>Recurring Net Community Development Costs</u>	\$312,900
	<i>divided by</i>
Service Population ¹	34,886
	<i>equals</i>
<u>Citywide Net Cost Factor per Service Population for Community Development</u>	\$8.97
B. OTHER PUBLIC WORKS ²	
<u>Other Public Works Costs</u>	
Traffic Safety	\$116,100
Engineering	\$192,700
Facilities Maintenance	<u>\$307,000</u>
Total Costs	\$615,800
	<i>minus</i>
<u>One-Time Processing Fees/Permits</u>	
Public Works - Miscellaneous Permits	\$9,000
Engineering Inspection	\$24,700
Engineering Plan Check	<u>25,200</u>
Total One-Time Revenues	\$58,900
	<i>equals</i>
<u>Recurring Net Other Public Works Costs</u>	\$556,900
	<i>divided by</i>
Service Population ¹	34,886
	<i>equals</i>
<u>Citywide Net Cost Factor per Service Population for Other Public Works</u>	\$15.96

Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.

2. Public works costs for street maintenance, refuse and recycling and park maintenance are projected separately, as shown in Table 6-3.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2015-2016 Adopted Budget*

Table B-10
Estimated Annual Street Maintenance Cost Factor
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category		Amount
2011 Slurry Seal and Overlay Maintenance Cost per Mile ¹		\$70,000
	<i>divided by</i>	
Frequency of Maintenance ²		10
	<i>equals</i>	
2011 Estimated Annualized Slurry Seal and Overlay Costs per Lineal Mile		\$7,000
	<i>plus</i>	
Adjustment to Current Dollars by City Staff		\$600
	<i>equals</i>	
Estimated Annualized Slurry Seal and Overlay Costs per Lineal Mile		\$7,600

Note: 1. Based on information from City public works' staff, in 2010-2011 the City spent about \$200,000 on overlay and slurry seal for about 3 miles of streets, which was about \$70,000 per mile.
2. Based on discussion with City staff, a 10-year cycle was used to estimate annual overlay and slurry seal costs. Based on the maintenance costs of \$70,000, the 2010-2011 annual costs were projected at \$7,000 per mile, and are adjusted to current dollars of \$7,600 per lineal mile by City staff based on the increase in construction costs from Engineering News Record over the period.

Sources: Stanley R. Hoffman Associates, Inc.
Loma Linda Public Works Department, Jeff Peterson, Associate Engineer

APPENDIX C PROJECT REFERENCES

CITY OF LOMA LINDA

25541 Barton Road
Loma Linda, CA 92354

Administration

Jarb Thaipejr, City Manager, 909.799.2810

City Clerk

Pamela Byrnes-O’Camb, City Clerk, 909.799.2819
Barbara Nicholson, HR Analyst/Deputy City Clerk, 909.799.2814

Community Development Department

Konrad Bolowich, Assistant City Manager, 909.799.2895
Lorena Matarrita, Associate Planner, 909.799.2830
Guillermo Arreola, former Senior Planner

Finance Department

Diana DeAnda, Director/City Treasurer, 909.799.2840

Fire Department

Jeff Bender, Fire Chief, 909.799.2852

Public Works Department

Jeff Peterson, Associate Engineer, 909.799.4407

COUNTY OF SAN BERNARDINO

Local Agency Formation Commission

215 North D Street
San Bernardino, CA 92415-0490
909.383.9900
Kathleen Rollings-McDonald, Executive Officer
Samuel Martinez, Assistant Executive Officer

CONSULTANT

Lilburn Corporation

1905 Business Center Drive
San Bernardino, CA 92408
909.890.1818

Cheryl Tubbs, Vice President, 909.890.1818, extension 232
Natalie P. Patty, Senior Environmental Analyst, 909.890.1818, extension 238

**Response from Tom Dodson
and Associates
Including the City of Loma Linda's
City's Initial Study and Mitigated
Negative Declaration
For the Orchard Heights Project**

Attachment 3

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



December 29, 2016

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

RECEIVED
JAN 04 2017

LAFCO
San Bernardino County

Dear Kathy:

LAFCO 3214 is a Reorganization to include Annexation to the City of Loma Linda (City) and Detachment from San Bernardino County Fire Protection District and County Service Area 70 (California Street Island). The proposed Reorganization encompasses approximately 84 acres that are generally located east of California Street, south of Redlands Boulevard, west of the City of Redlands boundary, and north of Barton Road. The property proposed for Reorganization consists of a totally surrounded island of unincorporated territory, but because it contains prime agricultural land it cannot be considered as a Commission ministerial action. However, the City prepared and certified an Initial Study/Mitigated Negative Declaration to comply with the California Environmental Quality Act (CEQA) in September 2016. The Reorganization of the project area to the City of Loma Linda will facilitate the development evaluated in this Initial Study, which concludes that the proposed project would not result in significant adverse impacts if the proposed LAFCO action is approved.

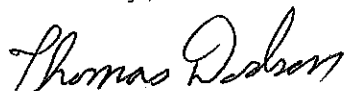
Based on the City's adopted Initial Study/Mitigated Negative Declaration (IS/MND), the Notice of Determination was filed September 2016. I am recommending that the Commission consider the adopted IS/MND as the appropriate CEQA environmental determination for LAFCO 3214. I make this recommendation even though the area currently being considered for Reorganization contains approximately three (3) additional acres not considered in the IS/MND. Based on my review of the circumstances, that additional 3 acres consists of a public flood control facility that will not be altered as a result of the Reorganization. Therefore, relying on the IS/MND and my recommendation that the proposed addition of the 3 acres has no potential to alter the environmental findings in the IS/MND, I believe it is appropriate for the Commission's CEQA environmental determination to cite the City's IS/MND as adequate documentation in accordance with the Commission's CEQA Responsible Agency status in this matter.

Under this circumstance, I recommend that the Commission take the following steps if it chooses to approve LAFCO 3214, acting as a CEQA Responsible Agency:

1. Indicate that the Commission staff and environmental consultant have independently reviewed the City of Loma Linda Initial Study and Negative Declaration and that the analysis in this document is adequate for the Reorganization decision.
2. The Commission needs to indicate that it has considered the Mitigated Negative Declaration, and environmental effects as outlined in the Initial Study, prior to reaching a decision on the proposed Reorganization and finds the information substantiating this environmental document adequate for its decision on LAFCO 3214.
3. The Commission should indicate that it does not intend to adopt alternatives or mitigation measures for this project. Mitigation measures were required in the IS/MND, but none of these measures would require LAFCO implementation.
4. File a Notice of Determination for this action as a Responsible Agency because the Commission is relying on the IS/MND as its CEQA environmental determination for LAFCO 3214.

If you have any questions regarding these recommendations, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Dodson".

Tom Dodson



NOTICE OF DETERMINATION

3214

TO: ☒ Clerk of the Board of Supervisors
San Bernardino County
385 N. Arrowhead Avenue, 2nd Floor
San Bernardino, CA 92415-0130

FROM: City of Loma Linda
Community Development Department
25541 Barton Road
Loma Linda, CA 92354
909-799-2830

☐ Office of Planning and Research (if project requires state approval)
P.O. Box 3044, Sacramento, CA 95812-3044

SUBJECT: FILING OF NOTICE OF DETERMINATION IN COMPLIANCE WITH SECTION 21152 OR 21108 OF THE PUBLIC RESOURCES CODE.

1. State Clearinghouse Number: N/A
2. Project Title/Number: ANX 15-043, GPA 15-044, ZMA 15-045, TTM 15-046 - Orchard Heights Project
3. Project Applicant: David Wood, Stratus Development Partners, LLC
4. Project Location (Include County): Generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road in the City of Loma Linda, CA; County of San Bernardino
5. Project Description:
 - a) General Plan Amendment to change the existing City of Loma Linda General Plan designation from Business Park to Low Density Residential for a 30-acre property;
 - b) Pre-Zone Application to establish designations of Single Family Residence Zone for 39 acres, Multi Family Residence Zone for 18 acres, Institutional Zone for 13 acres, General Business Zone for approximately 10 acres;
 - c) Annexation Application (to be submitted to LAFCO by Project Proponent; requiring City concurrence) to annex the entire 80-acre Project area into the City of Loma Linda for water and sewer service; and
 - d) Tentative Tract Map Application (TTM 19963) to subdivide an approximate 30-acre property into 95 single-family residences and nine (9) common lettered lots.

This is to advise that the Lead Agency, the City of Loma Linda, has approved the above described project on Sept. 13, 2016 and has made the following determinations regarding the above (date) described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
☒ A Mitigated Negative Declaration (MND) was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☒ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☒ was ☐ was not] adopted for this project.
5. A Statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the Mitigated Negative Declaration, is available to the General Public at: City of Loma Linda, Community Development Department
Location: 25541 Barton Road, Loma Linda, CA 92354

CLERK
STAMP:
Date Filed
And Posted

DATE FILED & POSTED

Posted On: 9/15/16

Removed On: 10/28/16

Receipt No: 36-091516-593

Lorena Matarrita

Lorena A. Matarrita, Associate Planner

Date: Sept. 14, 2016

CITY OF LOMA LINDA
ENVIRONMENTAL CHECKLIST FORM
AND INITIAL STUDY

Project Title: Annexation, GPA, Pre-Zone, and TTM 19963

Lead Agency Name: City of Loma Linda Community Development Department
Address: 25541 Barton Road
Loma Linda, CA 92354

Contact Person: Lorena A. Matarrita
Phone Number: (909) 799-2830

Project Sponsor: Stratus Development Partners
Address: 17 Corporate Plaza Drive, Suite 200
Newport Beach, CA 92660

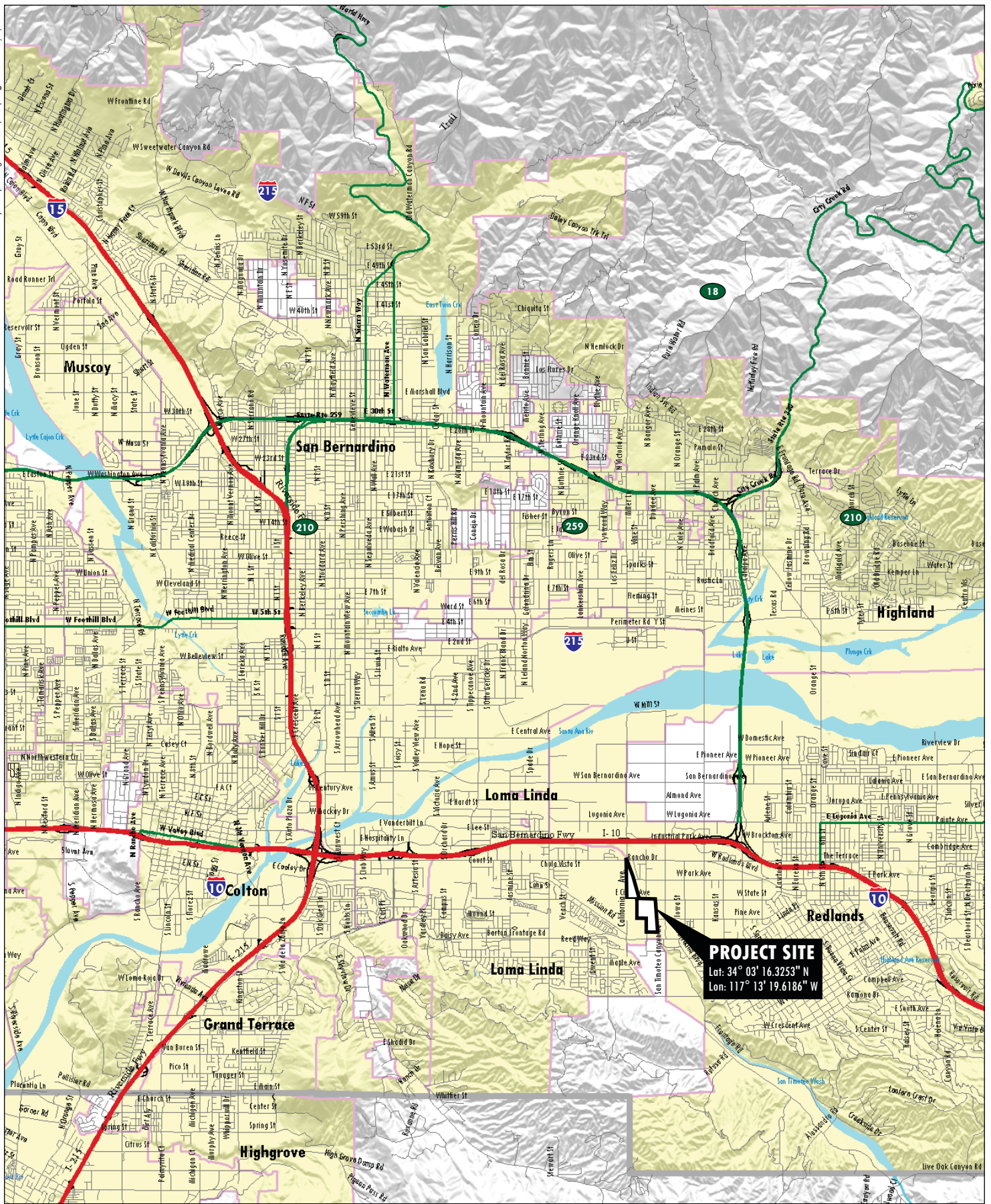
General Plan Designation: Commercial, Business Park and High Density Residential (City of Loma Linda); Multiple Residential and Community Industrial (County of San Bernardino)

Zoning: Multiple Residential and Community Industrial (County of San Bernardino)

Project Location: The Project Site is located within the unincorporated portion of San Bernardino County within the City of Loma Linda's Sphere of Influence (see Figure 1) and encompasses an approximate 80-acre area generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road (see Figure 2 – Project Vicinity and Annexation Area). Included in the 80-acre annexation area is a proposed 30-acre subdivision for the construction of 95 single-family residential units. The 30-acre site is currently developed with an existing orange grove and is composed of three parcels (APN 0292-161-02, 03 & 0292-163-08) located north of Orange Avenue, south of Citrus Lane and on the east and west sides of New Jersey Street (see Figure 2 – Project Vicinity and Annexation Area).

Project Description:

The City of Loma Linda is initiating the annexation of an approximate 80-acre area located near the City's eastern boundary and within the City's Sphere of Influence in an unincorporated portion of San Bernardino County generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road (see Figure 3 – City of Loma Linda Sphere of Influence). The Project also includes the request to approve a Tentative Tract Map (TTM 19963) to subdivide an approximate 30-acre property within the approximate 80-acre annexation area into 95 single-family residential lots and nine (9) common lettered lots as a phased development (see Figure 4 – Proposed TTM 19963). The 95 single-family residential lots would range in size from 7,200 square feet to 15,330 square feet (see Figure 4 – Site Plan). A majority of the annexation area is developed and includes the following land uses: residential, religious assembly, and agriculture (citrus groves). There are scattered areas of vacant land and land developed with citrus groves that total approximately 57 acres; this area could be developed in the future under the City of Loma Linda proposed pre-zoning (see Figure 5 – Existing Vacant Areas within the Annexation Area). Vacant and agricultural areas are currently zoned by the County of San Bernardino as Multiple Residential (RM) and Community Industrial (IC) (see Figure 6 – Existing County of San Bernardino Land Use Zoning Districts).



REGIONAL LOCATION

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
City of Loma Linda, California

FIGURE 1



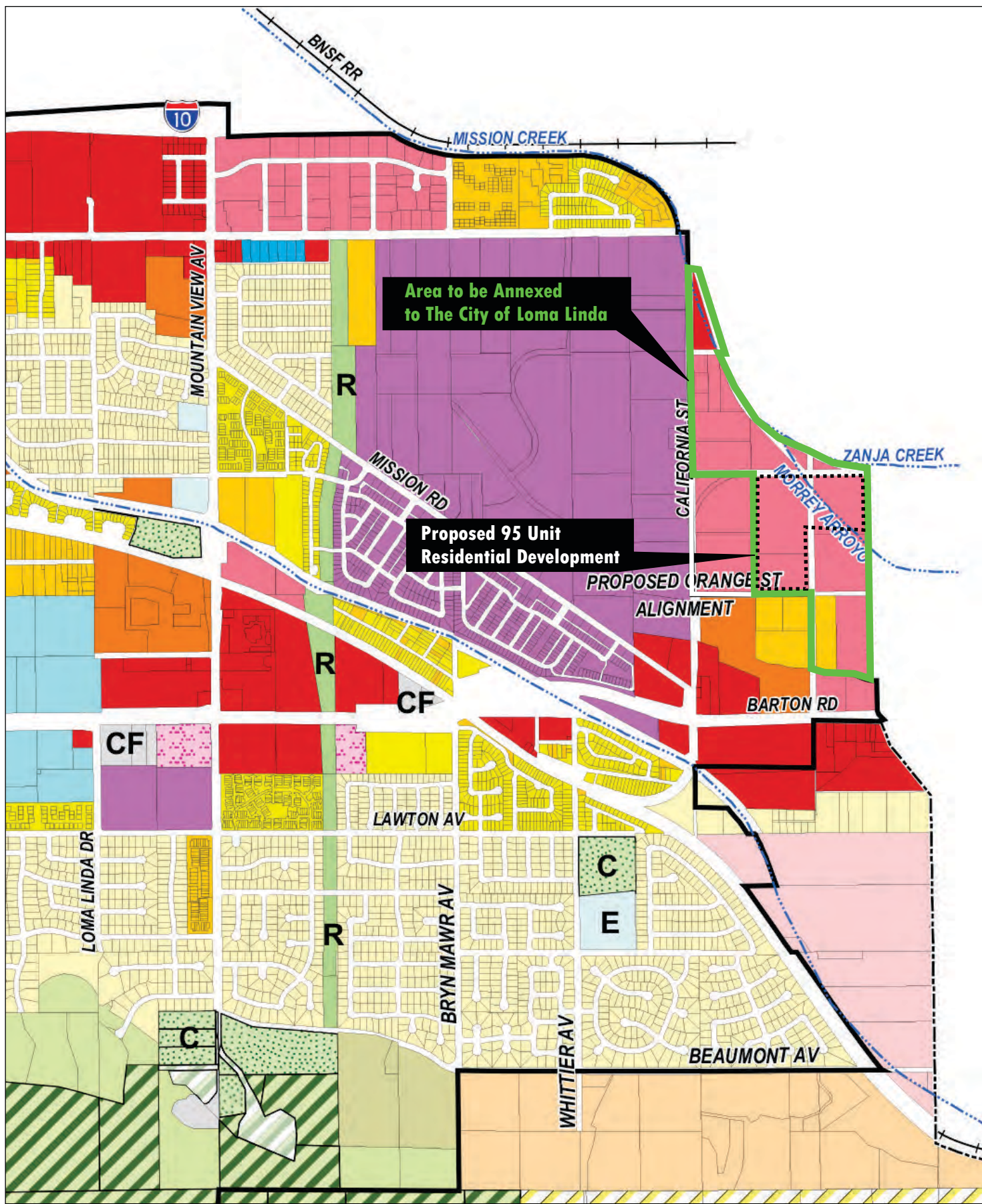
LEGEND

- City of Loma Linda Boundary
- City of Loma Linda Sphere of Influence
- Proposed Annexation to The City of Loma Linda
- Proposed Tentative Tract Map 19963

ANNEXATION PROJECT VICINITY

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
 City of Loma Linda, California

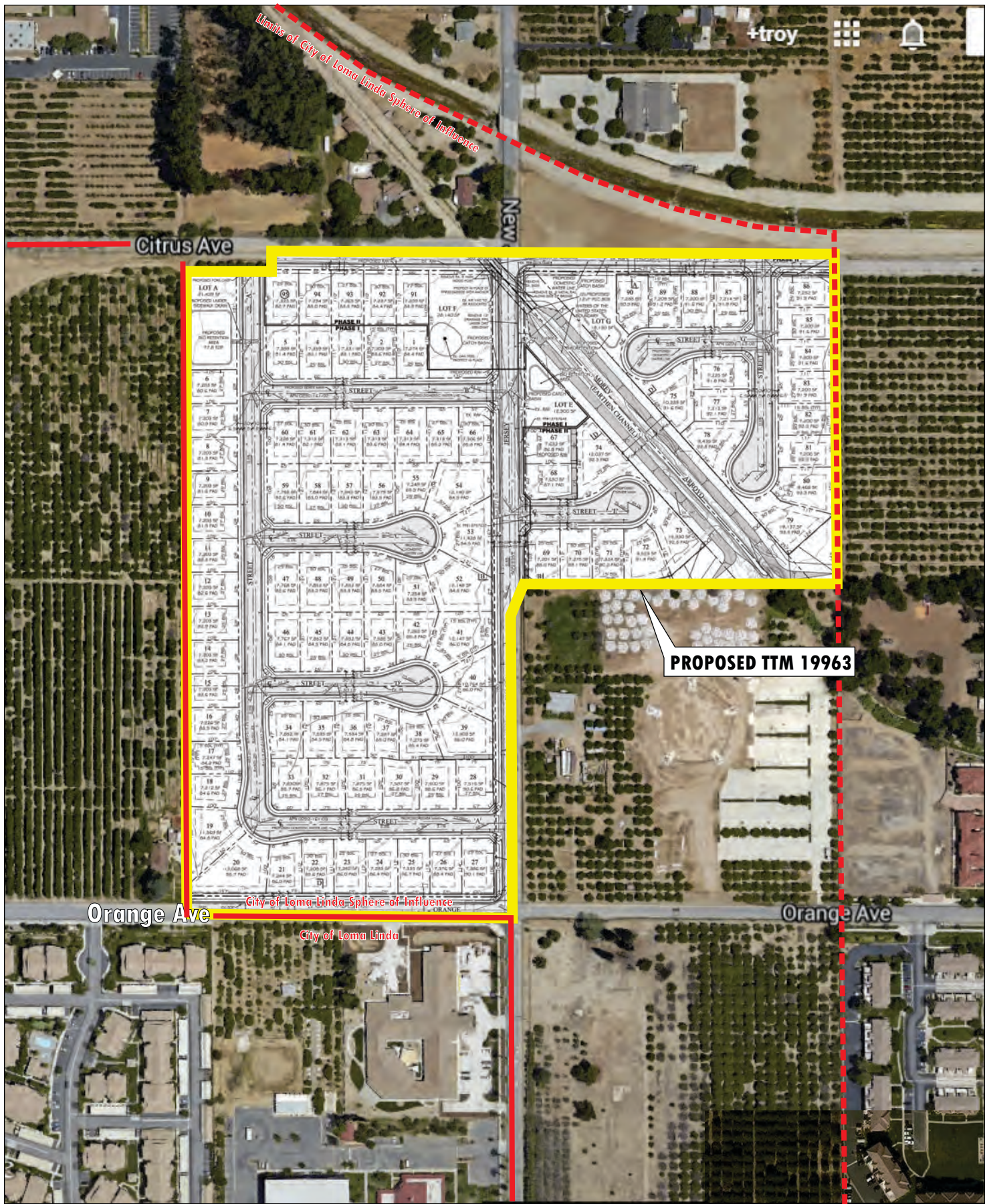
FIGURE 2



REGIONAL LOCATION within CITY OF LOMA LINDA SPHERE OF INFLUENCE

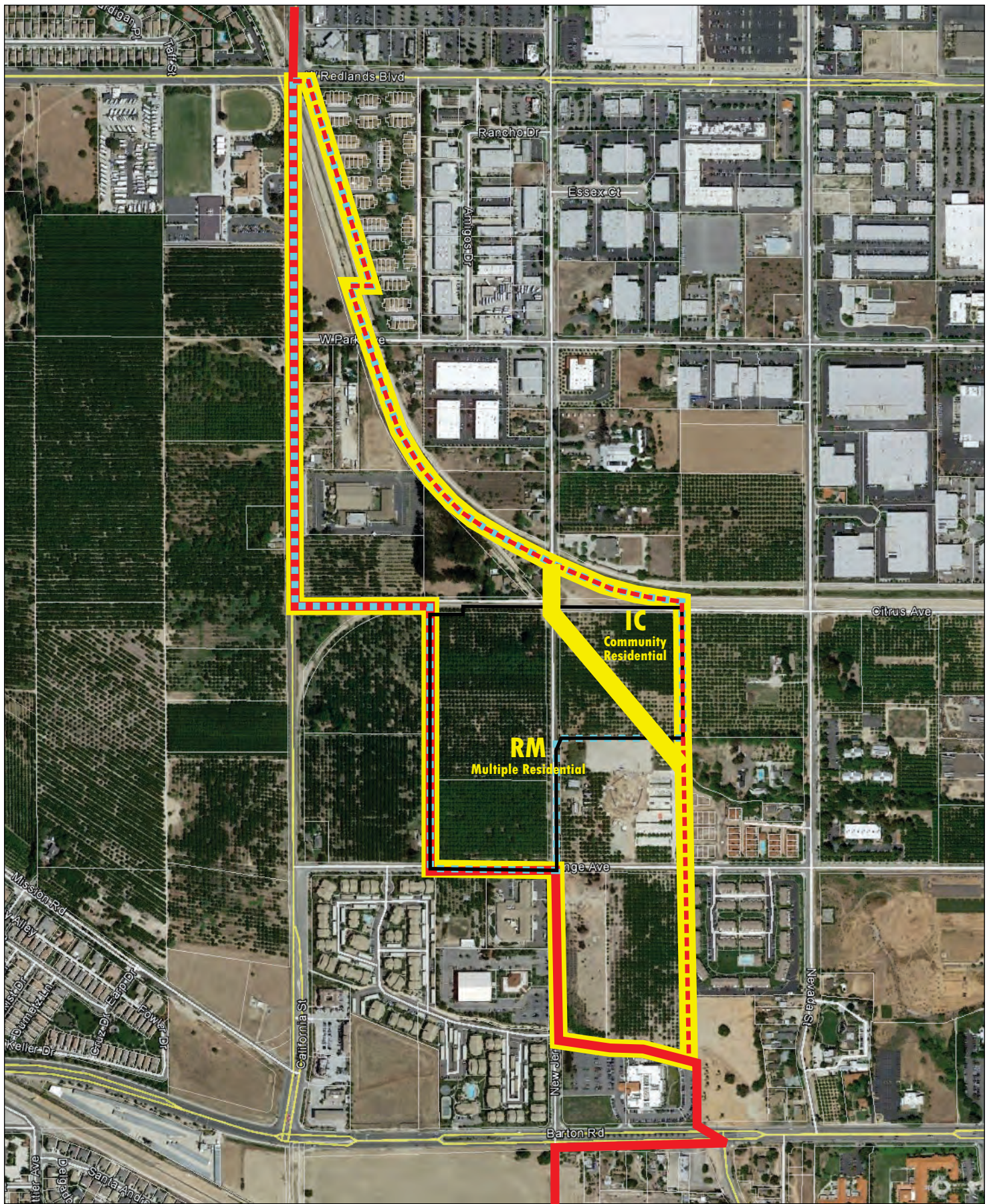
*PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
City of Loma Linda, California*

FIGURE 3



PROPOSED SITE PLAN - TTM 19963

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
City of Loma Linda, California



LEGEND

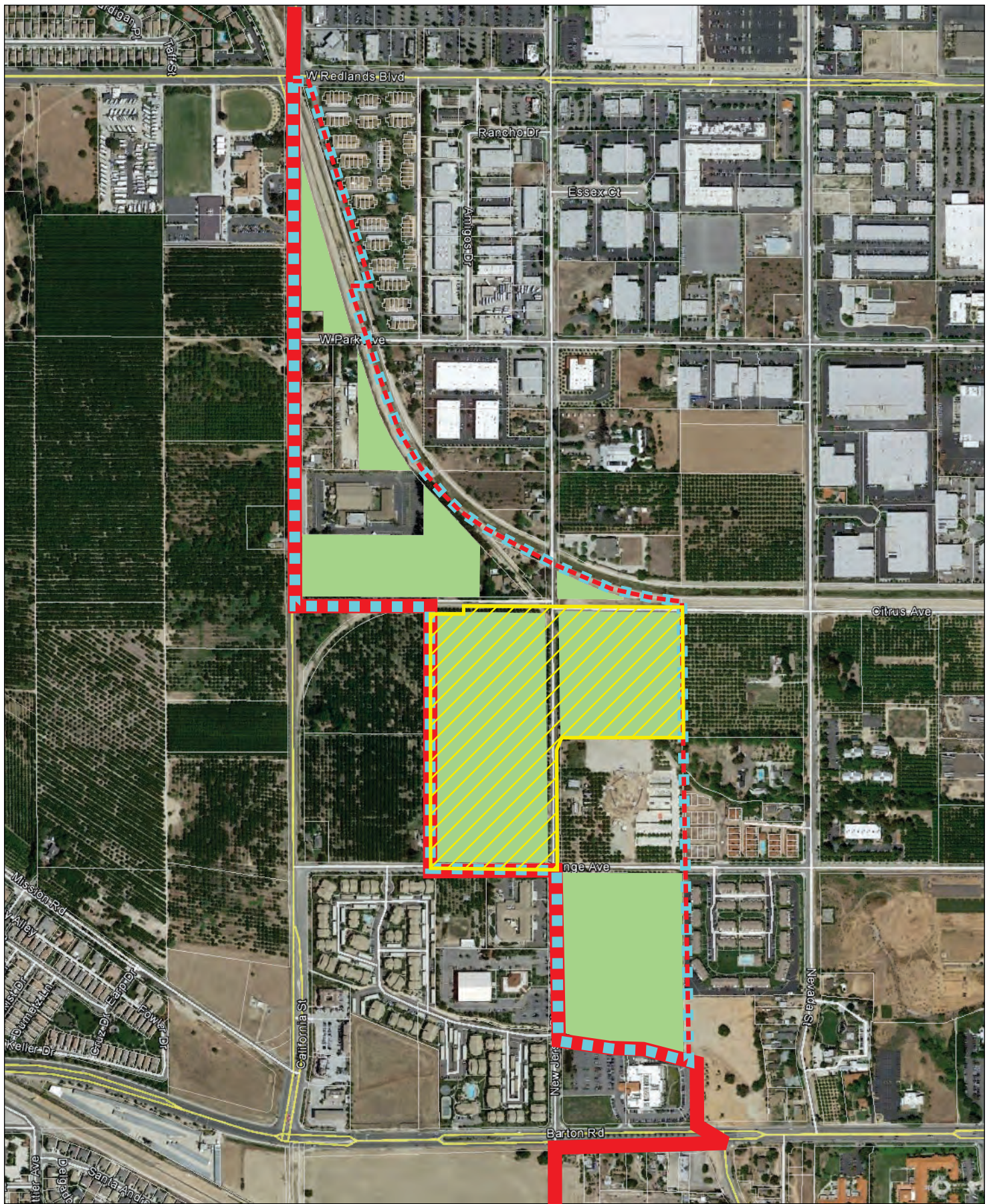
- City of Loma Linda Boundary
- - - City of Loma Linda Boundary Sphere of Influence
- - - Proposed Annexation to The City of Loma Linda
- Existing San Bernardino County Land Use Zoning District
- Proposed Tentative Tract Map 19963

COUNTY of SAN BERNARDINO GENERAL PLAN ZONING MAP

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT

City of Loma Linda, California

FIGURE 5



LEGEND

- Vacant Land
- City of Loma Linda Boundary
- City of Loma Linda Boundary Sphere of Influence
- Proposed Annexation to The City of Loma Linda
- Proposed Tentative Tract Map 19963

VACANT LAND

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
 City of Loma Linda, California

FIGURE 6

Stratus Development Partners is requesting approval of: 1) a General Plan Amendment (GPA) to change the existing City of Loma Linda General Plan designation for the 30-acre area from Business Park to Low Density Residential; 2) a Pre-Zone application to establish the Single Family Residence (R-1) Zone for 39 acres, Multi Family Residence (R-3) Zone for 18 acres, Institutional (I) for 13 acres and General Business (C-2) for approximately 10 acres for areas within the approximate 80-acre annexation area (see Figure 7 – Proposed City of Loma Linda Pre-Zoning); and 3) an Annexation application to annex the entire approximate 80-acre area into the City of Loma Linda. The proposed 80-acre annexation area currently receives water service from the City of Loma Linda and will continue to do so upon annexation. Proposed development within the 30-acre area would receive other City services (including sewer) upon annexation. No other development is proposed within the approximate 80-acre annexation area at this time. Any future development for properties within the 80-acre annexation area would be required to prepare separate environmental documentation and obtain necessary entitlements.

Four points of vehicular access are proposed to serve the phase development; two from Citrus Avenue and two from New Jersey Street. All internal streets within the subdivision have been designed to City of Loma Linda public road standards. Common green space areas have been incorporated along the perimeter of the subdivision to enhance the aesthetics of the community, and to provide an open space amenity for the residents.

Phasing

Development would occur over two phases to address areas currently outside of and within a designated floodplain (see Figure 8 – Phased Development). A portion of Phase II is transected by the Morey Arroyo and occurs within a 100-year floodplain (Zone A and Zone AO). As part of the Project, improvements to the channel are designed to reduce impacts from flooding. The Morey Arroyo is also considered to be Waters of the State and Waters of the United States; and, therefore falls under the jurisdiction of the U.S. Army Corps of Engineers (USACE), State Regional Water Quality Control Board (RWQCB), and California Department of Fish and Wildlife (CDFW). Permits from these agencies must be obtained before the City can issue any development permits or entitlements.

Since all portions of Phase I occur outside the 100-year floodplain, proposed development could proceed upon approval of the Project.

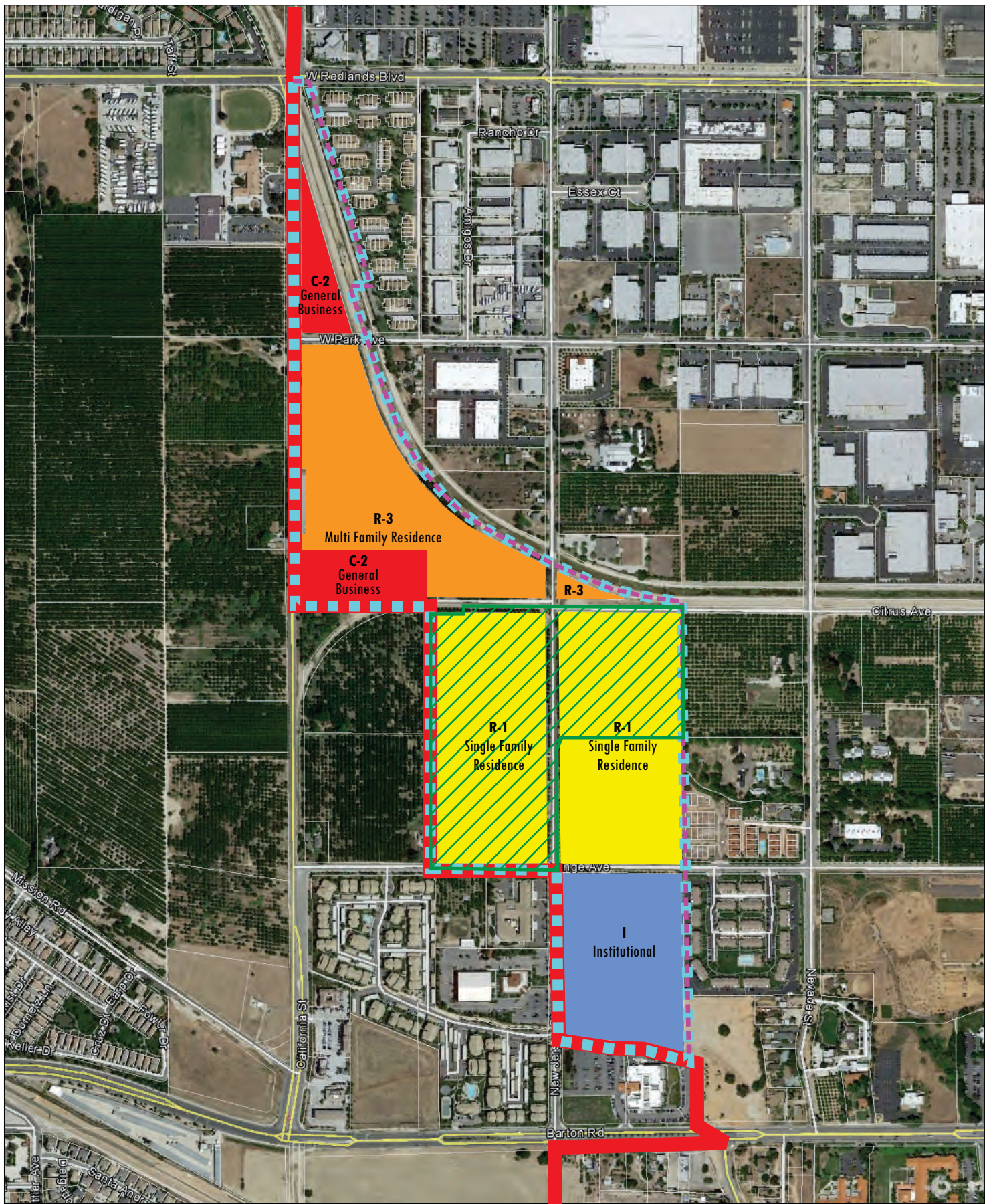
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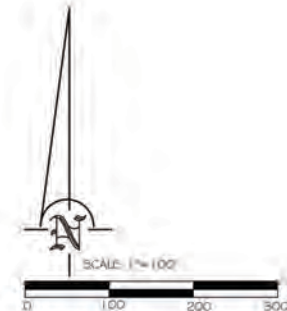
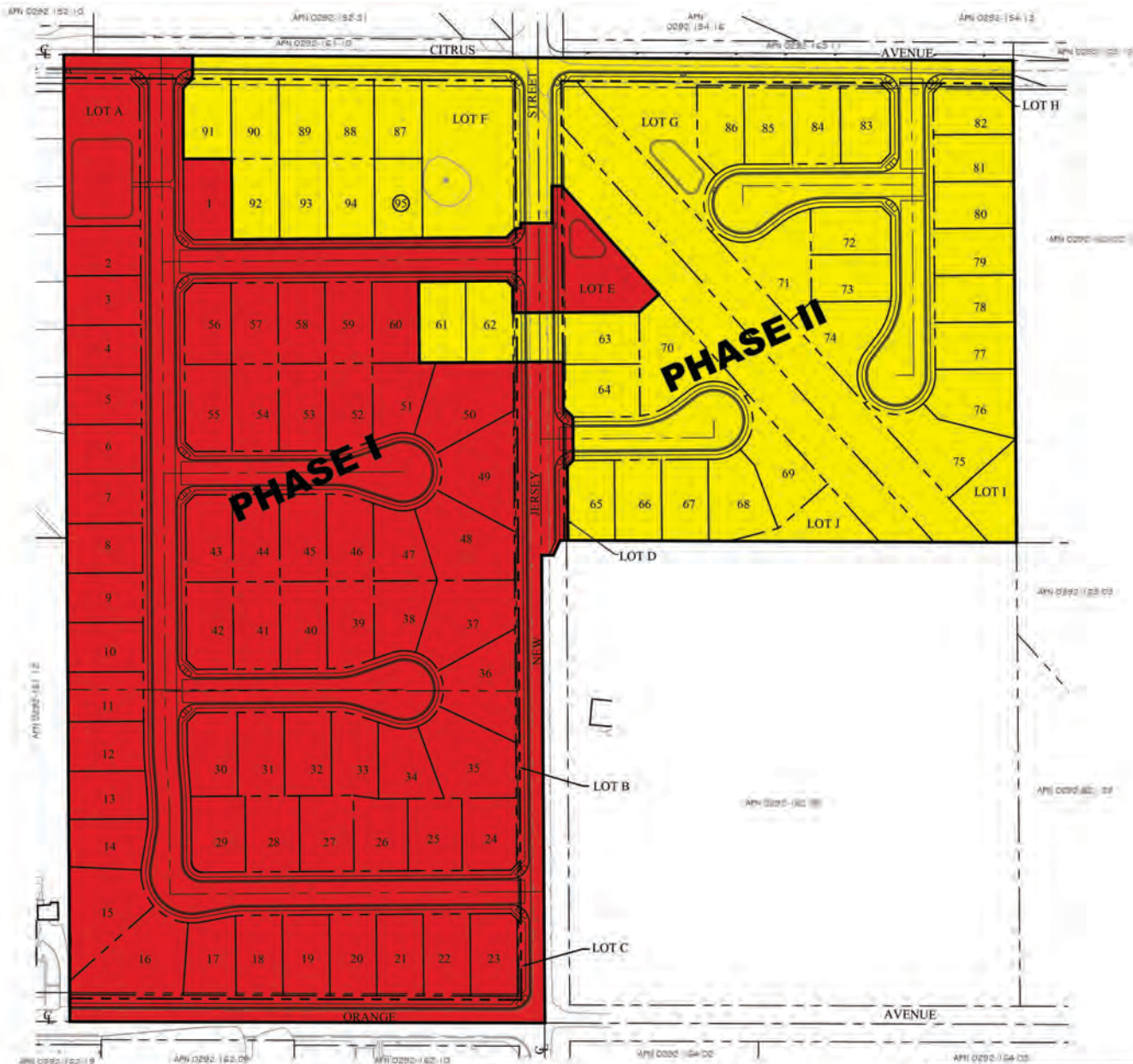


LEGEND

- City of Loma Linda Boundary
- City of Loma Linda Boundary Sphere of Influence
- Proposed Annexation to The City of Loma Linda
- Proposed Tentative Tract Map 19963

CITY of LOMA LINDA PROPOSED PRE-ZONE DESIGNATIONS

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
 City of Loma Linda, California



TENTATIVE TRACT MAP NO. 19963
PHASING EXHIBIT
 COUNTY OF SAN BERNARDINO
 (TO BE ANNEXED TO CITY OF LOMA LINDA)
 NEW JERSEY STREET
 APN 0292-161-02, 03 AND 0292-163-08



• land planning
 • civil engineering
 • landscape architecture
 phone 909.748.7777
 fax 909.748.7776
 14611 10th street, suite 105, redlands, ca 92373

PREPARED FOR/APPLICANT:
STRATUS DEVELOPMENT PARTNERS
 ATTN: DAVID WOOD
 17 CORPORATE PLAZA DRIVE, SUITE 200
 NEWPORT BEACH, CA 92660
 PHONE: (949) 294-6890

Job Number	Date Prepared	Drawn By	Reference Number
157002	1/21/16	KT	157002phasingex

PHASED DEVELOPMENT

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
 City of Loma Linda, California

FIGURE 8

**Existing Vacant Land within the Annexation Area:
Development Under County of San Bernardino Land Use Designations (RM and IC)**

Within the 80-acre Annexation area there are approximately 57 acres of either vacant or agricultural land that could be developed as urban uses. Under the County of San Bernardino General Plan the Project Site/Annexation area is currently zoned Multiple Residential (RM) for an area that is approximately 55.75 acres, and Community Industrial (IC) for the remaining 1.25 acres. Under the County of San Bernardino General Plan the RM land use designation would allow for the development of up to 20 units per acre and a maximum lot coverage of 60 percent. For the area designated IC a maximum lot coverage of 85 percent and a maximum floor area ratio (FAR) of 0.45:1 would be applied. Under the County RM designation, approximately 55.75 acres of the vacant and/or currently developed agricultural area within the Project site could be developed with multi-family residential structures and impervious surfaces. If individual structures were to be developed, the County's RM designation has a minimum lot size of 10,000 square feet, and considering the maximum lot coverage of 60 percent, vacant and/or currently developed agricultural land within the Project Site could be developed with approximately 669 dwelling units. Under the IC designation, there is a minimum 5-acre area for development. Under existing conditions the vacant area totals only 1.25 acres and could not be developed; however a lot line adjacent would allow the parcels to be developable and under these circumstances approximately 20,994 square-feet of community industrial building could be developed.

Development Under Proposed City of Loma Linda Land Use Designations C-2, R-3 and I.

Upon annexation and under City of Loma Linda pre-zone conditions, vacant and/or currently developed agricultural areas within the Project Site/Annexation area (approximately 60 acres) would be pre-zoned Single Family Residence (R-1) for approximately 30 acres, C-2 for approximately 10 acres, Multi-Family Residence (R-3) for approximately 7 acres, and Institutional (I) for approximately 13 acres. Under the City of Loma Linda General Plan, R-3 zoning would allow for the development of up to 20 units per acre and a maximum lot coverage of 60 percent, and therefore a total of 84 multi-family residential units could be developed. For the two parcels designated C-2, a building up to 7,812 square-feet¹ (one structure on each parcel for a total of 15,624 square feet of commercial) could be developed with a maximum lot cover of 60 percent, and a FAR of 0.5. For vacant land that would be pre-zoned Institutional (13 acres) a building totaling 169,884 square-feet could be developed with a maximum 0.6 FAR and a maximum lot coverage of 50 percent.

Comparison of Development Under County Verses City Land Use Designations

Under the existing County designation of RM, a total of 669 dwelling units could be developed. Under proposed City pre-zone designation of R-3, a total of 84 dwelling units could be developed and a pre-zone of R-1, a total of 95 dwelling units could be developed; approximately 490 less units as compared to development under the County General Plan. This is due to the reduced area available for residential development (a total of 55.75 acres is available for residential development under the County's existing designation, and a total of 12 acres is available for residential development under the City of Loma Linda's proposed pre-zone.

¹ Based on discussions with City of Loma Linda Planning Staff; although the area designated C-2 has a parcel size of 3.2 acres, future improvements at Redlands Boulevard and California Street would reduce the developable area of the site.

Under the existing County designation of IC, a maximum 20,994 square-foot building could be developed. Under the City pre-zone designation of C-2 a maximum 15,624 square feet of commercial could be developed. Also under the City pre-zone, an area totaling 13 acres would be pre-zoned Institutional, which would allow for the development (as the area is currently vacant) of a 169,884 square-foot building.

Ultimately, developable areas upon annexation and a City of Loma Linda pre-zone would result in 490 less residential units (or 588,000 square feet less, based on an average multi-family dwelling unit of 1,200 square feet), and 173,589 square-feet more of Institutional and commercial uses than if developed under County conditions.

Vacant areas determined to be potentially developable were examined for purposes of comparing existing conditions and development under the County designations versus what the area would be potentially developed with upon annexation to the City of Loma Linda. Currently there are no development applications, with the exception of the 95 single-family residential development proposed within a 30-acre area of the 80-acre annexation area, to develop any of the vacant areas or areas currently developed with agricultural uses at this time. Future development of these areas would be reviewed on a case by case basis and would be subject to CEQA and all the necessary entitlements.

Surrounding Land Uses and Setting:

Surrounding properties and associated land use designations are shown in Figure – 7 (Proposed City of Loma Linda Pre-Zoning). Property to the north and east of the 80-acre annexation area is located within the City of Redlands and has land use designations of Office, Commercial/Industrial and Medium Density Residential and contains residential, commercial, agricultural land uses, and vacant land. Properties to the west occur within the City of Loma Linda and include vacant land developed with citrus groves and scattered single-family (designated Low Density Residential and Business Park and within the R-1 and C-2 zoning), and a school (Mission Elementary School) and have a land use designation of Special Planning Area and are zoned Special Development. Properties on the south side of Orange Avenue are zoned City of Loma Linda Multiple Family Residence (R-3) and Institutional (I), and Administrative Professional Offices and developed with multi-family residences, and Institutional and developed with an Alzheimer's special care facility and citrus groves.

Existing Service Conditions

The 80-acre Project Site/Annexation area currently receives water and fire protection services from the City of Loma Linda. Police protection is currently provided by the County of San Bernardino. Since the City of Loma Linda provides police protection under contract with the County police services would remain unchanged. The 95 single-family residential units would be required to receive sewer service, which would be provided by the City of Loma Linda.

Concurrent with the proposed GPA, Pre-Zone Application and TTM filings, an Annexation application will be filed and processed with San Bernardino County Local Agency Formation Commission (LAFCO) to annex the 80-acre Project Site into the City of Loma Linda. All parcels within the 80-acre area are required to be annexed simultaneously in order to preclude the formation of an island of territory. The Project Site is currently adjacent to the City boundary and is required by the City to be annexed in order to receive City services.

Other Agency Approvals

- **United States Army Corp of Engineers (ACOE)** will review the project's jurisdictional delineation and potential impacts to Waters of the U.S., in compliance with Section 404 of the Clean Water Act.
- **California Regional Water Quality Control Board, Santa Ana Region (RWQCB – Santa Ana Region)** will issue a General Construction Permit based on project's Storm Water Pollution Prevention Plan (SWPPP) and in accordance with the National Pollutant Discharge Elimination System (NPDES). (If a Section 404 permit is issued by ACOE, the RWQCB will provide a Section 401 Certification.
- **California Department of Fish & Wildlife (CDFW)** will review compliance with the Lake and Streambed Alteration Program Section 1602 requirements.
- **Local Agency Formation Commission (LAFCO)** is authorized and mandated by State law as the agency responsible for evaluating and approving annexations to an incorporated city. Subsequent to the initial consideration of an annexation request, a public hearing is held before the LAFCO Commission where the annexation proposal is approved, denied, or modified. LAFCO will serve as the "Conducting Authority" for the city boundary changes.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project.

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Aesthetics | <input checked="" type="checkbox"/> Agriculture/Forestry Resources | <input checked="" type="checkbox"/> Air Quality |
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Geology /Soils |
| <input checked="" type="checkbox"/> Greenhouse Gases | <input checked="" type="checkbox"/> Hazards & Hazardous Materials | |
| <input checked="" type="checkbox"/> Hydrology / Water Quality | <input checked="" type="checkbox"/> Land Use/ Planning | <input type="checkbox"/> Mineral Resources |
| <input checked="" type="checkbox"/> Noise | <input type="checkbox"/> Population / Housing | <input checked="" type="checkbox"/> Public Services |
| <input type="checkbox"/> Recreation | <input checked="" type="checkbox"/> Transportation/Traffic | |
| <input checked="" type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Tribal Cultural Resources | |
| <input type="checkbox"/> Mandatory Findings of Significance | | |

DETERMINATION

On the basis of this initial evaluation:

- () I find that the Proposed Project COULD NOT have a significant effect on the environment. A NEGATIVE DECLARATION will be prepared.
- (✓) I find that although the Proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by, or agreed to, by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- () I find that the Proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- () I find that the Proposed Project MAY have a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standard and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- () I find that although the Proposed Project could have a significant effect on the environment, because all potentially significant effects 1) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and 2) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the Proposed Project, nothing further is required.

Prepared By:

Natalie R. Patty

Date:

August 2016

EVALUATION OF ENVIRONMENTAL IMPACTS

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
1. AESTHETICS. <i>Would the project:</i>					
a)	Have a substantial effect on a scenic vista?	()	()	(✓)	()
b)	Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State Scenic Highway?	()	()	(✓)	()
c)	Substantially degrade the existing visual character or quality of the site and its surroundings?	()	()	(✓)	()
d)	Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?	()	(✓)	()	()

Comments

- a) According to the City's General Plan, the Project Site is not within a scenic vista or scenic highway view corridor. The City of Loma Linda's General Plan identifies the hillsides on the south edge of the city as an important scenic backdrop to the city. The guiding policies of the City of Loma Linda General Plan state that new development shall be constructed in a manner that protects against intrusion on the viewshed areas. The San Bernardino Mountains are visible north of the Project Site. Per the development proposed within the annexation area the maximum height of the single-family structures would be no more than two-stories. Under proposed conditions, the San Bernardino Mountains would remain visible and the proposed development would have less than significant impacts on the existing viewshed of the San Bernardino Mountains.
- b) The Project Site/Annexation area does not occur within a State Scenic Highway. The 30-acre area within the approximate 80-acre annexation area that is proposed for development is currently developed with citrus groves. Proposed development would require removal of all citrus trees. Proposed development includes landscaping with drought tolerant species and trees. Impacts are considered less than significant and no mitigation is proposed.
- c) Removal of the citrus grove would change the existing visual character of the 30-acre portion of the annexation site. Several open space lots are proposed within the residential development. The open space lots would be landscaped and occur centrally within the development and would be visible from New Jersey Street. The remaining portions of the 80-acre annexation area would remain unchanged under the Proposed Project. The removal of the citrus grove and construction of single-family residences would change the visual character of the site but would not objectively be considered a substantial degradation. A less than significant impact would result.
- d) Upon approval of the Project requested entitlements, the annexation area would be Pre-Zoned and annexed into the City of Loma Linda, a GPA for the 30-acre property would

change the existing City of Loma Linda designation from Business Park to Low Density Residential (R-1), and TTM No. 19963 would be approved. Development of the remaining vacant portions of the annexation area is not proposed at this time; however any future development application would be subject to a lighting plan approval by the City. Future development east and west of the Project Site could include residential. To ensure future residential development adjacent to the Project Site is not impacted, the following mitigation measure shall be implemented:

Mitigation Measure 1:

Prior to issuance of grading permits, the applicant shall submit a photometric plan and final lighting plan to City staff showing the exact locations of light poles and the proposed orientation and shielding of all light fixtures to prevent glare onto existing and potential future development to the east, west, north and south of the Project Site.

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
2. AGRICULTURAL/FORESTRY RESOURCES. <i>Would the project:</i>		()	(✓)	()	()
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?		()	()	()	(✓)
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?		()	()	()	(✓)
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g), timberland as defined in Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Gov't Code section 51104(g))?		()	()	()	(✓)
d) Result in the loss of forest land or conversion of forest land to non-forest use?		()	()	()	(✓)
e) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use?		()	(✓)	()	()

Comments

- a,e) Proposed development within the 30-acre portion of the 80-acre annexation area, would remove approximately 30 acres of farmland. The 30-acre area is mapped within California

Department of Conservation Farmland Mapping and Monitoring Program Map "San Bernardino County Important Farmland 2010 Sheet 2 of 2." The 30-acre area is located on land identified as Prime Farmland. The City of Loma Linda General Plan Conservation and Open Space Element (Figure 9.2, Land Use and Vegetation), identifies the 30-acre site as agricultural. Implementation of the Proposed Project would remove existing agricultural uses at the 30-acre site.

In 1982, under Legislative mandate (Government Code § 65570), the State Department of Conservation (DOC) was required to collect and/or acquire data on lands converted to/from agricultural use. The purpose for collecting such information was to provide decision makers with maps and statistical data on the conversion of farmland and grazing land that would assist in the land use planning process. Important Farmland maps prepared biannually by the DOC Division of Land Resource Protection are heavily based on soil classification data from the U.S.D.A. Natural Resources Conservation Service (NRCS) and water availability determined by the State Department of Water Resources. Utilizing this information, land is classified into one of eight categories (five relating to farming and three associated with nonagricultural purposes) these include: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, Grazing Land, Urban and Built-Up Land, and Other Land. According to maps prepared in 2010 (the latest to date) by the California Department of Conservation, Division of Land Resources Protection, Farmland Mapping and Monitoring Program the Project Site is designated as Prime Farmland (San Bernardino County Sheet 2 of 2). Prime Farmland is defined as having the best combination of physical and chemical features able to sustain long-term agricultural production. Said land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date. The 30-acre area within the 80-acre annexation Project Site is designated as Prime Farmland.

Currently a majority of the 30-acre site, approximately 27.5 acres (or 92 percent of the site), is occupied by citrus groves. Since the Morey Arroyo transects the eastern portion of the 30-acre site and does not include farmland, the Proposed Project would affect 27.5 acres of lands designated as Prime Farmland.

According to the United States Department of Agricultural Soil Conservation Service, Soil Survey of San Bernardino County, Southwestern Part, California, on-site soils consist entirely of San Emigdio fine sandy loam (ScA). Soils are placed in grades according to their suitability for general intensive farming as shown by their Storie Index ratings. The on-site soils are designated as Grade 1 soils indicating that they have a Storie Index rating from 80 to 100. The Storie Index Rating for ScA soils is 100. Soils of Grade 1 are excellent and are well suited to general intensive farming.

California Land Evaluation and Site Assessment – LESA Model

One way to assess the level of impact a project may have on agricultural land in the region is to rate the value of the property through use of the California Agricultural Land Evaluation and Site Assessment (LESA) Model. The California Agricultural LESA Model was formulated as a result of Senate Bill 850 (Chapter 812/1993), which charges the State Resources Agency, in consultation with the Governor's Office of Planning and Research, with developing an amendment to Appendix G of the California Environmental Quality Act (CEQA) Guidelines concerning agricultural lands. Such an amendment is intended "to provide lead agencies with an optional methodology to ensure that significant effects on

the environment of agricultural land conversions are quantitatively and consistently considered in the environmental review process" (Public Resources Code Section 21095).

The LESA model rates the relative quality of land resources based on specific, measurable features, following a point-based approach that quantitatively rates the project impacts on a 100-point scale. This method is generally used for rating the relative value of agricultural land resources. The California Agricultural LESA model comprises analysis at two levels:

- *Land Evaluation* – uses two factors, the USDA Land Capability Classification (LCC) and the Storie Index, to analyze soil-based qualities of land as they relate to agricultural suitability.
- *Site Assessment* - evaluates four factors measuring the social, economic, and geographic attributes that contribute to the overall value of agricultural land. These factors assess a project's size, water resource availability, surrounding agricultural lands, and surrounding protected agricultural lands.

Each of these six factors is separately rated on a 100-point scale. The factors are weighted relative to one another and combined, resulting in a single numeric score for a given project with a maximum attainable score of 100 points. This score becomes the basis for determining the project's potential significance, based upon a range of established scoring thresholds.

Using the LESA model to assess the value of the Proposed Project resulted in a score of 72.5 points (see Table 1). As identified in the California LESA Model Scoring Thresholds, scores between 60 and 79 are considered to be significant unless either the Land Evaluation (LE) or Site Assessment (SA) sub-score is less than 20 points. As shown in Table 1 below, the LE sub-score was 50 and the SA sub-score was 22.5; therefore impacts to agricultural lands from implementation of the Proposed Project are considered significant.

Table 1
Citrus Lane Annexation
Final LESA Score Sheet

Land Evaluation Factors	Factor Score	Factor Weight	Weighted Factor Scores
Land Capability Classification	100	0.25	25
Storie Index	100	0.25	25
<i>Land Evaluation Subtotal</i>		0.50	50
<i>Site Assessment Factors</i>			
Project Size	50	0.15	7.5
Water Resource Availability	100	0.15	15
Surrounding Agricultural Land	0	0.15	0
Protected Resource Land	0	0.05	0
<i>Site Assessment Subtotal</i>		0.50	22.5
Final LESA Score			72.5

A total of approximately 27.5 acres of farmland would be permanently lost from agricultural production as a result of the Proposed Project. Neither San Bernardino County nor the City of Loma Linda has an established farmland protection program or uniform agricultural conservation banking program to which the project proponent could contribute. According to Farmland Protection Policies and Programs as outlined by the Southern California

Association of Governments (SCAG), the San Bernardino County Development Code Section 85.030101 addresses an Agricultural Preserve (AP) Overlay District which includes:

- a) The preservation of agricultural land uses is essential to the economic well-being of the County; and
- b) The Agricultural Preserve (AP) Overlay District is created to protect vital agricultural uses by limiting land use activity to those uses which are compatible and supportive of agricultural and related uses and/or agricultural by-products.

According to San Bernardino County General Plan Land Use Map FH31A, the Project Site does not occur within the AP Overlay District. However, San Bernardino County General Plan goals and policies are intended to protect agricultural lands through the establishment of development policies and land use and zoning designations that direct and control the types of land uses and development that may occur in any given area. Policies from the County of San Bernardino General Plan, Section V – Conservation Element include CO 6.1 through CO 6.4.

Where a significant impact has been identified, mitigation measures should be adopted that attempt to reduce the impact to below a level of significance. CEQA Guidelines define mitigation to include: avoidance, minimization of impacts, restoration of the impacted environment, reduction of impacts through preservation and maintenance operations during the project, and compensation through substitute resources or environments. Mitigation measures are required to be undertaken only where such measures are feasible. Mitigation measures are considered "feasible" only if they can be accomplished in a successful manner within a reasonable period of time, taking into account economic, social, and technological factors.

To ensure potential impacts to Prime Farmland, loss of citrus orchard acreage are reduced to less than significant, the following mitigation measure shall be implemented:

Mitigation Measure 2:

The Project Proponent is required to replace, protect or provide a conservation easement for the loss of 27.5 acres of Prime Farmland. At the direction of the City of Loma Linda, the Project Proponent shall: 1) replace one-acre of Prime Farmland with 0.25 acres of conservation land for any conservation easements located in the City of Loma Linda, 2) replace one-acre of Prime Farmland with 0.5 acres of conservation land for any conservation easements located outside of Loma Linda, but within either San Bernardino or Riverside counties; or 3) replace one-acre of Prime Farmland with one-acre of conservation land for any conservation easements located elsewhere within the State of California. Based on the current availability of conservation programs, the Project Proponent will contribute monetarily at a 1:1 ratio to the Central Valley Farmland Trust, an established conservation program, located in Elk Grove, California. The trust would be responsible for maintaining conserved farmland in perpetuity.

Implementation of the above mitigation measure would reduce impacts to agricultural resources to a less than significant level.

- b) Development proposed within the 30-acre portion of the approximately 80-acre annexation area would remove existing agricultural land. The area is mapped within the California Department of Conservation, Conservation Program Support map "San Bernardino County South Williamson Act FY 2012/2013," and is identified as non-enrolled land which indicates that the 30-acre site is not enrolled in a Williamson Act contract and not mapped by Farmland Mapping & Monitoring Program (FMMP) as urban and built-up land or water. No Williamson Act land occurs within the annexation area; therefore, no impacts would occur.
- c,d) The approximate 80-acre annexation area is composed of different land use designations including: Commercial, Business Park and High Density Residential under the City of Loma Linda General Plan and; Multiple Residential and Community Industrial under the County of San Bernardino General Plan. Forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production would not be impacted by the Proposed Project as no rezoning from timberland to a non-timberland designation would result. Similarly, the Proposed Project does not involve the conversion of forest land to a non-forest use.

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant, With Mitigation Incorporated	Less Than Significant Impact	No Impact
3. AIR QUALITY. <i>Would the project:</i>					
a)	Conflict with or obstruct implementation of the applicable air quality plan?	()	()	()	(✓)
b)	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	()	()	(✓)	()
c)	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable Federal or State ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors?	()	()	(✓)	()
d)	Expose sensitive receptors to substantial pollutant concentrations?	()	()	(✓)	()
e)	Create objectionable odors affecting a substantial number of people?	()	()	()	(✓)

- a) The Project Site is within the South Coast Air Basin (SCAB) and under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). The SCAQMD is responsible for updating the Air Quality Management Plan (AQMP). The AQMP was developed for the primary purpose of controlling emissions to maintain all federal and state ambient air standards for the district. The change in zone for the 30-acre portion of the approximate 80-acre annexation area from Business Park to Low Density Residential would result in less local air emissions than would occur if the site developed under the current County land use designation. Under the current County of San Bernardino General

Plan the vacant land within the approximately 80-acre annexation area totals 57 acres including 55.75 acres of Multiple Residential (RM) and 1.25 acres of Community Industrial (IC) which could be developed with approximately 669 dwelling units and a 20,994 square-foot industrial building. The Proposed Project includes construction of 95 dwelling units and potential future construction of 84 units, under City pre-zone conditions, for a total of 179 units, or 490 less than would be allowed under the County General Plan; and with an average dwelling unit size of 1,200 square feet, approximately 781,400 square feet less of building area. Under the City's pre-zone conditions, two 7,812 square-foot general commercial buildings for a total of 15,624 square feet and a 169,884 square-foot institutional building could be developed, resulting in approximately 185,508 square feet of commercial/institutional uses and ultimately 164,514 square feet more than compared to existing County designations. Therefore, under City pre-zone conditions when compared to the County existing land use designation, proposed development and future development of vacant land within the annexation area would result in approximately 765,190 square feet less in building structures and therefore would have less air quality impacts than without annexation. The Proposed Project would not conflict with or obstruct implementation of the current AQMP which includes development of the site under jurisdiction of the County General Plan.

- b-c) Proposed development and construction within the 30-acre site was screened using CalEEMod version 2013.2.2 prepared by the SCAQMD. This model is used to generate emissions estimates for land use development projects. The criteria pollutants screened for included: reactive organic gases (ROG), nitrous oxides (NO_x), carbon monoxide (CO), and particulates (PM₁₀ and PM_{2.5}). Two of these, ROG and NO_x, are ozone precursors. Emissions assumptions were based on CalEEMod default values (worst case scenario) for 95 single-family residences (consistent with the Traffic Impact Analysis, prepared by Kunzman and Associates, September 2015). The emission levels listed reflect the estimated winter season levels, which are normally higher due to atmospheric conditions (marine layer) and increased use of heating systems. The general construction phases for most projects include site grading and development.

Construction Emissions

Construction earthwork emissions are considered short-term, temporary emissions.

Table 1
Construction Emissions Summary
(Pounds Per Day)

Source/Phase	ROG	NO _x	CO	SO ₂	PM ₁₀	PM _{2.5}
Site Preparation	5.2	54.7	42.2	0.0	21.2	12.7
Grading	6.6	74.9	50.3	0.0	12.5	7.0
Building Construction	3.6	29.6	21.7	0.0	2.5	1.9
Paving	1.7	17.2	15.2	0.0	1.1	0.9
Architectural Coating	38.5	2.0	2.1	0.0	0.3	0.2
Highest Value (lbs/day)	38.5	74.9	50.3	0.0	21.2	12.7
SCAQMD Threshold	75	100	550	150	150	55
Significant	NO	NO	NO	NO	NO	NO

Source: CalEEMod 2013.2.2 Winter

Phases don't overlap and represent the highest concentration.

As shown in Table 1, construction emissions would not exceed SCAQMD thresholds. Impacts would be less than significant. However, the Applicant would be required to comply with SCAQMD rules and regulations 402 and 403 (watering exposed areas, etc.). *Compliance with SCAQMD Rules 402 and 403*

The Applicant is required to comply with all applicable SCAQMD rules and regulations as the South Coast Air Basin is in non-attainment status for ozone and suspended particulates (PM₁₀). The project shall comply with, Rules 402 nuisance, and 403 fugitive dust, which require the implementation of Best Available Control Measures (BACM) for each fugitive dust source; and the AQMP, which identifies Best Available Control Technologies (BACT) for area sources and point sources, respectively. This would include, but not be limited to the following BACMs and BACTs:

1. The project proponent shall ensure that any portion of the site to be graded shall be pre-watered prior to the onset of grading activities.
 - (a) The project proponent shall ensure that watering of the site or other soil stabilization method shall be employed on an on-going basis after the initiation of any grading activity on the site. Portions of the site that are actively being graded shall be watered regularly to ensure that a crust is formed on the ground surface, and shall be watered at the end of each workday.
 - (b) The project proponent shall ensure that all disturbed areas are treated to prevent erosion.
 - (c) The project proponent shall ensure that all grading activities are suspended during first and second stage ozone episodes or when winds exceed 25 miles per hour.

Exhaust emissions from construction vehicles and equipment and fugitive dust generated by equipment traveling over exposed surfaces, would increase NO_x and PM₁₀ levels in the area. Although the Proposed Project would not exceed SCAQMD thresholds during construction, the Developer will be required to implement the following conditions as required by SCAQMD:

2. To reduce emissions, all equipment used in earthwork must be tuned and maintained to the manufacturer's specification to maximize efficient burning of vehicle fuel.
3. The project proponent shall ensure that construction personnel are informed of ride sharing and transit opportunities.
4. The operator shall maintain and effectively utilize and schedule on-site equipment in order to minimize exhaust emissions from truck idling.
5. The operator shall comply with all existing and future CARB and SCAQMD regulations related to diesel-fueled trucks, which may include among others: (1) meeting more stringent emission standards; (2) retrofitting existing engines with particulate traps; (3) use of low sulfur fuel; and (4) use of alternative fuels or equipment.

Operational Emissions

The operational mobile source emissions were calculated using the default values generated within the CalEEMod model for single-family housing. Operational default values are generated for the use of energy for development proposed within the 30-acre area and its associated traffic trips. The traffic trips modeled are consistent with the Traffic

Impact Analysis, prepared by Kunzman and Associates, September 2015. Trips associated with the project are estimated to be approximately 904 trips per day. Operational Emissions associated with the Proposed Project are listed in Table 2.

Table 2
Operational Emissions Summary
(Pounds Per Day)

Source	ROG	NO_x	CO	SO₂	PM₁₀	PM_{2.5}
Area	28.9	0.7	55.6	0.0	7.3	7.3
Energy	0.0	0.8	0.3	0.0	0.0	0.0
Mobile	3.2	9.6	36.3	0.0	7.1	2.0
Total Value (lbs/day)	32.2	11.1	92.3	0.0	14.4	9.3
SCAQMD Threshold	55	55	550	150	150	55
Significant	No	No	No	No	No	No

Source: CalEEMod 2013.2.2 Winter

SCAQMD has also developed a methodology to assess the localized impacts of emissions from small project sites (SCAQMD, *Final Localized Significance Threshold (LST) Methodology*, June 2003, revised July 2008 and *Final Methodology to Calculate PM_{2.5} and PM_{2.5} Significance Thresholds*, October 2006). The use of LSTs is voluntary, to be implemented at the discretion of local public agencies acting as a lead agency pursuant to CEQA. LSTs would only apply to projects that must undergo an environmental analysis pursuant to CEQA or the National Environmental Policy Act (NEPA) and are five acres or less. It is recommended that proposed projects larger than five acres in area undergo air dispersion modeling to determine localized air quality. *Source: SCAQMD Website*. The LST Methodology was therefore not utilized to determine the significance of impacts associated with the Proposed Project.

- d) The proposed project includes the development of 95 single-family residences on property that is adjacent to existing residential uses. An increase in air quality emissions produced as a result of construction activities would be short-term, below SCAQMD significance thresholds, and would cease once construction is complete. Dust suppression (i.e., water application) as required by the City's Development Code, would reduce 50 to 75 percent of fugitive dust emissions during construction. As shown in Table 2 operational emissions are below SCAQMD thresholds. Therefore, impacts to sensitive receptors are anticipated to be less than significant.
- e) Development of single-family residences is not anticipated to generate emissions that could generate objectionable odors. A less than significant impact is anticipated.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
4. BIOLOGICAL RESOURCES. <i>Would the project:</i>				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	()	(✓)	()	()
b) Have a substantial adverse effect on riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	()	()	(✓)	()
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	()	()	(✓)	()
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	()	()	()	(✓)
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	()	()	(✓)	()
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community conservation Plan, or other approved local, regional, or State habitat conservation plan?	()	()	()	(✓)

- a) In January 2016, Hernandez Environmental Services prepared a Biological Resources Study for the 30-acre area proposed for development. The purpose of the study was to document the presence/absence of sensitive resources that may be present on the site, existing habitats and potential impacts to biological resources.

The 30-acre site is currently developed with agricultural uses that have on-going site disturbing activities (e.g. grove maintenance including weed control). The entire project site contains trees and shrubs that have the potential to be used by migratory birds for nesting. The Cooper's hawk (*Accipiter cooperii*) is a California Species of Special Concern. It is found in riparian woodlands and upper montane coniferous forests. This raptor

species nests in trees and can use the citrus trees that are currently not being actively harvested. This species may also use the non-native tree species found in the ephemeral stream as nesting habitat. Any impacts to the citrus trees or trees in the ephemeral stream may result in impacts to this species. Removal of these trees and shrubs or construction activities within 500 feet of these trees and shrubs may have an impact on nesting birds as well if the work activity is conducted between February 1 and September 15.

To ensure potential impacts to the Cooper's Hawk and nesting birds is reduced to a less than significant level, the following mitigation measures shall be implemented:

Mitigation Measure 3:

Conduct pre-construction nesting hawk surveys during the nesting bird season from February 1 through September 15 no more than 30 days prior to vegetation removal. If nests are found during surveys, they shall be flagged and a 500-foot buffer shall be fenced around the nests; and if a nesting hawk is found, an approved biologist shall monitor nesting activities and ensure construction activities do not result in abandonment of the nest. The monitor shall have the ability to stop construction activities until measures are implemented to protect the nesting hawks. The monitor shall observe nests until the young have fledged and have abandoned the nest.

Mitigation Measure 4:

Conduct pre-construction nesting bird surveys during the nesting bird season from March 15 through September 15 no more than 30 days prior to vegetation removal. If nests are found during surveys, they shall be flagged and a 200-foot buffer shall be fenced around the nests; and if nesting birds are found, an approved biologist shall monitor nesting activities and ensure construction activities do not result in abandonment of nest. The monitor shall have the ability to stop construction activities until measures are implemented to protect the nesting birds. The monitor shall observe the nest until the young have fledged and have abandoned the nest.

- b) Aerial photographs, topographic maps, and the California Diversity Database (CNDDDB), the United States Fish and Wildlife (USFWS) County Endangered Species Lists, and the California Native Plant Society's Rare Plant lists were reviewed to obtain species information for the area. The project site is surrounded by residential development to the north, a commercial operation to the south, and citrus groves to the east and west. The project site contains two habitat types: 29.5 acres of disturbed non-native vegetation and 0.85 acres of disturbed non-native ephemeral stream. The disturbed non-native vegetation consists of citrus (*Citrus* sp.) groves, with early stage succession herbaceous non-native understory. The habitat type has been heavily disturbed by agricultural activities and maintenance. In addition to citrus trees, other plant species observed include rip gut brome (*Bromes diandris*), Sahara mustard (*Brassica tournefortii*).

The approximate 0.85 acres of disturbed non-native ephemeral stream habitat occurs within the Morey Arroyo, which flows into the Mission Zanja Channel. The banks of the drainage on the 30-acre site have been altered and gabion has been used to contain the banks. The vegetation is dominated by non-native plant species, with few native species mixed in. Species observed include California wild grape (*Vitis californica*), Arizona ash (*Fraxinus velutina*) willow (*Salix* sp), oleander (*Nerium oleander*), tree tobacco (*Nicotiana*

glauca), castor bean (*Ricinus communis*), scirpus (*Scirpus microcarpus*), giant reed (*Arundo donax*) and Mexican fan palm (*Washingtonia robusta*).

A dry, sandy-bottom, drainage, Morey Arroyo, traverses APN 0292-163-08-0000 from southeast to northwest. The drainage crosses beneath New Jersey Street and then crosses the northeast corner of APN 0292-161-02-0000. Morey Arroyo flows offsite to the northwest where it eventually flows into the Mission Zanja Channel, which is tributary to the Santa Ana River. The portion of Morey Arroyo located within the project site consists of an unvegetated bed with non-native tree species and ornamentals along the channel side slopes and banks. Some of the species observed are California wild grape, California ash, willow, oleander, tree tobacco, castor bean, scirpus, giant reed and Mexican fan palm.

The onsite portion of Morey Arroyo is considered to be Waters of the State and Waters of the United States; and, therefore falls under the jurisdiction of the U.S. Army Corps of Engineers (USACE), State Regional Water Quality Control Board (RWQCB), and California Department of Fish and Wildlife (CDFW). The field survey resulted in the finding of a total of approximately 0.85 acre of CDFW jurisdictional areas and approximately 0.28 acre of Waters of the United States. It is anticipated that all 0.85 acres of CDFW jurisdictional streambed and 0.28 acres of Waters of the United States will be impacted by implementation of the Proposed Project. The project Applicant will be required to mitigate for these impacts to CDFW jurisdictional streambed and Waters of the United States through the purchase of 0.85 acre of off-site credits at the Soquel Canyon Mitigation Bank in accordance with implementation of Mitigation Measure 19 and Mitigation Measure 20 in Section 9 Hydrology Water Quality of this Initial Study. No additional mitigation is warranted.

- c) The portion of the Project Site that is proposed for development is currently occupied with a citrus grove. During a recent visit to the site in October 2015, with the exception of the Morey Arroyo, no surface waters were observed, including wetlands as defined by Section 404 of the Clean Water Act. Therefore, the Proposed Project would not impact federally-protected wetlands.
- d) A majority of the annexation area is developed and includes the following land uses: scattered residential units, religious assembly, and agriculture (citrus groves). Within the vicinity of the annexation area is similar development and institutional uses (i.e., Mission Elementary School, Heart & Surgical Hospital).

Wildlife movement corridors link together areas of suitable habitat that are otherwise separated by rugged terrain, changes in vegetation, or human disturbances. The project site was evaluated for its function as a wildlife corridor that species would use to move between wildlife habitat zones. Typically, mountain canyons or riparian corridors are used by wildlife as corridors. Although Morey Arroyo flows through the project site, it consists of an ephemeral drainage that does not connect to a major wildlife corridor. Furthermore, the project site is surrounded by human activity in the form of residences, agricultural use, and roadways. No wildlife movement corridors were found to be present on the project site. The Mission Zanja Channel located to the north of the project site is the nearest wildlife corridor to the project site.

Implementation of the Proposed Project would not impact a local or regional wildlife corridor.

The entire project site contains trees and shrubs that have the potential to be used by migratory birds for nesting. Removal of these trees and shrubs or construction activities within 500 feet of these trees and shrubs may have an impact on nesting birds if the work activity is conducted between February 1 and September 15. Implementation of Mitigation Measure 4 would ensure potential impacts are reduced to a less than significant level. No additional mitigation is warranted.

- e) The City of Loma Linda Municipal Code Chapter 17.74 "Tree Placement, Landscape Materials, and Tree Removal" outlines local policies and ordinances regulating landscape development. Per the Municipal Code, the proposed removal of citrus trees within the 30-acre area is not a regulated activity. Per Ordinance 12.74.180 the Applicant has prepared a preliminary landscape plan as part of its Tentative Tract Map application. Proposed development within the 30-acre area includes landscaping within the front yards and open letter lots including the placement of trees reducing impacts to a less than significant level.
- f) The Project Site is not located within an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan. No impacts would occur.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
5. CULTURAL RESOURCES. <i>Would the project:</i>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?	()	(✓)	()	()
b) Cause a substantial adverse change in the significance of an archeological resource pursuant to § 15064.5?	()	()	(✓)	()
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	()	(✓)	()	()
d) Disturb any human remains, including those interred outside of formal cemeteries?	()	(✓)	()	()

- a) In August 2015, McKenna et al. prepared a Phase I Cultural Resources Investigation for the 30-acre area that consists of three parcels including: 0292-161-02, 0292-161-02, and 0292-163-08. The County Assessor's Map illustrates this 30-acre area as consisting of land to the south of the "Dinky" historic railroad alignment and traversed by a portion of the Morey Arroyo. Citrus Avenue is north of the area and New Jersey Street divides the properties (2/3 west and 1/3 east).

During the review of records, the following were identified: two (2) prehistoric archaeological sites within one mile of the 30-acre area; one (1) prehistoric isolated artifact; sixteen (16) historic archaeological sites; eleven (11) pending historic archaeological sites; thirty-six (36) historic structures, and one (1) isolated historic artifact. Additionally, two (2) National Register of Historic Places properties, one (1) eligible

National Register property, three (3) California Historical Landmarks, and two (2) California Points of Historical Interest were identified. The majority of resources were identified as being associated with the historic periods ranging from the establishment of the *Asistencia* through the citrus orchard developments. Although the area is considered highly sensitive for evidence of prehistoric occupation (a village site was known to be located near the *Asistencia* - Guachama), the development of agricultural lands in the second half of the 1800s and the extensive development in the first half of the 1900s has removed or buried such evidence. Many of the features associated with the *Asistencia* were constructed with Native American labor, reflecting their presence in the immediate area.

An intensive field survey was conducted on August 6, 2015, by Richard S. Shepard, MA/RPA, under the supervision of Jeanette A. McKenna, Principal Investigator for McKenna et al. Results of the investigation are discussed herein.

The 30-acre area is within the boundaries of the historic Barton Ranch (pre-1887) and later owned by John Furney; Lloyd and Mary Ida Younts; the Yount heirs; and, more recently, the Dangermonds and Citrus Heights. The area has always been historically associated with citrus cultivation. While no structures have been reported for the 30-acre area, scant assessor data and a single map (ca. 1915) suggest a small structure may have been present southwest of the intersection of Citrus Avenue and New Jersey Street. The nature of the structure is unknown, but the less-than \$100 value cited in the Assessor records suggest this was not a residence, but more likely an orchard maintenance structure (e.g. barn or packing structure). Its locale is indicated by the presence of a single oak tree among the surrounding citrus trees. Any early improvements would be related to the John Furney ownership.

The field survey resulted in the identification of the reported Citrus Avenue alignment; the New Jersey Street alignment; the Orange Avenue alignment; the "Dinky" Railroad alignment berm; the John Furney et al. orchards; a bridge crossing at Citrus Avenue and New Jersey Street; and the Flood Control Channel (Morey Arroyo). In assessing the significance of these resources, the cultural investigation determined that the roadways do not reflect their original designs or condition and, in the case of Citrus Avenue, even the originally proposed alignment. The roadways are not considered historically significant and, therefore, any renovation or replacement of these roadways will not result in any adverse environmental impacts.

The Redlands "Dinky" Railroad alignment was assessed by McKenna in 2014, resulting in a determination the alignment lacks integrity and no longer reflects the original design or use. The Redlands Central Railway "Dinky" line is, however, considered a locally significant resource for its association with noted individuals (e.g. Henry Fisher) and the events associated with the successful development of the area (rider and commercial traffic). Despite its history and associations, the relative lack of integrity negates its recognition as a locally significant historical resource.

The Furney/Yount orchard was established between ca. 1887 (western portion) and 1917 (eastern portion). The trees were damaged during the frosts of the 1920s and 1930s, requiring replacement. All of the trees within the orchard(s) date to the 1930s, but are indicative of the early citrus industry in the area. The complement to the adjacent Curtis holdings – the Furneys and Younts were related to the Curtis family through marriage. In general, the Furney/Yount orchard represents approximately 20 percent of the overall

Curtis family holdings. In addition to the trees, the orchard includes an irrigation system (early and late) and heating system (smudge pots and windmills). Neither of these systems are considered historically significant.

In contrast, the orchard is considered, by definition, a cultural landscape representing the activities of an extended family with a history in the area dating back to 1867. The orchard system was expanded over time – the Furney/Yount portion being a late addition to the holdings. Previous analysis (McKenna 2014 and 2015) addressed the potential loss of other Curtis orchard properties. The removal of the Furney/Yount orchard(s) would result in a cumulative loss of the cultural landscape, essentially removing all evidence of the Curtis family enterprise. To avoid adverse impacts to the cultural landscape of the Furney/Yount orchard, McKenna et al. recommends avoidance of disturbances to the orchard. If avoidance is not possible, the following mitigation measures are recommended:

Mitigation Measure 5:

Initiate an archaeological monitoring program for the proposed 30-acre development area to oversee the removal of citrus trees and to document any additional resources that may be identified as a result of tree removal (e.g. prehistoric artifacts and/or evidence of a structure).

Mitigation Measure 6:

Prepare a technical document that includes the findings of the monitoring program and includes some additional research to address the connections of the Furney/Yount orchard with other Yount holding in the immediate area.

Implementation of Mitigation Measures 6 and 7 would reduce adverse impacts to archeological resources to a less than significant level.

- b) The project area is associated with a general area known to have been inhabited by Native Americans prior to and during the establishment of the *Asistencia*. As concluded in the Phase I Cultural Resources Investigation, no evidence of Native American cultural resources were found within the project area. However, the general area is still considered highly sensitive for the presence of prehistoric or protohistoric archaeological resources. The property is very close to the *Asistencia* and between the recorded locations of the *Asistencia* and the village of Guachama.

Mitigation Measure 7:

If, at any time, evidence of Native American archaeological resources is identified, a Native American monitoring program shall be included in the overall monitoring program.

Implementation of the above mitigation measure would ensure potential impacts to historical resources are reduced to a less than significant level.

- c) A paleontological overview was prepared by Dr. Samuel McLeod of the Natural History Museum of Los Angeles County. He noted the project area is within an area dominated by younger Quaternary alluvium, primarily derived from the Crafton Hills, and fluvial deposits of the Santa Ana River channel. These deposits are not considered conducive to

yielding fossil specimens. The Museum has no record of any fossil localities in this area. The nearest find was to the south, in the San Jacinto Valley. Dr. McLeod concluded that that no additional studies are warranted and that the relative depth of the older deposits in this area are generally below any development impact areas. Although there is no evidence that fossil localities may be encountered and no further study has been recommended by Dr. McLeod, the following mitigation measure shall be implemented:

Mitigation Measure 8:

In the event older Quaternary alluvial deposits are identified or paleontological resources are unearthed, a qualified paleontologist shall be contacted to determine if reporting the finds is required and if further monitoring during the earthwork is warranted. If, at any time, resources are identified, the paleontologist shall make recommendations to the City of Loma Linda for appropriate mitigation measures in compliance with the guidelines of the California Environmental Quality Act.

Implementation of the above mitigation measure would reduce potential impacts to unknown paleontological resources to a less than significant level.

- d) Construction activities, particularly grading, soil excavation and compaction, could adversely affect unknown buried human remains. The following mitigation measure shall be implemented to reduce potential impacts to less than significant.

Mitigation Measure 9:

If human remains of any kind are found during earthwork activities, all activities must cease immediately and the San Bernardino County Coroner and a qualified archaeologist must be notified. The Coroner will examine the remains and determine the next appropriate action based on his or her findings. If the coroner determines the remains to be of Native American origin, he or she will notify the Native American Heritage Commission whom will then identify the most likely descendants to be consulted regarding treatment and/or reburial of the remains. If a most likely descendant cannot be identified, or the most likely descendant fails to make a recommendation regarding the treatment of the remains within 48 hours after gaining access to them, the contractor shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further subsurface disturbance.

Implementation of the above mitigation measure would ensure potential impacts to unknown human remains would be less than significant.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
6. TRIBAL CULTURAL RESOURCES. <i>Would the project:</i> a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?	()	()	(✓)	()

- a) California Assembly Bill 52 (AB 52) was approved by Governor Brown on September 25, 2014. AB52 specifies that CEQA projects with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource may have a significant effect on the environment. As such, the bill requires lead agency consultation with California Native American tribes traditionally and culturally affiliated with the geographic area of a proposed project, if the tribe requested to the lead agency, in writing, to be informed of proposed projects in that geographic area. The legislation further requires that the tribe requests consultation, prior to determining whether a negative declaration, mitigated negative declaration, or environmental impact report is required for a project. The bill applies to CEQA projects that have a notice of preparation or a notice of negative declaration filed or mitigated negative declaration on or after July 1, 2015.

In accordance with AB 52, tribes must first request to be on the Lead Agency's notification list to receive information about a known project and a requested consultation. Tribes that have expressed interest in receiving information from the City of Loma Linda include the Gabrieleno Band of Mission Indians – Kizh Nation and the San Manuel Band of Mission Indians.

In accordance with AB 52 and Section 21080.3.1(d) of the California Public Resources Code (PRC), the City of Loma Linda submitted a letter to the tribes and provided the designated tribal contact with appropriate notification of the project and the opportunity to consult with the City regarding the potential for this project to impact Tribal Cultural Resources. In accordance with Section 21080.3.1(d) of the PRC, the tribe has 30 days from the receipt of the letter to either request or decline consultation in writing for the project. As of the date of the preparation of this Initial Study, the City has received a written request to consult regards to this Proposed Project from both tribes.

At the request of the tribes, a Native American monitor will be present during earth moving activities, in accordance with Conditions of Approval for the project. No additional mitigation is warranted and any potential impacts will be reduced with implementation of Mitigation Measure 8.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
6. GEOLOGY AND SOILS. <i>Would the project:</i>				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	()	()	(✓)	()
ii) Strong seismic ground shaking?	()	()	(✓)	()

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
iii)	Seismic-related ground failure, including liquefaction?	()	()	(✓)	()
iv)	Landslides?	()	()	()	(✓)
b)	Result in substantial soil erosion or the loss of topsoil?	()	()	(✓)	()
c)	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	()	()	()	(✓)
d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	()	()	()	(✓)
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	()	()	()	(✓)

Comment:

- a) The City of Loma Linda is situated within the northern Peninsular Ranges Geomorphic Province of California. Locally, the City lies near the transition zone between the Transverse Ranges Geomorphic Province to the north and the Peninsular Ranges Geomorphic Province to the south. The Peninsular Ranges are a northwest-southeast oriented complex of blocks separated by similarly trending faults which extend 125 miles from the Transverse Ranges to south of the California/Mexican border and beyond another 775 miles to the tip of Baja California.
- i) According to Figure 10.1 of the City of Loma Linda General Plan, the 80-acre annexation area including the 30-acre portion proposed for development does not occur within an Alquist-Priolo Earthquake Fault Zone or special study zone. The nearest fault zone is the Loma Linda Fault, approximately one-half mile to the east; the fault is identified as inactive. The nearest known, active earthquake fault is the San Jacinto Fault which is located approximately 1.6 miles to the southwest. The Redlands fault of the Crafton Hills Fault complex is located approximately 2.8 miles to the southeast; the activity rating of this fault is not known. Other known, active earthquake faults in the region include the San Andreas fault located approximately six miles to the northeast and the Cucamonga fault located approximately 15.5 miles to the northwest. Given the 30-acre area's location in relation to these mapped Alquist-Priolo Earthquake Fault Zones, potential impacts are anticipated to be less than significant ((see a)ii below)).
- ii) The San Jacinto Fault Zone, a system of northwest-trending, right-lateral, strike-slip faults is the closest known active fault to the annexation area (occurring approximately 1.6 miles to the southwest), and is considered the most important fault to the site with

respect to the hazard of seismic shaking and ground rupture. More significant historic earthquakes have occurred on the San Jacinto fault than any other fault in Southern California. Severe seismic shaking can be expected during the lifetime of the proposed residential units. Construction of the 95 single-family residences in accordance with applicable requirements for development within Seismic Zone 4 as listed within the Uniform Building Code would ensure that potential impacts are reduced to the maximum extent possible.

- ii) Liquefaction occurs primarily in saturated, loose, and fine to medium grained soils. Shaking may cause soils meeting these conditions to lose strength and move as liquid. Liquefaction-related effects may include loss of bearing strength, ground oscillations, lateral spreading, and flow failures or slumping. The City of Loma Linda General Plan Figure 10.1 does not identify the annexation area as occurring within a zone that has soils or conditions prone to liquefaction. Therefore, the potential for liquefaction is considered low and no significant impacts are anticipated.
 - iv) The 30-acre area proposed for developing 95 single-family residential units is flat and at an elevation of 1,180 feet above mean sea level. There are no hills or prominent landforms in the immediate vicinity that would be susceptible to landslides seismic-induced settlement or rock falls. No impacts would occur.
- b) During the development of a portion of the annexation area (30-acre area) which would include disturbance of approximately 30 acres, project dust may be generated due to the operation of machinery on-site or due to high winds. Additionally, erosion of soils could occur due to a storm event. The City of Loma Linda requires the preparation of a Water Quality Management Plan (WQMP) for development projects that fall within one of eight project categories established by the RWQCB. According to the San Bernardino County WQMP template, the Proposed Project would require a WQMP because it is considered a significant re-development involving the addition or replacement of 5,000 square feet or more of impervious surface on an already developed site. Refer to the Hydrology and Water Quality section of this Initial Study for a comprehensive discussion. Impacts related to soil erosion are considered less than significant.
 - c) The approximate 80-acre annexation area is located approximately 1.6 miles northeast from the San Jacinto Fault Zone, and is located outside of the earthquake hazard zone as identified in the City of Loma Linda General Plan. The Project Site is located on a relatively flat parcel and there are no hills or prominent landforms in the immediate vicinity. It is not anticipated that development proposed within a 30-acre portion of the 80-acre annexation area would result in soil that would become unstable or cause off-site landslide, lateral spreading, subsidence, liquefaction or collapse. No impacts are anticipated.
 - d) Expansive soils (shrink-swell) are fine grained clay soils generally found in historical floodplains and lakes. Expansive soils are subject to swelling and shrinkage in relation to the amount of moisture present in the soil. Structures built on expansive soils may incur damage due to differential settlement of the soil as expansion and contraction takes place. Information about shrink-swell classes and linear extensibility is available in the Natural Resources Conservation Service (NRCS) soil survey reports. The shrink-swell classification indicates the relative change in volume that may be expected with changes in moisture content that is the extent to which the soil shrinks as it dries out or swells when it gets wet. The extent of shrinking and swelling is influenced by the amount and kind of clay in the soil. A high shrink-swell potential indicates a hazard to maintenance of

structures built in/on/or with material having this rating. Moderate to low ratings lessen the hazard. According to the geotechnical report prepared for the 30-acre area proposed for development, on-site soils have a very low expansive potential; therefore no impacts related to expansive soils are anticipated.

- e) Upon annexation, the proposed 95 single-family residential lot development would connect to the City's sewer collection system existing in California Street. No septic tanks or alternative wastewater disposal is proposed. No impacts would result.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
7. GREENHOUSE GAS EMISSION. <i>Would the project:</i>	()	()	(✓)	()
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	()	()	(✓)	()
b) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	()	()	(✓)	()

- a) In September 2006 Governor Schwarzenegger signed Assembly Bill 32, The Global Warming Solutions Act of 2006. The Act requires that by the year 2020, the Greenhouse Gas (GHG) emissions generated in California be reduced to the levels of 1990. However, although thresholds of significance guidelines have been developed; standards or significance thresholds have not yet been adopted by SCAQMD or the California Air Resources Board (CARB).

Per CEQA guidelines, new project emissions are treated as standard emissions, and air quality impacts are evaluated for significance on an air basin or even at a neighborhood level. Greenhouse gas emissions are treated differently as the perspective is global, not local. Therefore, emissions for certain types of projects might not necessarily be considered as new emissions if the project is primarily population driven. Many gases make up the group of pollutants that are believed to contribute to global climate change. However the three gases that are currently evaluated are Carbon dioxide (CO₂) Methane (CH₄) and Nitrous oxide (N₂O). SCAQMD's CalEEMod model was used to determine emissions from GHGs. Model results for GHG emissions related to the Proposed Project are shown in Tables 3 and 4, construction and operational emissions, respectively. A threshold of 3,000 MTCO₂E per year has been adopted by SCAQMD for determining a project's potential for significant impact to global warming for non-industrial projects (Draft Guidance Document – Interim CEQA Greenhouse Gas (GHG) Significance Threshold, SCAQMD, October 2008).

Table 3
Greenhouse Gas Construction Emissions
MT Per Year

Source/Phase	CO ₂	CH ₄	N ₂ O
Site Preparation	38.6	0.0	0.0
Grading	135.5	0.0	0.0
Building Construction	380.2	0.0	0.0

Paving	38.1	0.0	0.0
Architectural Coating	5.6	0.0	0.0
Total in MT Per Year	598.0		
Total CO2e Per Year	598.0		
SCAQMD Threshold	3,000		
Significant	No		

Source: CalEEMod 2013.2.2 Annual

Table 4
Greenhouse Gas Operational Emissions
"MT Per Year"

Source	CO ₂	CH ₄	N ₂ O
Area	31.1	0.0	0.0
Energy	380.0	0.0	0.0
Mobile	1,285.1	0.0	0.0
Waste	22.6	1.3	0.0
Water	37.4	0.2	0.0
Total in MT Per Year	1,756.2		
Total CO2e Per Year	1,793.9		
SCAQMD Threshold	3,000		
Significant	No		

Source: CalEEMod 2013.2.2 Annual

As shown in Table 3 and Table 4, GHG emissions related to the Proposed Project are not anticipated to exceed the SCAQMD GHG emissions threshold. Therefore, impacts are anticipated to be less than significant.

- b) There are no existing GHG plans, policies, or regulations that have been adopted by CARB or SCAQMD that would apply to this type of emissions source. It is possible that CARB may develop performance standards for Project-related activities prior to Project construction. In this event, these performance standards would be implemented and adhered to, and there would be no conflict with any applicable plan, policy, or regulation; therefore, impacts would be less than significant, and no mitigation would be required.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
8. HAZARDS AND WASTE MATERIALS. <i>Would the project:</i>	()	()	(✓)	()
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	()	()	()	(✓)
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident considerations involving the release of hazardous materials into the environment?	()	()	()	(✓)
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school?	()	()	()	(✓)
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	()	()	()	(✓)
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	()	()	()	(✓)
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	()	()	()	(✓)
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	()	()	(✓)	()
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	()	()	()	(✓)

- a) Construction activities would not create a significant hazard to the public or to the environment through the routine transport, use, or disposal of hazardous materials because construction of the expansion would not involve such activities. The uses allowed under the current County designation of Multiple Residential and Community Industrial and the City of Loma Linda's existing Commercial, Business Park and High Density Residential and proposed change to Low Density Residential would not increase the

potential for transport of hazardous materials. The construction and post-construction operation of 95 single-family residences would not involve the routine transport or use of hazardous materials. A less than significant impact would result.

- b) Hazardous or toxic materials transported in association with construction of the single-family units may include items such as oils, paints, and fuels. All materials required during construction would be kept in compliance with State and local regulations. Post-construction activities would include standard maintenance (i.e., lawn upkeep, exterior painting and similar activities) involving the use of commercially available products (e.g., gas, oil, paint) the use of which would not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident release of hazardous materials into the environment. No impacts are anticipated.
- c) The Citrus Valley Christian Academy is located approximately 875 feet north of the Project Site. In addition, Mission Elementary School and Grove High School are located approximately 0.5 miles northwest and 0.5 miles east of the Project Site, respectively. Although the 30-acre area proposed for development occurs within ¼-mile of a school, no hazardous materials would be emitted as a result of the construction of the residential units. The storage and use of hazardous materials is not associated with single-family homes; therefore no impacts associated with emission of hazardous or acutely hazardous materials, substances, or waste within ¼-mile of a school are anticipated.
- d) Pursuant to California Government Code Section 65962.5 the California Department of Toxic Substances Control (DTSC) compiles the Cortese List and updates it at least annually. The Cortese List includes hazardous waste facilities subject to corrective action, land designated as hazardous waste property or border zone property, sites included in the abandoned site assessment program, and qualifying sites pursuant to Section 25356 of the Health and Safety Code. A Preliminary Environmental Site Assessment report was prepared for the 30-acre subdivision property by CHJ, in 2004. The property use has not changed since the time of the report. The CHJ report concluded that groundwater beneath the site could have been impacted by chlorinated solvents and/or pesticides resulting from agricultural uses. However the known contamination was not considered to be a significant health threat to non-groundwater related uses of the property. A Phase I Environmental Assessment Report was prepared on August 19, 2015 by Robin Environmental Management for the westerly adjacent parcel (referred to as "Citrus Heights"). That report indicates that the adjacent property was historically used for agriculture and that based on the firm's experience, typical pesticide concentrations in soil samples pose no significant health risk for commercial, industrial, or residential exposure. A copy of the most recent Cortese List was retrieved from the DTSC EnviroStor online Database on December 21, 2015; the 30-acre area proposed for development within the 80-acre annexation area was not identified on the list. No impacts are anticipated.
- e,f,g) The San Bernardino International Airport is located approximately 2.5 miles northwest of the approximate 80-acre annexation Project Site. As identified in the City of Loma Linda General Plan Figure 10-4, the Project Site is not located within the Airport Influence Area. Additionally, no private airstrips occur in the vicinity of the Project Site. Proposed development of the 30-acre area within the Project Site would not result in a safety hazard associated with an airport or private airstrip.

The City of Loma Linda implements and maintains the City's Emergency Plan as required by State Law. The Plan includes ongoing emergency response coordination with

surrounding jurisdictions, including the County of San Bernardino, and a public awareness program on the nature and extent of natural hazards in the Planning Area. Proposed development within the 30-acre portion of the annexation area would include construction of 95 single-family residences. The proposed site plan includes three access points along Citrus Avenue (including one at the intersection of New Jersey Street and Citrus Avenue) and three access points from New Jersey Street. Construction would take place within the boundaries of the site. Neither the construction nor post-construction operations would conflict with implementation of the City's Emergency Plan.

- h) The Project Site does not occur within a Fire Hazard Overlay area as indicated on the County of San Bernardino General Plan Hazards Overlay Map FH31C. Upon annexation, the Project Site would transfer from the unincorporated portion of the County of San Bernardino to the City of Loma Linda. The Project Site is currently located within the Sphere of Influence of the City of Loma Linda. The Loma Linda Hills and wildland and conservation areas are located approximately one-mile south of the Project Site. There are no intermixed wildlands areas within the vicinity. Implementation of the Proposed Project, which includes the development of 95 single-family residential units, would not expose people or structures to a significant risk of loss, injury or death involving wildland fires; no impacts would occur.

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
9. HYDROLOGY AND WATER QUALITY. <i>Would the project:</i>		()	(✓)	()	()
a) Violate any water quality standards or waste discharge requirements?		()	()	(✓)	()
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?		()	()	(✓)	()
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?		()	()	(✓)	()
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?		()	()	(✓)	()

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e)	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	()	()	(✓)	()
f)	Otherwise substantially degrade water quality?	()	(✓)	()	()
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	()	(✓)	()	()
h)	Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?	()	(✓)	()	()
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	()	()	(✓)	()
j)	Inundation by seiche, tsunami, or mudflow?	()	()	()	(✓)

- a,f) The Proposed Project includes the annexation of an approximate 80-acre area and development of approximately 30 acres with 95 single-family residential units. Open letter lots are proposed near the central northern boundary adjacent to the Morey Arroyo. Proposed bio-retention and catch basins within the open space lots would provide water quality treatment of storm flows from project streets and parkways. In addition, rain gardens would be provided on each single-family residential lot to provide water quality treatment of storm flows at each lot. The portion of the 30-acre site to the east of New Jersey Street (APN 0292-163-08) is transected by the Morey Arroyo, an earthen channel running diagonally through the middle of the parcel, flowing from the southeast corner of the parcel to the intersection of New Jersey Street and Citrus Avenue. Flows from both sides of this parcel discharge to the Morey Arroyo and flows continue north to the Mission Zanja through a San Bernardino County Flood Control Channel. The Mission Zanja is tributary to the Santa Ana River.

The Proposed Project would disturb approximately 30 acres and therefore would be subject to the National Pollutant Discharge Elimination System (NPDES) permit requirements. The State of California is authorized to administer various aspects of the NPDES. Construction activities covered under the State's General Construction permit include removal of vegetation, grading, excavating, or any other activity that causes the disturbance of one-acre or more. The General Construction permit requires recipients to reduce or eliminate non-storm water discharges into stormwater systems, and to develop and implement a Storm Water Pollution Prevention Plan (SWPPP). The purpose of a SWPPP is to: 1) identify pollutant sources that may affect the quality of discharges of stormwater associated with construction activities; and 2) identify, construct and implement stormwater pollution control measures to reduce pollutants in stormwater discharges from the construction site during and after construction

The RWQCB has issued an area-wide NPDES Storm Water Permit for the County of San Bernardino, the San Bernardino County Flood Control District, and the incorporated cities of San Bernardino County. The City of Loma Linda then requires implementation of measures for a project to comply with the area-wide permit requirements. A SWPPP is based on the principles of Best Management Practices (BMPs) to control and abate pollutants. The SWPPP must include (BMPs) to prevent project-related pollutants from impacting surface waters. These would include, but are not limited to street sweeping of paved roads around the site during construction, and the use of hay bales or sand bags to control erosion during the rainy season. BMPs may also include or require:

- The Project Proponent shall avoid applying materials during periods of rainfall and protect freshly applied materials from runoff until dry.
- All waste to be disposed of in accordance with local, state and federal regulations. The Project Proponent shall contract with a local waste hauler or ensure that waste containers are emptied weekly. Waste containers cannot be washed out on-site.
- All equipment and vehicles to be serviced off-site.

In addition to complying with NPDES requirements, the City of Loma Linda also requires the preparation of a Water Quality Management Plan (WQMP) for development projects that fall within one of eight project categories established by the RWQCB. As discussed in the San Bernardino County Stormwater Program Model Water Quality Management Plan Guidance (as amended June 9, 2005), project proponents for development projects that fall into one of eight Permit-specified categories (Category Projects) must develop, submit and implement a WQMP. The Project is considered a Category Project as it includes new development involving the creation of 10,000 square feet or more of impervious surface collectively over the entire site. In June 2015, the project proponent submitted a WQMP to the City for review and approval.

As part of the WQMP, all Category projects must identify any hydrologic condition of concern that would be caused by the project, and implement site design, source control, and/or treatment control BMPs to address identified impacts. Since the downstream conveyance channels that would receive runoff from development of the 30-acre area are not all engineered, hardened and regularly maintained, hydrologic conditions of concern were identified for the project. To ensure potential impacts are reduced to less than significant, the following mitigation measures, as provided in the WQMP, shall be implemented.

Mitigation Measure 10:

The Project Proponent shall ensure the education of property owners, tenants and occupants on storm water BMPs.

Mitigation Measure 11:

Activity restrictions shall be implemented and shall include: outdoor materials storage, outdoor work or processing areas, pesticide application by any other person other than an applicator certified by the California Department of Pesticide Regulation, and hazardous materials storage.

Mitigation Measure 12:

Rain triggered shutoff devices and shutoff devices designed to limit water supply in the event of a broken sprinkler shall be used in the common area landscape design. In addition, irrigation and landscaping shall be coordinated to avoid overspray.

Mitigation Measure 13:

Landscaping at the bio-retention areas is to be native and drought tolerant grasses and shrubs. All other landscaping will be with native and drought tolerant trees and groundcovers, citrus or turf. Wood fiber shall be used in the landscaping design. Plants shall be grouped with similar water requirements in order to reduce excess irrigation runoff and promote surface filtration. Landscaping will correlate to the climate, soil, related natural resources and existing vegetation of the site, as well as the type of development proposed.

Mitigation Measure 14:

Homeowners shall be responsible for litter control on private lots. HOA staff shall remove litter from common areas and dispose off-site. HOA staff or an outside landscape company shall provide litter control services.

Mitigation Measure 15:

The HOA shall schedule an annual seminar and refresher course based on Activity Restrictions which shall be conducted by a designated representative.

Mitigation Measure 16:

The top of all catch basins shall be painted with the following: "No Dumping, Drains to River" sign or equivalent.

Mitigation Measure 17:

The catch basins are to be inspected after the first storm event of the rainy season and two times per month thereafter until the end of the rainy season, and shall be cleaned out as necessary or until filled to 25 percent capacity.

Mitigation Measure 18:

Bio-retention area maintenance shall begin within 30 days of project completion. The owner or their designated landscape maintenance company shall maintain bio-retention areas in private lots. A landscape maintenance company shall be retained by the HOA to maintain bio-retention areas in common lots. They shall ensure that bio-retention areas are inspected every six months and after major storm events for erosion of banks and bottom, standing water, slope stability, sediment accumulation, and vigor and density of the plants. Silt and debris accumulated with the rain gardens shall be removed every 60 days or sooner as required.

Implementation of Mitigation Measures 11 through 19 would ensure potential impacts to water quality are reduced to a less than significant level.

- b) As identified in the County of San Bernardino General Plan and the City of Loma Linda General Plan, the annexation area is not used for groundwater recharge, therefore the development proposed within the 30-acre area of the 80-acre Project Site would not impact groundwater recharge. In addition, the development of 95 single-family residences would not substantially deplete groundwater supplies.

The Project Site is located within the City of Loma Linda Water Service area as shown in the 2010 Regional Urban Water Management Plan for the San Bernardino Valley. Irrigation water for the 30-acre area is currently provided by Bear Valley Municipal Water Company. Upon annexation, the City of Loma Linda would provide domestic water to the development, and irrigation water for the existing grove on-site would no longer be required. Irrigation water would continue to be provided by the Bear Valley Mutual Water Company for groves within the 80-acre annexation area; resulting in no change in services. Similarly existing development within the annexation area is currently serviced by their own wells. As of the date of preparation of this Initial Study only one property within the 80-acre Project Site (Seventh Day Adventist Spanish Church located near the northeast corner of Orange Avenue and New Jersey Street) has requested and been granted water service by the City of Loma Linda. Until requests/approvals for water service are processed through the City of Loma Linda, no changes in services would occur.

The City obtains all of its water from groundwater wells in the Bunker Hill Basin, an aquifer underlying the San Bernardino Valley. Groundwater in the region includes native water supplies supplemented by imported water to meet approximately 13% to 16% of demands. The City of Loma Linda was a participating agency in development of the 2015 Upper Santa Ana River Watershed Integrated Regional Water Management Plan (IRWM Plan). Resource management activities defined in the Plan, in combination with the integrated goals, objectives, and strategies of the Plan and participating agencies are intended to ensure that the Region's water resources are sustainably managed into the future. The Region's long-term water demands consider the 15 participating agencies' General Plan and/or Urban Water Management Plan scenarios to the year 2035, as required by the November 2012 *IRWM Proposition 84 and 1E Program Guidelines* published by the California Department of Water Resources.

Conversion of a 30-acre portion of the Project Site's land use from agricultural to residential will result in a decrease in overall water demand. Estimated water use for the existing citrus grove would be approximately 120 acre-feet/year (4 acre-feet/acre of citrus/year), and estimated water use for single-family residential would be approximately 48 acre-feet (1/2 acre-foot/residence/year). Water demands associated with development under the proposed zone change would be speculative however the three land use designations of General Business (C-2), Multi-Family Residence (R-3) and Institutional (I) all typically have lower water use rates than citrus groves. With implementation of the water resources management activities defined in the IRWM Plan, the available groundwater supply would be sufficient to meet the long-term water demands of the City including areas within its Sphere of Influence; therefore impacts would be less than significant.

- c-f) Currently the 30-acre portion of the 80-acre Project Site is developed with citrus groves and does not support any natural areas. Flows from the portion of the site to the west of

New Jersey Street (APN 0292-161-02 & 03) currently drain from southeast to the northwest, at an approximate grade of 0.5 percent. Flows continue on to Citrus Avenue and west to California Street, then north to the Mission Zanja and finally to the Santa Ana River. The portion of the site to the east of New Jersey Street (APN 0292-163-08) is transected by the Morey Arroyo, an earthen channel running diagonally through the middle of the parcel, flowing from the southeast corner of the parcel to the intersection of New Jersey Street and Citrus Avenue. Flows from both sides of this parcel go to the Morey Arroyo, where they continue north to the Mission Zanja through a San Bernardino County Flood Control Channel. The Mission Zanja is tributary to the Santa Ana River.

The flows in the Morey Arroyo were analyzed by San Bernardino County Flood Control Planning Division in their Comprehensive Storm Drain Plan #4 (February 2013). Per the Plan, the 30-acre area falls between nodes 21419 to 21421 in Sub Area LR0200. Flows from Nodes 21419 to 21420 have been determined to be 2,885.13 cfs per the 100-year storm event. As these flows continue to Node 21421 they are increased to 2,955.28 cfs. Due to these large flows and small cross section of the existing Morey Arroyo the areas directly adjacent to the Morey Arroyo are in FEMA flood zones A and AO.

Proposed development of the 30-acre area includes removing most of the existing citrus trees, and constructing 95 single-family residential units and nine common lots for open space. Flows from the pads will be directed to on-lot bio-retention areas. Street and open space flows will be directed via proposed curb and gutter to catch basins and under sidewalk drains that will lead to proposed bio-retention areas in Lots A, E & G. Excess flows will continue as they have historically on the west side, flowing north to Citrus Avenue and then west to California Street and the east side will enter the Morey Arroyo. The total volume proposed to be captured by the bio-retention areas will be a total of 53,060 cubic feet.

Existing offsite tributary flows upstream from the Morey Arroyo will be handled by a new graded 40-foot wide earthen channel that has been sized to handle the flows. Flows from this new channel will then enter a new proposed box culvert directing flows to the north of the existing San Bernardino County Flood Control channel. The increase in the cross section of the Morey Arroyo would mitigate any previous flooding as shown in the FIRM Map. Surface water depths in the new channel will range from 5.2 feet to 5 feet. The proposed channel has been designed to be six (6) feet in depth. In addition to the deepening and widening of the Morey Arroyo, adjacent lots along the channel will be raised further to decrease possible flooding.

In July 2015, a Preliminary Drainage Study was prepared for the 30-acre area proposed for development. The purpose of the study was to analyze the flows to and through the site both pre-development and post-development and demonstrate that the post-development flows leaving the site will be less than pre-development flows. The study determined that for the area west of New Jersey Street the pre-development total flows produced for 10, 25 and 100 year events would be 9,045 cubic feet (cf), 20,329 cf and 64,410 cf, respectively. For the area east of New Jersey Street the 10, 25 and 100 year total pre-development flows produced would be 8,805 cf, 13,138 cf, and 27,212 cf, respectively. The 10, 25 and 100 year post-development flows were determined utilizing the Rational Method per San Bernardino County Hydrology Manual and were found to produce for the area west of New Jersey Street 13,556 cf for a 10-year event, 39,004 cf for a 25-year event, and 61,131 cf for a 100 year event. For the area east of New Jersey

Street the 10, 25 and 100-year total volume flow would be 10,290 cf, 12,837 cf and 19,084 cf, respectively.

In all cases the volumes produced by the post-development storm events would be less than the volumes that currently exist onsite due to the bio-retention areas which would redirect flows. The proposed total volume of the bio-retention areas would be 40,221 cf for the area west of New Jersey Street, and 12,839 cf for the area east of New Jersey Street. Excess flows leaving the bio-retention areas would be reduced via a proposed broad crested weir² before leaving the site and then directed west along Citrus Street or enter the Morey Arroyo as they have historically. Proposed improvements to the Morey Arroyo would mitigate flood concerns that exist for Phase II of the 30-acre site.

A dry, sandy-bottom, drainage, Morey Arroyo, traverses APN 0292-163-08-0000 from southeast to northwest. The drainage crosses beneath New Jersey Street and then crosses the northeast corner of APN 0292-161-02-0000. Morey Arroyo flows offsite to the northwest where it eventually flows into the Mission Zanja Channel, which is tributary to the Santa Ana River. The portion of Morey Arroyo located within the project site consists of an unvegetated bed with non-native tree species and ornamentals along the channel side slopes and banks. Some of the species observed are California wild grape, California ash, willow, oleander, tree tobacco, castor bean, scirpus, giant reed and Mexican fan palm.

The onsite portion of Morey Arroyo is considered to be Waters of the State and Waters of the United States; and, therefore falls under the jurisdiction of the U.S. Army Corps of Engineers (USACE), State Regional Water Quality Control Board (RWQCB), and California Department of Fish and Wildlife (CDFW). The field survey resulted in the finding of a total of approximately 0.85 acre of CDFW jurisdictional areas and approximately 0.28 acre of Waters of the United States. It is anticipated that all 0.85 acres of CDFW jurisdictional streambed and 0.28 acres of Waters of the United States will be impacted by implementation of the Proposed Project. The project Applicant will be required to mitigate for these impacts to CDFW jurisdictional streambed and Waters of the United States through the purchase of 0.85 acre of off-site credits at the Soquel Canyon Mitigation Bank.

Mitigation Measure 19:

Notify the CDFW, USACE, and RWQCB prior to any the initiation of any construction activities within the jurisdictional drainages located on the 30-acre site.

Mitigation Measure 20:

The project Applicant will be required to mitigate for impacts to CDFW jurisdictional streambed and Waters of the United States through the purchase of 0.85 acre of off-site credits at the Soquel Canyon Mitigation Bank unless otherwise stipulated as a result of completing Mitigation Measure 19.

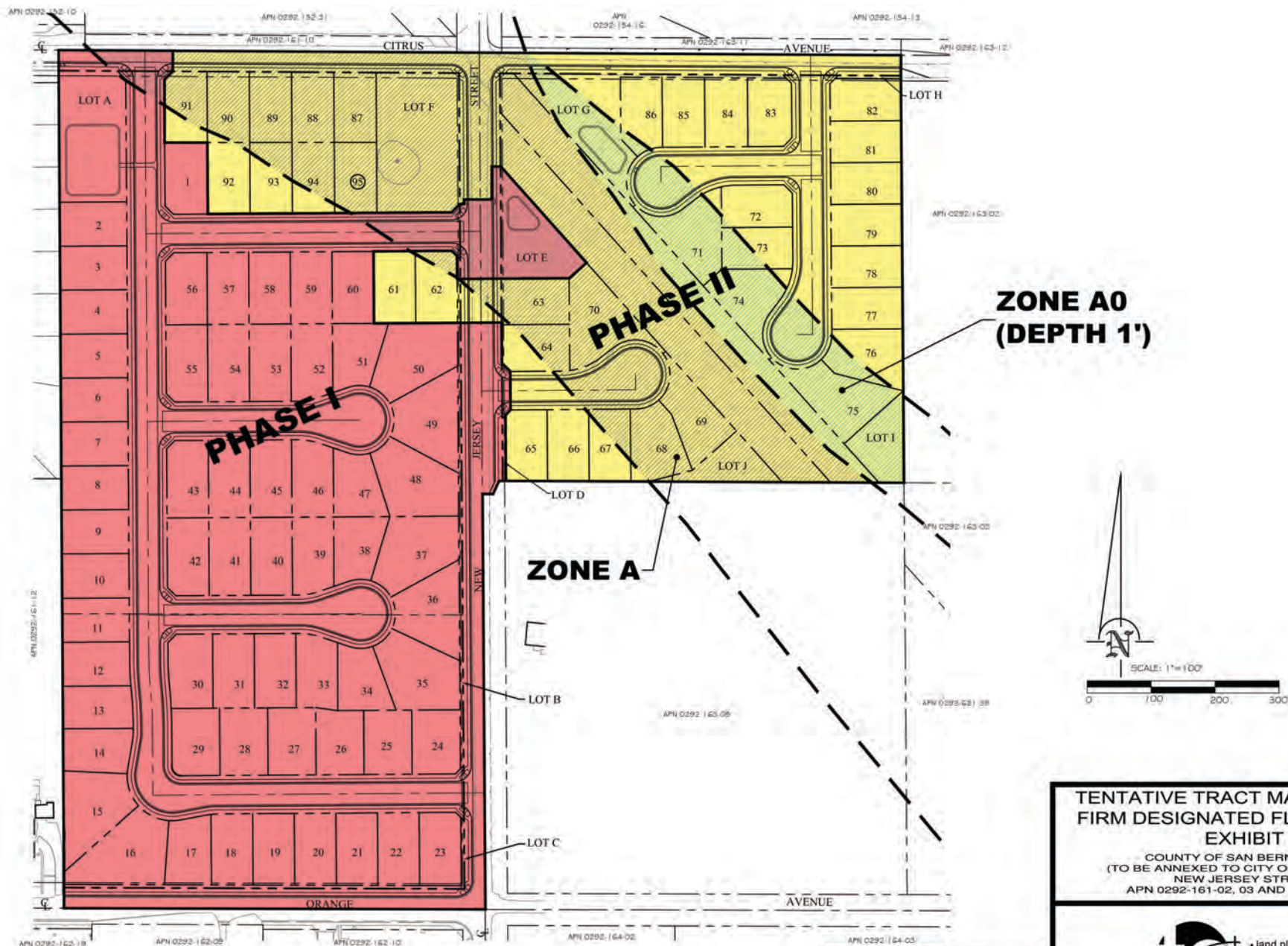
² A weir is a barrier across a river designed to alter its flow characteristics. A broad-crested weir is an open channel flow measurement device that combines hydraulic characteristics of both weirs and flumes.

Development of Phase II would be conditionally approved and require improvements to the Morey Arroyo to reduce potential flood hazards to a less than significant level. Implementation of Mitigation Measure 20 would ensure appropriate entitlements are obtained prior to initiating construction activities within the channel.

- g-h) The Project Site is located on the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map No. 06071C8711H as revised on August 28, 2008. As illustrated on Figure 9 Flood Limits, a portion of Phase II occurs within Zone A and Zone AO. Zone A refers to areas where no base flood elevations have been determined. Zone AO is mapped for areas where flood depths may average one to three feet, and Zone X indicates areas of 0.2 percent annual chance flood; the zone also refers to areas of one percent annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from one percent annual chance flood. Zone X occurs for the area proposed for development in Phase I. No improvements are required or proposed for areas that occur in Zone X, and no significant impacts are anticipated.

Development of Phase II of the Proposed Project would place housing within a 100-year floodplain. However proposed improvements to the Morey Arroyo would eliminate flood hazards for the areas mapped in Zone A and Zone AO (see Figure 9). Implementation of Mitigation Measure 20 would ensure that agencies with jurisdiction over Water of the United States would be consulted prior to initiating construction within the channel. Therefore, proposed development within Phase II would be conditionally approved.

- i) The San Bernardino County Flood Control District covers the entire County (including the incorporated cities), and provides planning, design, construction, and operation of flood control facilities. Storm drain systems have been constructed throughout the City of Loma Linda including portions of unincorporated areas to accommodate both the increased runoff resulting from development and to protect developed areas within the City from potential localized flooding. The San Bernardino County Flood Control District has developed an extensive system of facilities, including dams, conservation basins, channels and storm drains to intercept and convey flood flows away from developed areas. The Morey Arroyo occurs north of the 30-acre area proposed for development and the Morey Arroyo transects the northeastern portion of the 30-acre area. As previously discussed, the Phase II of the 30-acre area proposed for construction of single-family houses is located within a 100-year floodplain as identified in the FEMA Flood Insurance Rate Map. Upon annexation and proposed improvements to the Morey Arroyo that would be required as conditions of approval for development of Phase II, potential impacts from flooding would be reduced to a less than significant level.
- j) Phase II of the 30-acre area proposed for development is transected by the Morey Arroyo and occurs within a 100-year floodplain. However, there are no large bodies of water in the vicinity of the Project Site and therefore no hazards from inundation by seiche or tsunami are anticipated.



TENTATIVE TRACT MAP NO. 19963 FIRM DESIGNATED FLOOD LIMITS EXHIBIT

COUNTY OF SAN BERNARDINO
(TO BE ANNEXED TO CITY OF LOMA LINDA)
NEW JERSEY STREET
APN 0292-161-02, 03 AND 0292-163-08



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• landscape architecture
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Job Number:	Date Prepared:	Drawn By:	Reference Number:
157002	1/2/16	KT	157002FloodLimitsey

FLOOD PLAIN UNITS

PROPOSED ANNEXATION and ORCHARD HEIGHTS DEVELOPMENT
City of Loma Linda, California

FIGURE 9

LILBURN
CORPORATION

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
10. LAND USE AND PLANNING. <i>Would the project:</i>				
a) Physically divide an established community?	()	()	()	(✓)
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	()	()	()	(✓)
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	()	()	()	(✓)

- a,b) The Project Site is currently developed with citrus groves. Surrounding properties and associated land use designations are shown in Figure 7 (Proposed City of Loma Linda Pre-Zoning). Property to the north and east of the 80-acre annexation area is located within the City of Redlands and has land use designations of Office, Commercial/Industrial and Medium Density Residential. Properties include residential, commercial, and agricultural land uses, and vacant land. Properties to the immediate west were recently annexed into the City of Loma Linda and are designated Low Density Residential and General Business (C-2). Properties across California Street occur within the City of Loma Linda and include citrus groves and a school (Mission Elementary School) and have a land use designation of Special Planning Area and are zoned Planned Community and Institutional. Properties on the south side of Orange Avenue are zoned City of Loma Linda Multiple Family Residence (R-3) and Institutional (I) and are developed with multi-family residences, an Alzheimer's special care facility and citrus groves.

The City of Loma Linda is initiating the annexation of an approximate 80-acre area located near the City's eastern boundary and within the City's Sphere of Influence in an unincorporated portion of San Bernardino County generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road (see Figure 3 – City of Loma Linda Sphere of Influence). The Project also includes the request to approve a Tentative Tract Map (TTM 19963) to subdivide an approximate 30-acre property within the approximate 80-acre annexation area into 95 single-family residential lots and nine (9) common lettered lots (see Figure 4 – Proposed TTM 19963). The 95 single-family residential lots would range in size from 7,200 square-feet to 15,330 square-feet (see Figure 4 – Site Plan). A majority of the annexation area is developed and includes: scattered residential units, religious assembly, and agricultural uses (citrus groves). There are scattered areas of vacant land and land developed with agricultural uses (citrus groves) that total approximately 57 acres; this area could be developed in the future under the City of Loma Linda proposed pre-zoning (see Figure 5 – Existing Vacant Areas within the Annexation Area). Vacant and agricultural areas are currently zoned by the County of San Bernardino as Multiple Residential (RM) and Community Industrial (IC) (see Figure 6 – Existing County of San Bernardino Land Use Zoning Districts).

The proposed annexation area has a current Land Use designation by the City of Loma Linda as Commercial, Business Park, and High Density Residence and could be developed in the future under the City of Loma Linda proposed pre-zoning (see Figure 6 Existing Vacant Areas within the Annexation Area).

Stratus Development Partners is requesting approval of: 1) a General Plan Amendment (GPA) to change the existing City of Loma Linda General Plan designation for the 30-acre area from Business Park to Low Density Residential; 2) a Pre-Zone application to establish the Single Family Residence (R-1) Zone for the 30-acre area and General Business (C-2), Multi-Family Residence (R-3) and Institutional (I) for the remaining parcels within the approximate 80-acre annexation area (see Figure 7 Proposed City of Loma Linda Pre-Zoning); and 3) an Annexation application to annex the entire approximate 80-acre area into the City of Loma Linda. The proposed 80-acre annexation area currently receives water service from the City of Loma Linda and will continue to do so upon annexation. Proposed development within the 30-acre area would receive other City services (including sewer) upon annexation. No other development is proposed within the approximate 80-acre annexation area at this time. Any future development for properties within the 80-acre annexation area would be required to prepare separate environmental documentation and obtain necessary entitlements.

The 30-acre area is currently developed with an existing citrus grove that would be removed to allow for the proposed residential development. Development would occur over two phases with Phase I occurring in the area west of New Jersey Street and Phase 2 encompassing the area east of New Jersey Street. Three points of vehicular access are proposed to serve lots 1-66, one along Citrus Avenue and two along New Jersey Street. One point of vehicular access is proposed to serve lots 69-74 along New Jersey Street, and one point of vehicular access is proposed to serve lots 75-90 along Citrus Avenue. Lots 67 and 68 will be served by New Jersey Street and lots 91-95 will be served via Citrus Avenue. All internal streets within the subdivision have been designed to City of Loma Linda public road standards. Common green space areas have been incorporated along the perimeter of the subdivision to enhance the aesthetics of the community, and to provide an open space amenity for the residents.

Existing Vacant Land within the Annexation Area: Development Under County of San Bernardino Land Use Designations (RM and IC)

Within the 80-acre Annexation area there are approximately 57 acres of either vacant or agricultural land that could be developed as urban uses. Under the County of San Bernardino General Plan the Project Site/Annexation area is currently zoned Multiple Residential (RM) for an area that is approximately 55.75 acres, and Community Industrial (IC) for the remaining 1.25 acres. Under the County of San Bernardino General Plan the RM land use designation would allow for the development of up to 20 units per acre and a maximum lot coverage of 60 percent. For the area designated IC a maximum lot coverage of 85 percent and a maximum floor area ratio (FAR) of 0.45:1 would be applied. Under the County RM designation, approximately 55.75 acres of the vacant and/or currently developed agricultural area within the Project site could be developed with multi-family residential structures and impervious surfaces. If individual structures were to be developed, the County's RM designation has a minimum lot size of 10,000 square feet, and considering the maximum lot coverage of 60 percent, vacant and/or currently

developed agricultural land within the Project Site could be developed with approximately 669 dwelling units. Under the IC designation, there is a minimum 5-acre area for development. Under existing conditions the vacant area totals only 1.26 acres and could not be developed; however a lot line adjacent would allow the parcels to be developable and under these circumstances approximately 20,994 square-feet of community industrial building could be developed.

Development Under Proposed Pre-Zone City of Loma Linda Land Use Designations C-2, R-3 and I.

Upon annexation and under City of Loma Linda pre-zone conditions, vacant and/or currently developed agricultural areas within the Project Site/Annexation area (approximately 60 acres) would be pre-zoned Single Family Residence (R-1) for approximately 30 acres, C-2 for approximately 10 acres, Multi-Family Residence (R-3) for approximately 7 acres, and Institutional (I) for approximately 13 acres. Under the City of Loma Linda General Plan, R-3 zoning would allow for the development of up to 20 units per acre and a maximum lot coverage of 60 percent, and therefore a total of 84 multi-family residential units could be developed. For the two parcels designated C-2, a building up to 7,812 square-feet³ (one structure on each parcel for a total of 15,624 square feet of commercial) could be developed with a maximum lot cover of 60 percent, and a FAR of 0.5. For vacant land that would be pre-zoned Institutional (13 acres) a building totaling 169,884 square-feet could be developed with a maximum 0.6 FAR and a maximum lot coverage of 50 percent.

Comparison of Development Under County Verses City Land Use Designations

Under the existing County designation of RM, a total of 669 dwelling units could be developed. Under proposed City pre-zone designation of R-3, a total of 84 dwelling units could be developed and a pre-zone of R-1, a total of 95 dwelling units could be developed; approximately 490 less units as compared to development under the County General Plan. This is due to the reduced area available for residential development (a total of 55.75 acres is available for residential development under the County's existing designation, and a total of 12 acres is available for residential development under the City of Loma Linda's proposed pre-zone.

Under the existing County designation of IC, a maximum 20,994 square-foot building could be developed. Under the City pre-zone designation of C-2 a maximum 15,624 square feet of commercial could be developed. Also under the City pre-zone, an area totaling 13 acres would be pre-zoned Institutional, which would allow for the development (as the area is currently vacant) of a 169,884 square-foot building.

Ultimately, developable areas upon annexation and a City of Loma Linda pre-zone would result in 490 less residential units (or 588,000 square feet less, based on an average multi-family dwelling unit of 1,200 square feet), and 173,589 square-feet more of Institutional and commercial uses than if developed under County conditions.

³ Based on discussions with City of Loma Linda Planning Staff; although the area designated C-2 has a parcel size of 3.2 acres, future improvements at Redlands Boulevard and California Street would reduce the developable area of the site.

Vacant areas determined to be potentially developable were examined for purposes of comparing existing conditions and development under the County designations versus what the area would be potentially developed with upon annexation to the City of Loma Linda. Currently there are no development applications (with the exception of the 95 single-family residential development proposed within a 30-acre area of the 80-acre annexation area) to develop any of the vacant or agricultural properties at this time. Future development of these areas would be reviewed on a case by case basis and would be subject to CEQA and all the necessary entitlements.

The proposed GPA would be compatible with existing institutional uses to the south and, residential development to the east and southwest, and commercial development to the north. Future development for the property to west, which was recently annexed into the City of Loma Linda, will include single-family residential and will be compatible with the proposed development on the 30-acre site. The area to the southeast is developed with a church and has sufficient setbacks and was developed in accordance County requirements. However the City's municipal code also allows churches within residential zones, and therefore this existing use is compatible with the proposed residential development. Therefore based on existing surrounding zoning and the proposed GPA and pre-zone, implementation of the Proposed Project would not physically divide any existing or future planned community. In addition, the Project would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project. No impacts are anticipated.

- c) The Project Site is not located within an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan. No impacts would occur.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
11. MINERAL RESOURCES. <i>Would the project:</i>				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the State?	()	()	()	(✓)
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	()	()	()	(✓)

- a) According to the California Department of Conservation, Open File Report 94-08 the Project Site and surrounding area are designated Mineral Resource Zone 3 (MRZ-3). The MRZ-3 designation indicates that significance of mineral deposits within the area cannot be evaluated from the available data due to urbanization. The Proposed Project would not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the State because the Project Site occurs within an urbanized area and is already developed thereby limiting potential accessibility for future mining. No impacts would result.

- b) The Project would not result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan. According to the California Department of Conservation's interactive mines on-line map, the nearest active mine is a sand and gravel pit approximately four miles northwest of the site. No locally important mineral resources are identified within the Project Site.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
12. NOISE. <i>Would the project result in:</i>				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	()	()	(✓)	()
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?	()	()	()	(✓)
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	()	()	(✓)	()
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	()	()	(✓)	()
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	()	()	()	(✓)
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	()	()	()	(✓)

a, c-d) Noise can be measured in the form of a decibel (dB), which is a unit for describing the amplitude of sound. The predominant rating scales for noise in the State of California are the Equivalent-Continuous Sound Level (Leq), and the Community Noise Equivalent Level (CNEL), which are both based on the A-weighted decibel (dBA). Leq is defined as the total sound energy of time-varying noise over a sample period. CNEL is defined as the time-varying noise over a 24-hour period, with a weighting factor of 5 dBA applied to the hourly Leq for noises occurring from 7:00 p.m. to 10:00 p.m. (defined as relaxation hours) and 10 dBA applied to events occurring between 10:00 p.m. and 7:00 a.m. defined as sleeping hours). The State of California's Office of Noise Control has established standards and guidelines for acceptable community noise levels based on the CNEL and Ldn rating scales. The purpose of these standards and guidelines is to provide a framework for setting local standards for human exposure to noise. Residential development, schools,

churches, hospitals, hotels and libraries have a normally acceptable community noise exposure range of 60 dBA CNEL to 70 dBA CNEL.

The Proposed Project includes a General Plan Amendment to change the existing City of Loma Linda General Plan designation from Business Park to Low Density Residential; a Pre-Zone application to establish the Single-Family Residence (R-1) Zone for the property; an Annexation application to annex the entire Project Site into the City of Loma Linda in order to receive city services; and approval of Tentative Tract Map (TTM) to subdivide the approximate 30-acre property into 95 single-family residences.

Currently the 30-acre site, if it were developed under the jurisdiction of the County of San Bernardino, would be required to comply with County of San Bernardino General Plan Noise Element goals, policies and measures, and Development Code. Upon approval of the Project, the site would be annexed into the City of Loma Linda and would be required to comply with the City's General Plan policies and the City's Municipal Code noise standards. The County's Development Code establishes rules and regulations in regards to noise in Section 83.01.080. Temporary construction, maintenance, repair, and demolition activities between 7:00 AM and 7:00 PM, except Sundays and Federal holidays are exempt from Section 83.01.080. Construction noise is considered to be a nuisance by the City of Loma Linda if it occurs between the hours of 10:00 PM and 7:00 AM. Developers that are involved with building construction and subdivision grading may exceed maximum noise levels between the hours of 7:00 AM and 8:00 PM, Monday through Friday, provided that all equipment is properly equipped with standard noise muffling apparatus specifically for such equipment (i.e., exhaust mufflers). Heavy construction is not permitted on weekends, or national holidays. Therefore, both jurisdictions allow temporary construction noise between the hours of 7:00 AM and 7:00 PM, however the City of Loma Linda extends the time frame by one hour to 8:00 PM. The County allows construction on Saturdays which is prohibited by the City.

According to the policies of the City's General Plan, when a proposed development could result in an increase of more than 3 dBA ("A-weighted decibel) above the existing background noise, a detailed noise attenuation study prepared by a qualified acoustical engineer is required to determine and incorporate mitigation into project design and implementation. In September 2015, a noise impact analysis for the proposed 95-single-family residential development was prepared by Kunzman Associates, Inc. The report analyzed the potential for project construction noise and operational noise to cause and expose persons to, or to generate noise levels in excess of established City of Loma Linda noise standards and County of San Bernardino standards. Noise generators included in the analysis were construction activities and adjacent roadway traffic. The report is summarized herein and is available for review at the City of Loma Linda Community Development Department.

Construction Noise

Construction activities would generate noise associated with the transport of workers and movement of construction materials to and from the area, from ground clearing/excavation, grading, and building activities. Unmitigated noise levels could reach 87.3 dBA L_{eq} and 91.0 dBA L_{max} ("A-weighted decibel, maximum sound level") at the property line. The nearest sensitive receptor is a single family residential unit located approximately 40 feet west of the 30-acre site. The Municipal Code Section 9.20.070 allows the Project Proponent to file an application with the city manager for a temporary

noise waiver from the noise provision in Section 9.20.030 and 9.20.050 of the Development Code. The proposed construction activities would conform to the City's Municipal Code.

Noise Impacts to Off-Site Receptors Due to Project Generated Traffic

Existing and existing plus Project noise levels for each roadway segment were modeled utilizing the Federal Highway Administration (FHWA) Traffic Noise Prediction Model. Project generated increases in ambient noise levels along affected road segments were then calculated.

Existing traffic noise modeling resulted in noise levels ranging between 43.77 and 69.14 dBA L_{eq} at 50 feet from the centerline of the affected road segments; and the existing plus project traffic noise model resulted in noise levels ranging from 45.32 to 69.17 dBA L_{eq} at 50 feet from the affected road segments. The Noise Impact Analysis concluded that vehicle traffic generated by the 95 single-family residential development would not cause an increase in the ambient noise levels above 1.55 dBA. Therefore Project generated traffic would not result in substantial increases in ambient noise levels; no impacts would result.

Noise Impacts to the Proposed Project Associated with Future Traffic

Future noise levels along New Jersey Street, Citrus Avenue and Orange Avenue as modeled utilizing the FHWA Traffic Noise Prediction Model – FHWA-RD-77-108 are expected to reach up to 58 dBA CNEL, 54 dBA CNEL and 55 dBA CNEL, respectively. The City allows residential development in areas where exterior noise levels exceed 55 dBA CNEL only after a detailed analysis of the noise reduction (muffling) requirements is made and noise reduction insulation features are included as a preventive measure. Considering that new residential construction typically provides at least 20 dB of exterior to interior noise reduction as long as air circulation is provided to allow for a closed window and door condition. Interior noise levels of the proposed single-family detached residential dwelling unit are not expected to exceed 45 dBA CNEL. No additional mitigation is required.

- b) Construction activities can produce vibration that may be felt at adjacent land uses. Primary sources of vibration during construction would be from bulldozers and vibratory rollers. A vibratory roller could produce a peak particle velocity (PPV) of 0.21 inch per second at 25 feet and a large bulldozer could produce up to 0.089 PPV at 25 feet. Use of a vibratory roller within 25 feet of an existing structure, or use of a large bulldozer within 15 feet of an existing building could result in structural damage. However, no impacts would result during development of the 95 single-family units as the distance to the nearest sensitive receptor is approximately 40 feet west of the 30-acre site.
- e) The nearest airport to the Project Site is the San Bernardino International Airport located approximately three miles north of the 30-acre site. The annexation area including the 30-acre site falls well outside the 65 dBA noise contour for this airport (City of San Bernardino 2005). Aircraft noise associated with the San Bernardino International Airport is not considered to be a source that contributes to the ambient noise levels for the proposed 95 single-family residential development. The Project would not expose persons residing within the area to excessive noise levels from aircraft. No impacts would result.

- f) There are no private airstrips within the vicinity of the Project Site. The nearest airport is the San Bernardino International Airport located approximately three miles north of the 30-acre area. Excessive noise levels are not anticipated; no impacts would result.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
13. POPULATION AND HOUSING. <i>Would the project:</i>				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	()	()	(✓)	()
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	()	()	()	(✓)
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	()	()	()	(✓)

- a) The Project Site is located in an unincorporated area of the County of San Bernardino, adjacent to the eastern boundary of the City of Loma Linda and within the City's Sphere of Influence. Under the current County of San Bernardino General Plan the Project Site is designated Multiple Residential.

A majority of the annexation area is developed and includes the following land uses: scattered residential units, religious assembly, and agriculture (citrus groves). There are scattered areas of vacant land and citrus groves that total approximately 57 acres; this area could be developed in the future under the City of Loma Linda proposed pre-zoning. These properties are currently zoned by the County of San Bernardino as Multiple Residential (RM) and Community Industrial (IC).

Under the existing County designation of RM, a total of 669 dwelling units could be developed. Under proposed City pre-zone designation of R-3, a total of 84 dwelling units could be developed and a pre-zone of R-1, a total of 95 dwelling units could be developed; approximately 490 less units as compared to development under the County General Plan. This is due to the reduced area available for residential development (a total of 55.75 acres is available for residential development under the County's existing designation, and a total of 12 acres is available for residential development under the City of Loma Linda's proposed pre-zone).

Under the existing County designation of IC, a maximum 20,994 square-foot building could be developed. Under the City pre-zone designation of C-2 a maximum 15,624 square feet of commercial could be developed. Also under the City pre-zone, an area totaling 13 acres would be pre-zoned Institutional, which would allow for the development (as the area is currently vacant) of a 169,884 square-foot building.

Ultimately, developable areas upon annexation and a City of Loma Linda pre-zone would result in 490 less residential units (or 588,000 square feet less, based on an average multi-family dwelling unit of 1,200 square feet), and 173,589 square-feet more of Institutional and commercial uses than if developed under County conditions.

Based on 2.75 persons per household, the proposed development would result in less people (493 versus 1,840) than the County of San Bernardino General Plan existing land use designation. Although the City of Loma Linda's General Plan designation of Business Park does not account for people residing at the Project Site, it is likely that under this designation new jobs and people commuting to the Project Site could result in people moving to the City. The addition of 95 single-family homes would not be considered growth inducing as it is less intense than the County's current designation. In addition, existing infrastructure occurs within the area (i.e., California Street) and no expansion of existing utilities would be required. A less than significant impact would result.

- b) Proposed development within the 30-acre portion of the Project Site would require removal of the on-site citrus grove to allow for the proposed development. There are no residential structures on-site, and therefore proposed development would not displace existing housing. No impact would result.
- c) The Proposed Project would not displace any people, or necessitate the construction of replacement housing elsewhere, because the Project would not displace any currently occupied housing; no impacts are anticipated.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
14. PUBLIC SERVICES. <i>Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:</i>				
a) Fire protection?	()	()	(✓)	()
b) Police protection?	()	()	(✓)	()
c) Schools?	()	()	(✓)	()
d) Parks?	()	()	(✓)	()
e) Other public facilities?	()	()	(✓)	()

The Proposed Project includes: 1) a General Plan Amendment (GPA) to change the existing City of Loma Linda General Plan designation for the 30-acre area from Business Park to Low Density Residential; 2) a Pre-Zone application to establish the Single Family Residence (R-1) Zone for the 30-acre area, and General Business (C-2), Multi-Family Residence (R-3) and Institutional (I) for the remaining parcels within the approximate 80-

acre annexation area; and 3) an Annexation application to annex the entire approximate 80-acre area into the City of Loma Linda. Under the designation of Low Density Residential, proposed development would be consistent with the City of Loma Linda General Plan.

Under the existing County of San Bernardino designation of Multiple Residential, which allows for multiple residential uses, single residential uses and mixed residential uses and compatible nonresidential uses, the Project Site could be developed with a maximum housing density of 20 dwelling units per acre and a minimum lot size of 10,000 square-feet. Under this designation, the Project Site could be developed with approximately 669 dwelling units. Upon annexation into the City of Loma Linda and approval of the GPA, the Proposed Project would be develop at a less intense density, resulting in approximately 214 fewer dwelling units.

- a) Fire Protection: Currently, the Project Site is served by the City of Loma Linda Fire Station 251 located at 11325 Loma Linda Drive, approximately 1.8-miles southwest of the Project Site through a joint response/automated aid agreement with the County Fire Department, specifically the San Bernardino County Fire Protection District and its Valley Service Zone. Upon annexation the Project Site would be detached from the Valley Service Zone and would continue to be served by the City of Loma Linda. The Community Development Department and the Department of Public Safety enforce fire standards during review of building plans and inspections. The City maintains a joint response/automatic aid agreement with the fire departments in neighboring cities including Colton, Redlands, and San Bernardino. The Department also participates in the California Master Mutual Aid Agreement. The proposed development on a 30-acre portion of the Project Site would be required to comply with City fire suppression standards and adequate fire access, and pay City-required development fees.

Since the Project Site is currently served by the City and changes to service would not result upon annexation, impacts to fire response times are anticipated to be less than significant. With an estimated population of 23,600 people, the firefighter to citizen ratio is approximately 1:2,950 (based on 8 firefighters per 24-hour shift). Upon annexation, an addition 262 new residents would be added to the City, this would result in a demand increase of approximately 0.8 percent in total firefighters to maintain the City's current level of service. Under the County's designation, an addition of 669 dwelling units would result in a demand increase of approximately 2.0 percent, which is still considered less than significant, but the Proposed Project would have less of an impact on Fire Services. Therefore, potential impacts are considered less than significant.

- b) Police Protection: Currently, the Project Site is located in the service area of the San Bernardino County Sheriff's Department (SBSD) Central Station. The base of operation is out of the headquarters building located at 655 East Third Street in San Bernardino. The Department provides law enforcement services to the unincorporated areas of the San Bernardino County central valley; the Central Station is also responsible for contract law enforcement in the City of Loma Linda. The station is located approximately six miles from the Project Site.

Upon annexation, police services for the Project Site would be provided by the City of Loma Linda through contract with the SBSB. Since the City of Loma Linda contracts with the SBSB, no substantial change in services would result. The SBSB currently has 12 sworn officers assigned to the City. With an estimated population of 23,600 people, the

ratio of officers to citizens is approximately 1:1,967. The proposed development of 95 single-family homes would result in an additional 262 people (based on 2.75 persons per household). The officers to citizen ratio would change from 1:1,967 to 1:1,989 and result in a net change of 0.6 percent. Under the County's designation, an addition of 669 dwelling units would result in a demand increase of approximately 7.5 percent, which is still considered less than significant, but the Proposed Project would have less of an impact on police services. Therefore, potential impacts are considered less than significant. The impact to the SBSD would be less than significant.

- c) Schools: School services for the Project Site are currently provided by the Redlands Unified School District (RUSD). Upon annexation, the Project Site would continue to be served by RUSD. The proposed development of 95 single-family homes would result in an additional 262 people. The School District mitigates impacts on school services through the collection of development fees. Under Section 65995 of the California Government Code, school districts may charge development fees to help finance local school services. However, the code prohibits State or local agencies from imposing school impact fees, dedications, or other requirements in excess of the maximum allowable fee. Collection of school impacts fees as required by the Redlands Unified School District would ensure no significant impacts would result.
- d) Parks: Currently the San Bernardino County - Regional Park Department provides recreational facilities and amenities for the Project Site. However since there are no local or regional park facilities in the annexation area it is likely that current residents in the annexation area use nearby City of Loma Linda park facilities. There are a total of nine regional parks within the system encompassing 7,982 acres. In addition to regional-scale parks, there are a number of community parks within the system. The nearest one to the Project Site services the community of Bloomington, approximately 13 miles northwest of the Project Site. According to the Regional Parks Strategic Master Plan, adopted standards include 2.5 acres of developed parkland per 1,000 population. With an estimated population of 2,088,371, total parkland requirements are 5,221 acres. Therefore the County has an excess of 2,761 acres of parkland. Development of the site under the current County land use designation of Multiple Residential would result in an estimated population of 850 and would require approximately two acres of developed parkland.

The City of Loma Linda would provide parkland services for the Project Site. At this time, the City owns and administers ten parks. Over 73 acres of parks and open space areas are located within the City, of which 64 acres are developed. The City has adopted a population to parkland acreage ratio of five acres per 1,000 population. With an estimated population of 23,600 people and a total of 64.16 acres of parkland, the City currently has a park ratio of approximately three acres per 1,000 population and therefore, falls short of the park ratio of five acres per 1,000 population. The Proposed Project would generate 262 new residents within the area and would require an additional 1.3 acres of parkland for the City to maintain its policy of five acres of parkland per 1,000 residents. The Proposed Project would contribute to the City's current insufficient parkland acreage. However, the collection of development impacts fees and inclusion of open space lots proposed within the development would ensure no significant impacts would result.

- e) Maintenance of Public Facilities: Street lighting service is currently provided by Southern California Edison (SCE) for an existing street light at the intersection of California Street and Citrus Avenue; there are no street lights closer to the 30-acre proposed development area. In addition, there are no traffic signals near the boundary of the project site.

Upon annexation, the Project Site will be automatically included into the City of Loma Linda's Street Lighting District. Once the 30-acre area is annexed into the City and the Street Lighting District, installation and maintenance of new street lights will be provided by the City. There are no traffic signals planned for the project.

Typically, starting from the first light at the intersection, one street light would be installed every 200 feet. The developer is expected to cover all street light installation costs in addition to maintenance costs for a year. After a year, the City will start maintaining the street lights and will charge an annual assessment fee per single-family unit. No impacts are anticipated.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
15. RECREATION. <i>Would the project:</i>				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	()	()	(✓)	()
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	()	()	()	(✓)

- a) Currently the San Bernardino County - Regional Park Department provides recreational facilities and amenities for the Project Site. However since there are no local or regional park facilities in the annexation area it is likely that current residents in the annexation area use nearby City of Loma Linda park facilities. There are a total of nine regional parks within the system encompassing 7,982 acres. In addition to regional-scale parks, there are a number of community parks within the system. The nearest one to the Project Site services the community of Bloomington, approximately 13 miles northwest of the Project Site. According to the Regional Parks Strategic Master Plan, adopted standards include 2.5 acres of developed parkland per 1,000 population. With an estimated population of 2,088,371, total parkland requirements are 5,221 acres. Therefore the County has an excess of 2,761 acres of parkland. Development of the site under the current County land use designation of Multiple Residential would result in an estimated population of 1,840 and would require approximately five acres of developed parkland.

The City of Loma Linda would provide parkland services for the Project Site. At this time, the City owns and administers ten parks. Over 73 acres of parks and open space areas are located within the City, of which 64 acres are developed. The City has adopted a population to parkland acreage ratio of five acres per 1,000 population. With an estimated population of 23,600 people and a total of 64.16 acres of parkland, the City currently has a park ratio of approximately three acres per 1,000 population and therefore, falls short of the park ratio of five acres per 1,000 population. The Proposed Project would generate 262 new residents within the area and would require an additional 1.3 acres of parkland for the City to maintain its policy of five acres of parkland per 1,000 residents. The Proposed Project would contribute to the City's current insufficient parkland acreage.

However, the collection of development impacts fees and inclusion of open space lots proposed within the development would ensure no significant impacts would result.

- b) The Proposed Project does not include the construction of recreational facilities. As discussed in response to question (a) above, potential impacts to recreational facilities were determined to be less than significant. Therefore the construction or expansion of recreational facilities would not be required and no significant impacts would result.

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
16. TRANSPORTATION/TRAFFIC. <i>Would the project:</i>					
a)	Cause an increase in traffic, which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	()	(✓)	()	()
b)	Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	()	(✓)	()	()
c)	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	()	()	()	(✓)
d)	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	()	()	()	(✓)
e)	Result in inadequate emergency access?	()	()	()	(✓)
f)	Result in inadequate parking capacity?	()	()	()	(✓)
g)	Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	()	()	()	(✓)

- a-b) The Proposed Project includes the development of 95 single-family residential units. In September 2015, Kunzman Associates, Inc. prepared a Traffic Impact Analysis for the proposed development. The purpose of this report is to provide an assessment of the traffic impacts resulting from the development and to identify the traffic mitigation measures necessary to maintain the established level of service standard for the elements of the impacted roadway system.

As required by Measure V, or the Growth Management Element of the amended City of Loma Linda General Plan, which is an initiative approved by voters in November 2006, any location where the level of service is below LOS C at the time an application for

development is submitted, mitigation measures shall be imposed to ensure that the level of traffic service is maintained.

No analysis is required further than five miles from the Project Site. Additionally, the Proposed Project would not contribute traffic greater than the freeway threshold volume of 100 two-way peak hour trips to the I-10 Freeway. The proposed development would not contribute traffic greater than the arterial link threshold volume of 50 two-way trips in the peak hours on facilities serving intersections outside of the City of Loma Linda. Existing intersection traffic conditions were established through morning and evening peak hour traffic counts obtained by Kunzman Associates, Inc. from July 2014 and May/August 2015. Project traffic volumes for all future projections were estimated using the manual approach. Trip generation has been based upon rates obtained from the Institute of Transportation Engineers, Trip Generation, 9th Edition, 2012.

The City of Loma Linda General Plan and Measure V state that peak hour intersection operations of Level of Service C or better are generally acceptable. The study area intersections currently operate at Level of Service C or better during the peak hours for existing traffic conditions, except for the study area intersection of California Street at Redlands Boulevard that is currently operating at Level of Service E/F during the evening peak hour.

The proposed 95 single-family residential development is projected to generate approximately 904 total daily vehicle trips, 71 of which would occur during the morning peak hour and 95 of which would occur during the evening peak hour.

For Opening Year (2019) With Project traffic conditions, the study area intersections of California Street and Redlands Boulevard, California Street and Orange Avenue, and California Street and Mission Road are projected to operate at acceptable Levels of Service consistent with Measure V during the peak hours with improvements. For Year 2035 with Project traffic conditions, the study area intersections of California Street and Redlands Boulevard, California Street and Citrus Avenue, California Street and Orange Avenue, and California Street and Mission Road are projected to operate at unacceptable Levels of Service during the peak hours, without improvements. However with recommended mitigation, the study area intersections are projected to operate within acceptable Levels of Service consistent with Measure V during the peak hours for Year 2035 with project traffic conditions.

A traffic signal is project to be warranted for Opening Year 2016 without Project traffic conditions at California Street and Mission Road. The Project Proponent will be required to contribute toward the intersection improvements on a fair share basis.

Improvements that would eliminate all anticipated roadway operational deficiencies throughout the study area have been identified and incorporated as mitigation for development of the 30-acre area of the Proposed Project.

Mitigation Measure 21:

The Project Proponent shall contribute toward the cost of necessary study area improvements on a fair share basis either through an adopted traffic impact fee program, or through implementation of the recommended intersection

improvements, or in dollar equivalent in lieu mitigation contributions. The Project's fair share of identified intersection improvement costs is \$57,808.

Mitigation Measure 22:

The Project Proponent shall construct Citrus Avenue from the west project boundary to the east project boundary at its ultimate half-section width including landscaping and parkway improvements in conjunction with development.

Mitigation Measure 23:

The Project Proponent shall construct Orange Avenue from the west project boundary to New Jersey Street at its ultimate half-section width including landscaping and parkway improvements in conjunction with development, as necessary.

Mitigation Measure 24:

The Project Proponent shall construct California Street and New Jersey Street from Citrus Avenue to the south project boundary at its ultimate cross-section width including landscaping and parkway improvements in conjunction with development, as necessary.

Mitigation Measure 25:

The Project Proponent shall implement on-site traffic signing and striping in conjunction with detailed construction plans for the project.

Mitigation Measure 26:

Sight distance at project accesses shall comply with standard California Department of Transportation/City of Loma Linda sight distance standards. The final grading, landscaping, and street improvement plans shall demonstrate that sight distance standards are met. Such plans must be reviewed by the City and approved as consistent with this measure prior to issuance of grading permits.

Implementation of the above mitigation measures would ensure acceptable Levels of Service consistent with Measure V during the peak hours for Year 2035 with Project traffic conditions.

- c) The Project Site is not located within an airport land use plan and is not within two miles of a public airport. The nearest airports are the San Bernardino International Airport, located approximately 2.8 miles northwest of the Project Site. According to Figure 10.4 of the City's General Plan, the Project Site is not located within the San Bernardino International Airport influence area. The proposed 95 single-family residential units would not change air traffic patterns or create a safety hazard to people or aircraft. No impacts would result.
- d-e) The Proposed Project would not create or substantially increase hazardous conditions due to its design. There are no sharp curves, dangerous intersections, or incompatible uses that would interfere with traffic flow or result in inadequate emergency access. Access to

the site would be provided along New Jersey Street and Citrus Avenue. The Plan has been reviewed by the City Fire Marshall and design changes have been incorporated as directed. No impacts are anticipated.

- f) Upon annexation, the Project would be required to comply with the City of Loma Linda's Municipal Code which requires the construction of a two-car garage, plus driveway. The Project also has sufficient street parking. No impacts from inadequate parking spaces would result.
- g) There are two existing bus stops (Omnitrans) located approximately 1,500 feet south of the Project Site at the intersections of California Street and Barton Road, and California Avenue and Barton Road. Currently there are no designated bike lanes along California Street. Traffic ingress/egress onto adjacent exterior roadways would be provided by three new entries on Citrus Avenue (including one at the intersection of Citrus Avenue and New Jersey Street) and three new entries along New Jersey Street. All entries would be required to comply with required sighting distances (see Mitigation Measure 23). No impacts to bus patrons or cyclists are anticipated.

Issues and Supporting Information Sources:		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
17. UTILITIES AND SERVICE SYSTEMS. <i>Would the project:</i>					
a)	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	()	()	()	(✓)
b)	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	()	()	()	(✓)
c)	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	()	()	()	(✓)
d)	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	()	()	(✓)	()
e)	Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	()	()	()	(✓)
f)	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	()	()	(✓)	()

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
g) Comply with Federal, State, and local statutes and regulations related to solid waste?	()	(✓)	()	()

a,b,e) The City of Loma Linda provides the operation and maintenance of sewer collection facilities for the City and the Sphere of Influence areas. This service is maintained by the City's Department of Public Works, Utilities Division. Sewer line maintenance is administered by the City while wastewater treatment services are administered under provisions in a Joint Powers Agreement (JPA) with the City of San Bernardino. At the San Bernardino Municipal Water Department wastewater facility, wastewater is treated to the secondary level. Effluent is then piped to a tertiary treatment facility, known as the RI/X plant, before being discharged to the Santa Ana River. The City of Loma Linda, through its agreement with the City of San Bernardino, also participates in the cost of the RI/X plant.

The City of San Bernardino wastewater facility has the capacity to process up to 33 million gallons per day (gpd), of which 7 million gpd is allotted to Loma Linda. Of the 7 million gpd, the City currently uses less than half of the assigned 7 million gpd. According to the Loma Linda's General Plan, the average wastewater flow generated by the City during ultimate build out conditions is projected to be 6.27 million gpd. There would be adequate capacity and allocation for treatment of wastewater flow from the proposed annexation.

The Project Proponent would be responsible for connecting the proposed 95-unit development to the City's sewer system. The proposed development would not result in a significant impact on the wastewater treatment facility in the City of San Bernardino or require the expansion of existing sewer facilities. A wastewater collection system fee would be required by the City of Loma Linda for the 95 new residential units. No significant impacts are anticipated.

c) The San Bernardino County Flood Control District services the City for local and regional flood control and drainage facilities. The 80-acre annexation area is currently served by existing storm drains. The County Flood Control District is responsible for flood protection on major streams, water conservation, and storm drain construction. In accordance to the NPDES permit program, the project proponent of the 95 single-family residential units is required to design their storm water collection system to control water pollution by regulating point sources that discharge pollutants into the water. Any improvements to the current drainage system will be determined by the City engineer. Costs for these improvements will be covered by the developer through development impact fees for the proposed 95 new units.

Also refer to Section 9 – Hydrology and Water Quality herein. Although no significant amount of additional stormwater is anticipated, drainage plans would still be reviewed by the City Engineer to ensure the system would have sufficient carrying capacity. Proposed development of the 30-acre area also includes the construction of on-site water retention facilities. No significant impacts are anticipated.

d) The City of Loma Linda provides the production and distribution of water within the City and the Sphere of Influence areas. The City obtains its water from groundwater wells in

the Bunker Hill Basin, an aquifer underlying the eastern San Bernardino Valley. The City operates five groundwater wells: Richardson Wells 1, 3, and 4 and Mountain View Wells 3 and 5. These production wells have a combined capacity of 14 million gallons per day. The City also has emergency water connections with the City of San Bernardino as well as the City of Redlands water systems.

In addition to the existing wells, a new water-treatment plant, located on a City of Loma Linda-owned land surrounded by the City of San Bernardino opened in October, 2010. This treatment plant provides Loma Linda's 22,000 water customers with an additional supply of water. Once contaminated by chemicals, Lockheed Martin developed the water-treatment plant on the site to treat the groundwater that was contaminated by its operational facility in the 1960's and 1970's. The new plant is capable of pumping and filtering 4,800 gallons of water per minute or about 6.9 million gallons per day (mgd).

Currently, the City's water resources are sufficient to meet the demand at build out based on the City's current resources and the anticipated new development (see 9.b). The City has the ability to finance and construct required facilities necessary to obtain the water supply to meet planned growth through the collection of development fees.

There are existing water lines to the west on California Street and along southern edge of the 30-acre area (Orange Avenue). Development of the 30-acre area would include connection to these nearby existing lines. Construction plans shall be reviewed by the City Engineer to ensure the design will have sufficient carrying capacity to meet the proposed project. A less than significant impact is anticipated.

- f) The current service provider for collection of solid waste in the annexation area is Republic Services of Southern California.

The City contracts with Republic Services of Southern California to provide solid waste collection services. Solid waste that is not diverted to recycling or composting facilities is transported to the San Timoteo Sanitary Landfill, a County-owned landfill located in the City of Redlands. The San Timoteo Sanitary Landfill is permitted to receive up to a maximum of 1,000 tons per day. However current estimates are an average disposal rate of 663 tons per day; landfill capacity is currently anticipated to last until the year 2044. According to the California Integrated Waste Management Board's estimated solid waste generation rates for residential, the 95 single-family residential development is expected to generate approximately 1,162 pounds per day (95 dwelling units times 12.23 pounds per household per day) or 0.6 tons per day. Proposed development would not generate a significant amount of additional solid waste into the City's waste stream; impacts to the solid waste collection system would be less than significant.

- g) Construction & Demolition debris represents a large portion of materials being disposed of at landfills. To achieve the State-mandated diversion goal, the City has implemented a variety of programs that seek to reduce the volume of solid waste generated, encourage reuse, and support recycling efforts. City programs include the distribution of educational materials to local schools and organizations. The City also requires all applicable projects to comply with Resolution No. 2129 Construction and Demolition Recycling/Reuse Policy as adopted by the City Council. Upon annexation the Project would be required to comply with this resolution. To ensure the Proposed Project contributes towards the diversion mandate, the following mitigation measure would be required:

Mitigation Measure 27:

The Project Proponent shall comply with City adopted policies regarding the reduction of construction and demolition (C&D) materials.

Issues and Supporting Information Sources:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
18. MANDATORY FINDINGS OF SIGNIFICANCE				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	()	()	()	(✓)
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	()	()	()	(✓)
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	()	()	(✓)	()

- a) In January 2016, Hernandez Environmental Services prepared a Biological Resources Study for the 30-acre area proposed for development. The purpose of the study was to document the presence/absence of sensitive resources that may be present on the site, existing habitats and potential impacts to biological resources.

The 30-acre site is currently developed with agricultural uses that have on-going site disturbing activities (e.g. grove maintenance including weed control). The entire project site contains trees and shrubs that have the potential to be used by migratory birds for nesting. The Cooper's hawk (*Accipiter cooperii*) is a California Species of Special Concern. It is found in riparian woodlands and upper montane coniferous forests. This raptor species nests in trees and can use the citrus trees that are currently not being actively harvested. This species may also use the non-native tree species found in the ephemeral stream as nesting habitat. Any impacts to the citrus trees or trees in the ephemeral stream may result in impacts to this species. Removal of these trees and shrubs or construction activities within 500 feet of these trees and shrubs may have an impact on nesting birds as well if the work activity is conducted between February 1 and September 15. Implementation of mitigation measures within the Initial Study would ensure potential impacts to migratory and nesting birds is reduced to a less than significant level. No additional mitigation is warranted.

In August 2015, McKenna et al. prepared a Phase I Cultural Resources Investigation for the 30-acre area. During the investigation review of records identified two (2) prehistoric archaeological sites within one mile of the 30-acre area, one (1) prehistoric isolated artifact, sixteen (16) historic archaeological sites, eleven (11) pending historic archaeological sites, thirty-six (36) historic structures, and one (1) isolated historic artifact. Additionally, two (2) National Register of Historic Places properties, one (1) eligible National Register property, three (3) California Historical Landmarks, and two (2) California Points of Historical Interest were identified. The majority of resources were identified as being associated with the historic periods ranging from the establishment of the *Asistencia* through the citrus orchard developments. Although the area is considered highly sensitive for evidence of prehistoric occupation (a village site was known to be located near the *Asistencia* - Guachama), the development of agricultural lands in the second half of the 1800s and the extensive development in the first half of the 1900s has removed or buried such evidence.

The field survey resulted in the identification of the reported Citrus Avenue alignment; the New Jersey Street alignment; the Orange Avenue alignment; the "Dinky" Railroad alignment berm; the John Furney et al. orchards; a bridge crossing at Citrus Avenue and New Jersey Street; and the Flood Control Channel (Morey Ditch). In assessing the significance of these resources, the cultural investigation determined that the roadways do not reflect their original designs or condition and, in the case of Citrus Avenue, even the originally proposed alignment. The roadways are not considered historically significant and, therefore, any renovation or replacement of these roadways will not result in any adverse environmental impacts.

The Redlands "Dinky" Railroad alignment was assessed by McKenna in 2014, resulting in a determination the alignment lacks integrity and no longer reflects the original design or use. The Redlands Central Railway "Dinky" line is, however, considered a locally significant resource for its association with noted individuals (e.g. Henry Fisher) and the events associated with the successful development of the area (rider and commercial traffic). Despite its history and associations, the relative lack of integrity negates its recognition as a locally significant historical resource.

The 30-acre area is within the boundaries of the historic Barton Ranch (pre-1887) and later owned by John Furney; Lloyd and Mary Ida Younts; the Yount heirs; and, more recently, the Dangermonds and Citrus Heights. The area has always been historically associated with citrus cultivation. The Furney/Yount orchard was established between ca. 1887 (western portion) and 1917 (eastern portion). The trees were damaged during the frosts of the 1920s and 1930s, requiring replacement. All of the trees within the orchard(s) date to the 1930s, but are indicative of the early citrus industry in the area. The complement to the adjacent Curtis holdings – the Furneys and Younts were related to the Curtis family through marriage. In general, the Furney/Yount orchard represents approximately 20 percent of the overall Curtis family holdings. In addition to the trees, the orchard includes an irrigation system (early and late) and heating system (smudge pots and windmills). Neither of these systems are considered historically significant.

In contrast, the orchard is considered, by definition, a cultural landscape representing the activities of an extended family with a history in the area dating back to 1867. The orchard system was expanded over time – the Furney/Yount portion being a late addition to the holdings. Previous analysis (McKenna 2014 and 2015) addressed the potential loss of

other Curtis orchard properties. The removal of the Furney/Yount orchard(s) would result in a cumulative loss of the cultural landscape, essentially removing all evidence of the Curtis family enterprise. Implementation of mitigation within this Initial Study would reduce potential impacts to less than significant. No additional mitigation is proposed.

- b) Although not significant on its own, the Project would contribute to cumulative air emissions in the region, as would all future development in the region. The Loma Linda General Plan EIR was prepared to determine if any significant adverse environmental effects would result with implementation of the proposed General Plan including the areas within its Sphere of Influence. The EIR concluded that the General Plan would result in unavoidable significant impacts to air quality, biological resources, water supply, traffic and circulation and open space. Mitigation measures were adopted for each of these resources; however they would not reduce impacts to less than significant levels. As such, the City adopted a statement of overriding considerations to balance the benefits of development under the General Plan against the significant unavoidable adverse impacts (CEQA Guidelines Section 15092 and 15096(h)).

The Proposed Project would contribute to the cumulative loss of agricultural lands within the region. Loma Linda as the Lead Agency has accepted the long time demise of agriculture and does not designate any areas within the City as agricultural, although there are still agricultural land uses within the City and its Sphere of Influence. Mitigation Measure 1, as provided in Section 2 of this Initial Study, would ensure potential impacts to Prime Farmland and the loss of citrus orchard acreage are reduced to a less than significant level. No additional mitigation is warranted.

- c) The Proposed Project would not cause substantial long-term adverse effects on human beings, either directly or indirectly. Short-term construction emissions were screened for the construction and operation of 95 single-family residential units and found not to exceed SCAQMD thresholds. The Applicant would be required to comply with SCAQMD rules and regulations 402 and 403 (watering exposed areas, etc.). The 30-acre area proposed for development does not occur on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5, and therefore would not create a significant hazard to the public or the environment.

In addition, construction activities would temporarily increase ambient noise levels for the surrounding area. According to the City's Development Code and County standards, all temporary construction activities are exempt from the noise standards as long as construction activities are limited to the daytime hours (7:00 a.m. to 8:00 p.m.) Monday through Friday, with no heavy construction occurring on weekends or national holidays, and construction equipment is to be properly maintained with working mufflers.

REFERENCES

California Department of Conservation, Farmland Mapping and Monitoring Program. December 2011. *San Bernardino County Important Farmland 2010 Sheet 2 of 2*.

California Department of Conservation, Conservation Program Support. 2013. *San Bernardino County Williamson Act FY 2012/2013 Sheet 2 of 2*.

California Department of Fish and Wildlife, California Natural Diversity Database. Records Search for the Redlands and San Bernardino South Quads in July 2014.

California Department of Toxic Substances Control, Cortese List. Retrieved from Envirostor.dtsc.ca.gov on 7-22-2014.

California Division of Mines and Geology. 1995. Open-File Report 94-08 Mineral Land Classification of a Part of Southwestern San Bernardino County: The San Bernardino Valley Area, California (East).

City of Loma Linda General Plan, 2009

County of San Bernardino General Plan, July 1989, as amended.

Federal Emergency Management Agency Map Service Center. August 28, 2008. *Map Number 06071C8692H*.

Kunzman Associates, Inc., 2015 Tentative Tract Map 18963, Traffic Impact Analysis.

Kunzman Associates, Inc. 2015 Tentative Tract Map 18963, Noise Impact Analysis.

McKenna et al., Phase I Cultural Resources Investigation for the Orchard Heights Development, APN 0292-161-02, 0292-161-03, and 0292-063-08. August 22, 2015.

Phase I Environmental Assessment Report, APN 0292-161-01 Loma Linda, California, Robin Environmental Management, August 19, 2015

Preliminary Environmental Site Assessment 34 +/- Acres Assessor Parcel Numbers 292-161-02, 292-161-03, 292-163-08, and 292-164-03 Orange Avenue and New Jersey Street Redlands, California, CHJ Incorporated, June 7, 2004

Preliminary Water Quality Management Plan for Tentative Tract 19963, Thatcher Engineering and Associates, Inc. January 27, 2015.

Biological Resources Study for Tentative Tract Map No. 19963, APNs 0292-161-02, 0292-161-03, and 0292-163-08, Hernandez Environmental Services, January 2016

Draft Resolution No. 3240

Attachment 4

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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PROPOSAL NO.: LAFCO 3214

HEARING DATE: JANUARY 18, 2017

RESOLUTION NO. 3240

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3214 - REORGANIZATION TO INCLUDE ANNEXATION TO THE CITY OF LOMA LINDA AND DETACHMENT FROM SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70 (CALIFORNIA STREET ISLAND). The reorganization area encompasses approximately 84 acres and is a totally surrounded island of unincorporated territory generally bounded by the Mission Zanja Creek (existing City of Redlands boundary) on the northeast, parcel lines (existing City of Redlands boundary) on the east, a combination of parcel lines, New Jersey Street and Orange Avenue (existing City of Loma Linda boundary) on the south, and a combination of parcel lines and California Street (existing City of Loma Linda boundary) on the west, within the City of Loma Linda's eastern sphere of influence.

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (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 the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; 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 the Commission on this matter; and,

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

RESOLUTION NO. 3240

WHEREAS, the public hearing by this Commission was called for January 18, 2017 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, find, resolve, and order as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries of this change of organization are approved as set forth in Exhibits "A" and "A-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3214.

Condition No. 3. All previously authorized charges, fees, assessments, and/or taxes currently in effect by the City of Loma Linda (annexing agency) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The City of Loma Linda shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 6. The date of issuance of the Certification of Completion shall be the effective date of the reorganization;

SECTION 2. DETERMINATIONS. The following determinations are required to be provided by Commission policy and Government Code Section 56668:

1. The reorganization area is legally uninhabited, containing five (5) registered voters as of November 29, 2016, as certified by the County Registrar of Voters Office.

RESOLUTION NO. 3240

2. The County Assessor has determined that the total assessed value of land and improvements within the reorganization area is \$18,867,826 (land - \$13,004,875 -- improvements - \$5,862,951).
3. The reorganization area is within the sphere of influence assigned the City of Loma Linda.
4. Notice of this hearing has been advertised as required by law through publication in *The Sun*, a newspaper of general circulation within the reorganization area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been reviewed by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to landowners and registered voters within the reorganization area (totaling 21 notices) and to surrounding landowners and registered voters within approximately 1,350 feet of the exterior boundary of the reorganization area (totaling 1,215 notices). Comments from landowners and registered voters have been considered by the Commission in making its determination. An expression of support from the ownership of Tentative Tract 19963 has been provided while no expression of opposition to this reorganization has been received by the Commission.
6. The City of Loma Linda has pre-zoned the reorganization area for the following land uses: Single Family Residence (R-1) on 39 acres, Multi Family Residence (R-3) on 18 acres, Institutional (I) on 13 acres, and General Business (C-2) on 10 acres. These zoning designations are consistent with the City's General Plan. Pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. The closest highway to LAFCO 3214 is the I-10 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding express lanes and adding high-occupancy vehicle (HOV) lane in each direction.

The Sustainable Communities Strategy includes, among others, strategies that support compact infill development as well as expanded housing and transportation choices, which approval of LAFCO 3214 will support.
8. The City of Loma Linda, as a function of its review for the General Plan Amendment (GPA 15-044), Pre-zone (ZMA 15-045), Annexation (ANX 15-043), and Tentative Tract Map 19963 (TTM 15-046) for the Orchard Heights Project, prepared an environmental assessment and adopted a Mitigated Negative Declaration which indicates that approval of the project will not have a significant adverse impact on the environment.

The Commission certifies that it has reviewed and considered the City's Mitigated Negative Declaration and the environmental effects as outlined in the Initial Study prior to reaching a decision on the project and finds the information substantiating the Mitigated Negative

RESOLUTION NO. 3240

Declaration is adequate for its use in making a decision as a CEQA responsible agency. The Commission finds that it does not intend to adopt alternatives or additional mitigation measures for this project as all changes, alternations and mitigation measures are within the responsibility and jurisdiction of the City and/or other agencies and not the Commission; and finds that it is the responsibility of the City to oversee and implement these measures.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days with the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the City of Loma Linda as lead agency.

9. The local agencies currently serving the area are: County of San Bernardino, San Bernardino County Fire Protection District (SBCFPD), SBCFPD Valley Service Zone, San Bernardino Valley Municipal Water District, Inland Empire Resource Conservation District, San Bernardino Valley Water Conservation District, County Service Area 70 (multi-function unincorporated area Countywide)

The proposal will detach the territory from the San Bernardino County Fire Protection District, its Valley Service Zone, and County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.
10. The City of Loma Linda has submitted a plan for the provision of services as required by Government Code Section 56653, which indicates that the City can, at a minimum, maintain the existing level of service delivery and can improve the level and range of selected services currently available in the area. The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan conforms to those adopted standards and requirements.
11. The reorganization area will benefit from the availability and extension of municipal services from the City of Loma Linda and has benefitted from the delivery of water and/or sewer service for some of the properties as well as fire protection and emergency medical response service from the City (through its contract with the San Bernardino County Fire Protection District to provide the service).
12. The proposal 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. In addition, the proposal also complies with Commission policies and directives and State law that indicate the preference for all island areas to be included within the boundaries of a City
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs since a portion of the reorganization area is being proposed for development of 95 single family residences.

RESOLUTION NO. 3240

14. With respect to environmental justice, the following demographic and income profile was generated using ESRI's Community Analyst within the City of Loma Linda and within and around the reorganization area (2016 data):

Demographic and Income Comparison	City of Loma Linda (%)	Subject Area & adjacent Unincorporated Sphere (%)
Race and Ethnicity		
• African American Alone	8.5 %	6.7 %
• American Indian Alone	0.4 %	0 %
• Asian Alone	31.0 %	26.7 %
• Pacific Islander Alone	0.7 %	0 %
• Hispanic Origin (Any Race)	24.9 %	26.7 %
Median Household Income	\$59,069	\$61,212

Some of the properties within City's unincorporated sphere area already receive water and/or service from the City through out-of-agency service agreements. Nonetheless, the reorganization proposal is to annex the entirety of the unincorporated island. Therefore, the reorganization area will continue to benefit from the extension of services and facilities from the City and, at the same time, would not result in the deprivation of service or the unfair treatment of any person based on race, culture or income through approval of the reorganization to annex the entire island.

15. The City and County have negotiated the transfer of ad valorem taxes as required by State law. Copies of the resolutions adopted by the City Council of the City of Loma Linda and the San Bernardino County Board of Supervisors are on file in the LAFCO office outlining the exchange of revenues.
16. The map and legal description as revised, are in substantial compliance with LAFCO and State standards as determined by the County Surveyor's Office.

SECTION 3. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 5. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law.

SECTION 6. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

RESOLUTION NO. 3240

SECTION 7. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)


I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of January 18, 2017.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: JANUARY 11, 2017 
FROM: MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: Review and Accept Audit Report for Fiscal Year Ended June 30, 2016

RECOMMENDATION:

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2015-16.

BACKGROUND:

The public accounting firm of Davis Farr LLP has conducted the Commission's annual audit for the period of July 1, 2015 through June 30, 2016 (copy attached to this staff report). The auditor has independently verified the financial statements prepared by LAFCO staff, outlined its professional responsibilities and findings, and disclosed its compliance with current *Government Auditing Standards*. During the audit process, the auditor did not identify any deficiencies in internal controls.

Meeting with Audit/Budget Committee

On December 19 the LAFCO Audit/Budget Committee (composed of Chair Cox, Vice-Chair Ramos, and Commissioner Curatalo), LAFCO management, and the auditors discussed the draft audit via a phone meeting. The auditor identified that it performed tests on internal controls of LAFCO and the County, which resulted in no material weaknesses or significant deficiencies being identified.

GASB 68 and GASB 71

The financial statements typically consist of two parts – management's discussion and analysis, and the basic financial statements. Absent from last year's audit was the Management Discussion and Analysis ("MD&A") prepared by LAFCO staff. The reason for this omission is that it was the first year for implementation of GASB 68 (Accounting and Financial Reporting for Pensions) and GASB 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date). As such, the statements included new information and were in a different format. Therefore, the purpose of the MD&A, comparison to the prior

year, could not be shown. Based upon the recommendation of the Commission's former auditor, the MD&A was not provided for last year's audit but resumes this year.

Information regarding the Commission's net pension liability is included in the Statement of Net Position per GASB 68. The San Bernardino County Employees' Retirement Association's ("SBCERA") actuary has estimated the Commission's proportionate share of the net pension liability as of the June 30, 2014 measurement date to be \$681,447, an increase of \$96,716. This information can be found in Note 9 on page 22 of the financial statements.

2015-16 Financial Statements

The basic financial statements provide both short-term and long-term information about the Commission's overall financial status, include additional budgetary information, and include notes that explain some of the information presented. The auditor did not identify any deficiencies in internal controls. The financial statements show positive changes in net position of \$147,842 and fund balance of \$154,256. Some of the significant reasons for the changes in the revenues and expenses of the Commission's governmental activities are outlined as follows:

- Revenues
 - Revenues related to proposal activity increased by \$271,667 from the prior year, or 208%, due to an increase in the number and complexity of proposals received (three fire reorganizations).
 - Apportionment contributions rose nominally during the period due to the Commission's determination to maintain overall costs.
- Expenditures
 - Salaries and Benefits were slightly less than the prior year due to the LAFCO Analyst position remaining unfilled for a few months due to the separation of the former employee.
 - Services and Supplies experienced increased expenditures due to:
 - County Workforce Development Department vacating the building where the LAFCO office is located, LAFCO was required to install its own dedicated communications and information technology line, at a cost of roughly \$20,000.
 - Significant unanticipated individual notice costs of roughly \$67,000 for the proposals related to annexations to County Fire that included the extension of a special tax (San Bernardino, Twentynine Palms, and Needles). Most of these costs were recovered from the proponents of the applications.
 - During this fiscal year the Commission approved a consulting contract with Robert Aldrich in September 2015 not to exceed \$75,000 to provide for supplemental staffing and to provide assistance due to the complexity of proposals submitted.
- Overall, Net Position Ending continues to show movement in a positive direction.

LAFCO staff does not have issues or concerns with the financial statements or audit letters provided by the auditors. Additionally, the firm's partner, Jennifer Farr, will be a part of the audit presentation at the hearing. Should you have any questions, LAFCO staff would be glad to answer them prior to or at the hearing.

MT/

Attachment

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

Financial Statements

For the Fiscal Year Ended June 30, 2016

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Financial Statements

For the Fiscal Year Ended June 30, 2016

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Board of Commissioners
San Bernardino Local Agency Formation Commission
San Bernardino, California

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and Governmental Fund of the Local Agency Formation Commission for San Bernardino County (the Commission) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the Governmental Fund of the Commission, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison information, schedule of the plan's proportionate share of the net pension liability and the schedule of plan contributions, identified as required supplementary information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2017, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California
January 4, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Local Agency Formation Commission for San Bernardino County (Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the financial statements as outlined in the table of contents.

Absent from last year's audit was the Management Discussion and Analysis (MD&A) prepared by LAFCO staff. Last year was the first year for implementation of GASB 68 (Accounting and Financial Reporting for Pensions) and GASB 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date). As such, the statements included new information and were in a different format. Therefore, the purpose of the MD&A, comparison to the prior year, could not be shown. Based upon the recommendation of the Commission's former auditor, the MD&A was not provided for last year's audit but resumes this year.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer view of the Commission's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how the services were financed in the short-term as well as what remains for future spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of two parts - management's discussion and analysis (this section), and the basic financial statements. The basic financial statements provide both long-term and short-term information about the Commission's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements also include additional budgetary information.

Reporting the Commission as a Whole – Net Position

The accompanying Government-wide financial statements include two statements that present financial data for the Commission as a whole. An important question to be asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

The statements report the Commission's net position and changes in them. You can think of the Commission's net position – the difference between assets and liabilities - as one way to measure the Commission's financial health or financial position. Over time, increases and decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other factors, such as changes in the Commission's revenues, to assess the overall health of the Commission.

The following table provides the Statement of Net Position for the past two fiscal years:

TABLE 1
NET POSITION – GOVERNMENTAL ACTIVITIES

	2015-16	2014-15	Difference
Assets:			
Cash and investments	\$ 946,441	\$ 759,008	\$ 187,433
Accounts receivable	2,396	-	2,396
Due from other governments	2,116	9,615	(7,499)
Prepaid items	4,484	-	4,484
Capital assets, net of depreciation	2,341	3,511	(1,170)
Total Assets	957,778	772,134	185,644
Deferred outflow of resources:			
Deferred outflows from pension plan	330,514	370,080	(39,566)
Liabilities:			
Accounts payable	24,195	11,439	12,756
Other accrued liabilities	37,464	26,051	11,413
Unearned revenues	62,112	53,723	8,389
Long-term liabilities:			
Compensated absences:			
Due within one year	26,129	24,246	1,883
Due beyond one year	60,968	56,575	4,393
Net pension liability	681,447	584,731	96,716
Total Liabilities	892,315	756,765	135,550
Deferred inflow of resources:			
Deferred inflows from pension plan	153,181	290,495	(137,314)
Net Position:			
Invested in capital assets	2,341	3,511	(1,170)
Unrestricted	240,455	91,443	149,012
Total Net Position	\$ 242,796	\$ 94,954	\$ 147,842

The following table provides the Statement of Activities for the past two fiscal years:

TABLE 2
CHANGE IN NET POSITION – GOVERNMENTAL ACTIVITIES

	2015-16	2014-15	Difference
Revenues:			
Charges for services	\$ 398,381	\$ 139,477	\$ 258,904
Apportionment	882,117	864,821	17,296
Interest	11,645	4,287	7,358
Total Revenues	1,292,143	1,008,585	283,558
Expenses	1,144,301	993,822	150,479
Change in Net Position	147,842	14,763	133,079
Net Position Beginning	94,954	80,191	14,763
Net Position Ending	\$ 242,796	\$ 94,954	\$ 147,842

Explanation of Change in Net Position

The tables presented above show an overall increase in the receipt of revenues, as well as increase in expenditures for both personnel and operations. Some of the more significant reasons for the changes in the revenues and expenses of the Commission's governmental activities are outlined as follows:

- Due to the County Workforce Development Department vacating the building where the LAFCO office is located, LAFCO was required to install its own dedicated communications and information technology line, at a cost of roughly \$20,000.
- Significant unanticipated individual notice costs of roughly \$67,000 for the proposals related to annexations to County Fire that included the extension of a special tax (San Bernardino, Twentynine Palms, and Needles). Most of these costs were recovered from the proponents of the applications.
- During this fiscal year the Commission approved a consulting contract with Robert Aldrich in September 2015 not to exceed \$75,000 to provide for supplemental staffing and to provide assistance due to the complexity of proposals submitted.
- Revenues related to proposal activity were increased by \$271,667 from the prior year, or 208%, due to an increase in the number and complexity of proposals received.
- Overall Net Position Ending continues to show movement in a positive direction.

Reporting the Commission's Fund Activity

The fund financial statements provide detailed information about the Commission's governmental fund as it operates under a single-program government fund. All of the Commission's basic services are reported in its General Fund. The fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. We describe the relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) in the reconciliation following the fund financial statements.

The following table provides a summary of the Fund Balance for the past two fiscal years. The Fund Balance total increased from \$677,410 in FY 2014-15 to \$831,666 in FY 2015-16.

**TABLE 3
FUND BALANCE**

	2015-16	2014-15	Difference
Nonspendable:			
Prepaid items	\$ 4,484	\$ -	\$ 4,484
Committed:			
Compensated absences reserve	76,607	72,897	3,710
Net pension liability reserve	82,750	56,432	26,318
Assigned:			
General/Litigation reserve	291,007	300,000	(8,993)
Contingency	155,501	87,356	68,145
Unassigned	221,317	160,725	60,592
Total	\$ 831,666	\$ 677,410	\$ 154,256

Long-Term Liabilities

The following table provides a summary of the Long Term Liabilities for the past two fiscal years:

**TABLE 4
LONG-TERM LIABILITIES**

	2015-16	2014-15	Difference
Compensated Absences	\$ 87,097	\$ 80,821	\$ 6,276

Compensated Absences is comprised of the year-end balances for administrative, holiday, vacation, and sick leaves. For sick-leave calculations, LAFCO's Benefits Plan Section 108 (E) – Retirement Medical Trust – states that those employees with more than five years of service shall receive 75% of their accumulated sick leave, up to a max of 1,400 hours, paid into the Trust at their current rate of pay upon leaving the employ of the Commission. The calculation within the financial statements of compensated absences accommodates this Benefit Plan determination. During Fiscal Year 2015-16 compensated absences increased by \$6,276, calculated as follows:

- Additions of \$64,679 comprised of natural balance accruals for five employees.
- Deletions of:
 - \$54,040 comprised of leave taken during the fiscal year for four employees.
 - \$4,363 paid to a separated employee for accrued leave.

Contacting the Commission's Financial Management:

This financial report is designed to provide our citizen's, taxpayers, governments, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer at 215 North D Street, Suite 204, San Bernardino, CA 92415-0490.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Cash and investments (note 3)	\$ 946,441
Accounts receivable	2,396
Due from other governments	2,116
Prepaid items	4,484
Capital assets, net (note 4)	2,341
Total assets	<u>957,778</u>
Deferred outflow of resources:	
Deferred outflows from pension plan (note 9)	<u>330,514</u>
Liabilities:	
Accounts payable	24,195
Other accrued liabilities	37,464
Unearned revenues (note 5)	62,112
Long-term liabilities:	
Compensated absences (note 6):	
Due within one year	26,129
Due beyond one year	60,968
Net pension liability (note 9)	681,447
Total liabilities	<u>892,315</u>
Deferred inflow of resources:	
Deferred inflows from pension plan (note 9)	<u>153,181</u>
Net position (deficit):	
Investment in capital assets	2,341
Unrestricted	<u>240,455</u>
Total net position	<u><u>\$ 242,796</u></u>

See accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Statement of Activities

For the Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	Revenue and
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	Changes in Net
			<u>Contributions</u>	<u>Contributions</u>	Position
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
General government	<u>\$ 1,144,301</u>	<u>398,381</u>	<u>-</u>	<u>-</u>	<u>(745,920)</u>
Total governmental activities	<u>\$ 1,144,301</u>	<u>398,381</u>	<u>-</u>	<u>-</u>	<u>(745,920)</u>
General revenues:					
					882,117
Apportionment					
Investment income					<u>11,645</u>
Total general revenues					<u>893,762</u>
Change in net position					147,842
Net position, beginning of year					<u>94,954</u>
Net position, end of year					<u>\$ 242,796</u>

See accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
Governmental Funds
Balance Sheet
June 30, 2016

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 946,441
Accounts receivable	2,396
Due from other governments	2,116
Prepaid items	<u>4,484</u>
Total assets	<u>\$ 955,437</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 24,195
Salaries and benefits payable	37,464
Unearned revenues	<u>62,112</u>
Total liabilities	<u>123,771</u>
Fund balance:	
Nonspendable:	
Prepaid items	4,484
Committed:	
Compensated absences	76,607
Net pension liability reserve	82,750
Assigned:	
Litigation reserve	291,007
Contingency	155,501
Unassigned	<u>221,317</u>
Total fund balance	<u>831,666</u>
Total liabilities and fund balance	<u>\$ 955,437</u>

See accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016

Fund balances of governmental funds	\$	831,666
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and accumulated depreciation have not been included as financial resources in governmental fund activity:

Capital assets	8,192	
Accumulated depreciation	<u>(5,851)</u>	2,341

Pension related deferred outflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Employer contributions subsequent to the measurement date	120,963	
Changes in actuarial assumptions	78,292	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	<u>131,259</u>	330,514

Long-term liabilities are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:

Net pension liability	(681,447)	
Compensated absences	<u>(87,097)</u>	(768,544)

Pension related deferred inflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Differences in expected and actual experience	(113,234)	
Differences in projected and actual earnings on investments	<u>(39,947)</u>	(153,181)

Accrued compensated absences that have not been included in the governmental fund activity

Net position of governmental activities	\$	<u><u>242,796</u></u>
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LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	General Fund
Revenues:	
Apportionment	\$ 882,117
Charges for services	398,381
Investment income	<u>11,645</u>
Total revenues	<u>1,292,143</u>
Expenditures:	
General government:	
Salaries and employee benefits	680,134
Services and supplies	<u>457,753</u>
Total expenditures	<u>1,137,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>154,256</u>
Net change in fund balances	154,256
Fund balances at beginning of year	<u>677,410</u>
Fund balances at end of year	<u><u>\$ 831,666</u></u>

See accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net changes in fund balances - total governmental funds \$ 154,256

Amounts reported for governmental activities in the Statement of Activities are different because:

The governmental fund reports capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the capital outlays and exceeded depreciation in the current period.

Capital expenditures	-	
Depreciation expense	<u>(1,170)</u>	(1,170)

Pension Expense reported in the governmental fund includes the actual contributions made in the fiscal year. Pension expense reported in the Statement of Activities includes the changes in the net pension liability and pension related deferred outflows/inflows of resources.

Change in net pension liability	(96,716)	
Change in deferred outflows of resources related to pensions	(39,566)	
Change in deferred inflows of resources related to pensions	<u>137,314</u>	1,032

Accrued compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the government fund.

(6,276)

Change in net position of governmental activities	<u><u>\$ 147,842</u></u>
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LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements

June 30, 2016

1. Summary of Significant Accounting Policies:

The accounting policies of the Local Agency Formation Commission for San Bernardino County (the Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

a. Reporting Entity:

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (Commissions) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission is composed of seven voting members, with four alternate members who vote only in the absence or abstention of a voting member. The seven members and their alternates represent all levels of local government. Two members are elected county supervisors and are selected by the Board of Supervisors. Two members are elected city council members and are selected by the mayors of the cities within San Bernardino County. Two members are elected members of a special district board of directors and are selected by the presidents of the independent special districts in San Bernardino County. These six elected officials select a "public" member who is not affiliated with county, city, or special district governments. Alternate members for the county, city, special district, and public categories are selected in the same manner. Each commissioner and alternate serves a four-year term.

b. Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges for services that are restricted to meeting the operational or capital requirements of particular function or segment. Investment income and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The Commission operates under a single-program governmental fund.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

1. Summary of Significant Accounting Policies (Continued):

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are not recognized until paid.

Intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include charges for services and operating contributions from members.

c. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Commission has three items that qualify for reporting in this category for the fiscal year ended June 30, 2016. The first item is a deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability. The second item is a deferred outflow related to pensions resulting from a change in actuarial assumptions, and the third item is a deferred outflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

1. Summary of Significant Accounting Policies (Continued):

c. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has three items that qualify for reporting in this category for the fiscal year ended June 30, 2016. The first item is a deferred inflow related to pensions resulting from differences between expected and actual experience. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan determined as of June 30, 2015 (the beginning of the measurement period ended June 30, 2015). The second item is a deferred inflow related to pensions for the net difference between projected and actual earnings on plan investments. This amount is amortized over a closed period 5-year period.

d. Cash and Investments:

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer to increase interest earnings through investment activities. Investment activities are governed by the California Government Code Sections 53601, 53635, and 53638 and the County's Investment Policy.

Interest income, and realized gains and losses earned on pooled investments are deposited quarterly to the Commission's accounts based upon the Commission's average daily deposit balances during the quarter. Unrealized gains and losses of the pooled investments are distributed to the Commission annually. Cash and investments are shown at fair value.

e. Fair Value Measurements:

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

1. Summary of Significant Accounting Policies (Continued):

e. Fair Value Measurements (Continued):

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable input reflect the Commission's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Commission's own data.

f. Capital Assets:

Capital assets are reported as governmental activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and have an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Equipment of the Commission is depreciated using the straight-line method over a 5 to 7 year estimated useful life.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset life is not capitalized.

g. Employee Compensated Absences:

Liabilities for vacation, holidays, sick pay and compensatory time are accrued when incurred in the government-wide financial statements. Upon retirement or termination, an employee is compensated for 100% of unused accrued vacation and holiday time. Those with more than five years of LAFCO service receive 75% of their accumulated sick leave up to a maximum of fourteen hundred (1,400) hours. A liability for accrued leave is reported in the governmental fund financial statements only if it has matured. A matured liability may result from employees who terminate prior to year-end and are paid for their leave subsequent to year-end.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

1. Summary of Significant Accounting Policies (Continued):

h. Fund Balance:

Nonspendable fund balances includes amounts that cannot be spent because they are either not spendable in form (such as prepaid expenses) or legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Commission action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of decision-making authority. The governing board is the highest level of decision-making authority that can commit fund balances. Once adopted, the limitation imposed by the commitment remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance includes amounts to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance includes the residual amounts that have not been committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Commission's policy is to apply restricted fund balance first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Commission's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

i. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's San Bernardino County Employees' Retirement Association (SBCERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

j. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

2. Stewardship, Compliance and Accountability: General Budget Policies:

In accordance with provisions of Section 56381 of the Government Code of the State of California, commonly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the Commission shall adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year.

Budgets are prepared on the cash basis of accounting. After adoption of a final budget, the County of San Bernardino Auditor shall apportion one-third of net operating expenses of the Commission to each of the following: the county, cities, and independent special districts. The legal level of budgetary control is the fund level.

Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balance as provided for in the County Budget Act.

3. Cash and Investments:

Cash and investments as of June 30, 2016, consist of the following:

Petty cash	\$ 250
Investment in County of San Bernardino Investment Pool	<u>946,191</u>
Total Cash and Investments	<u>\$ 946,441</u>

Investments Authorized by the Commission's Investment Policy:

The Commission's investment policy authorizes investments only in the County of San Bernardino Investment Pool.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of the fair value to changes in market interest rates.

As of June 30, 2016, the Commission's cash was voluntarily invested in the County of San Bernardino Investment Pool, and therefore was not exposed to any interest rate risk as described above.

The County of San Bernardino Investment Pool is a pooled investment fund program governed by the San Bernardino County Board of Supervisors, and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawal can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$946,191. Information on the pool's use of derivative securities in its investment portfolio and the Commission's exposure to credit, market, or legal risk is not available.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

3. Cash and Investments (Continued):

Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The money pooled with the County of San Bernardino Investment Pool is not subject to a credit rating.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by the Commission in the County of San Bernardino Investment Pool).

Fair Value Measurement:

The Commission categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Commission has the following recurring fair value measurements as of June 30, 2016:

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
County Investment Pool	\$ -	946,191	-	946,191
Total investments	<u>\$ -</u>	<u>946,191</u>	<u>-</u>	<u>946,191</u>

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

3. Cash and Investments (Continued):

The Commission is a participant in the San Bernardino County Investment Pool (SBCIP). The SBCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee and the County Board of Supervisors conduct SBCIP oversight. Cash on deposit in the SBCIP at June 30, 2016, is stated at fair value. The SBCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the SBCIP, refer to the County of San Bernardino Comprehensive Annual Financial Report.

4. Capital Assets:

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
Capital assets:				
Office equipment	\$ 8,192	-	-	8,192
Less accumulated depreciation for:				
Office equipment	(4,681)	(1,170)	-	(5,851)
Total capital assets, net	<u>\$ 3,511</u>	<u>(1,170)</u>	<u>-</u>	<u>2,341</u>

5. Unearned Revenues:

At June 30, 2016, the Commission deferred recognition of \$62,112 from fee revenues and deposits that have been received but not yet earned.

6. Compensated Absences:

Changes in unpaid compensated absences at June 30, 2016, were as follows:

Accrued compensated absences at July 1, 2015	\$ 80,821
Compensated absences earned	64,679
Compensated absences used	<u>(58,403)</u>
Accrued compensated absences at June 30, 2016	<u>\$ 87,097</u>

There is no fixed payment schedule for earned but unpaid compensated absences. Accrued compensated absences expected to be paid within one year is \$26,129 at June 30, 2016.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

7. Insurance:

The Commission is a member of the Special District Risk Management Authority, an intergovernmental risk sharing joint powers authority. The schedule of insurance coverage is as follows:

Coverage	Amount	Limit of Insurance
Personal Injury and Property		Per occurrence / aggregate where
Damage Liability- General	\$ 2,500,000	applicable. \$500 deductible per occurrence
Personal Injury and Property		Per accident. \$1,000 deductible per
Damage Liability-Auto	2,500,000	occurrence
Public Officials and Employees		
Errors and Omissions Liability	2,500,000	Per wrongful act/annual member aggregate
Employment Practices Liability	2,500,000	Per wrongful employment practice /
		aggregate limits per member
Employee Benefits Liability	2,500,000	Per wrongful act/annual member aggregate
Employee Dishonesty Coverage	400,000	Per loss
Public Officials Personal Liability	500,000	Per occurrence/annual aggregate Board Member
Property Coverage	1,000,000,000	Per occurrence, \$2,000 deductible per occurrence
Workers' Compensation	Statutory	Per occurrence
Employers' Liability	5,000,000	Per occurrence
Boiler and Machinery	100,000,000	Per occurrence, \$1,000 deductible
Uninsured/Underinsured		
Motorists	1,000,000	Per occurrence

The Commission is self-insured for unemployment insurance.

8. Operating Lease:

The Commission entered into non-cancelable operating lease agreements for the rental of office space and office equipment, expiring in 2017. Future minimum lease payments under these operating leases are as follows:

Year Ending June 30, 2017	\$53,808
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Total rent expense for the year ended June 30, 2016 amounted to \$52,641.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

9. Pension Plan:

a. General Information about the Pension Plan:

Plan Description:

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA provides retirement, disability, death and survivor benefits to its members, who are employed by 17 active participating employers (including SBCERA) and 3 withdrawn employers. SBCERA publishes its own Comprehensive Annual Financial Report (CAFR) which is available on SBCERA's website at www.SBCERA.org.

Benefits Provided:

SBCERA provides service retirement, disability, death and survivor benefits to eligible employees. Generally, any employee of the County of San Bernardino or participating employers who is appointed to a regular position whose service is greater than fifty percent of the full standard of hours required by a participating SBCERA employer (e.g. 20 hours per week or more) must become a member of SBCERA effective on the first day of employment. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Prior to <u>January 1, 2014</u>	On or After <u>January 1, 2014</u>
Hire date		
Benefit formula	2% @ 55	2.5% @ 67
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 65	52 - 67
Monthly benefits, as a % of eligible compensation	1.49% - 3.13%	1.0% - 2.5%
Required employee contribution rates	11.06%	9.29%
Required employer contribution rates	33.31%	29.77%

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements (Continued)

June 30, 2016

9. Pension Plan (Continued):

a. General Information about the Pension Plan (Continued):

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Actuarial Assumptions:

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	3.25%
Payroll Growth	3.75%
Projected Salary Increase	4.60% - 13.75% (1)
Investment Rate of Return	7.50% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The probabilities of mortality are derived using SBCERA's membership data for all funds. The mortality table used was developed based on SBCERA's specific data. The table includes 20 years of mortality improvements using Projection Scale BB. For more details on this table, please refer to the Actuarial Experience Study dated May 30, 2014.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period June 30, 2010 through June 30, 2013. Further details of the Experience Study can found on the SBCERA website.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

9. Pension Plan (Continued):

a. General Information about the Pension Plan (Continued):

Discount Rate:

The discount rates used to measure the Total Pension Liability were 7.50% as of June 30, 2015 and June 30, 2014. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% were applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2015 and June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

9. Pension Plan (Continued):

a. General Information about the Pension Plan (Continued):

Discount Rate (Continued):

The June 30, 2015 and June 30, 2014 target allocations (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equity	5.00%	5.94%
Small Cap U.S. Equity	2.00%	6.50%
Developed International Equity	6.00%	6.87%
Emerging Market Equity	6.00%	8.06%
U.S. Core Fixed Income	2.00%	0.69%
High Yield/Credit Strategies	13.00%	3.10%
Global Core Fixed Income	1.00%	0.30%
Emerging Market Debt	6.00%	4.16%
Real Estate	9.00%	4.96%
Cash & Equivalents	2.00%	-0.03%
International Credit	10.00%	6.76%
Absolute Return	13.00%	2.88%
Real Assets	6.00%	6.85%
Long/Short Equity	3.00%	4.86%
Private Equity	16.00%	9.64%
Total	100%	

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

Allocation of Net Pension Liability:

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

9. Pension Plan (Continued):

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Allocation of Net Pension Liability (Continued):

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The following Table shows the Commission's proportionate share of net pension liability over measurement period:

Balance at June 30, 2015	\$	584,731
Balance at June 30, 2016		<u>681,447</u>
Change - Increase (Decrease)		96,716

The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.034%
Proportion - June 30, 2015	<u>0.035%</u>
Change - Increase (Decrease)	0.001%

For the year ended June 30, 2016, the Commission recognized pension expense of \$100,104. At June 30, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 120,963	-
Differences between actual and expected experience	-	(113,234)
Change in assumptions	78,292	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	131,259	-
Net differences between projected and actual earnings on plan investments	-	(39,947)
Total	<u>\$ 330,514</u>	<u>(153,181)</u>

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

9. Pension Plan (Continued):

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

The deferred outflows of resources related to contributions subsequent to the measurement date of \$120,963 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending	
June 30,	Amount
2017	\$ 2,274
2018	2,274
2019	2,275
2020	47,046
2021	3,404
Thereafter	(903)
	<u>\$ 56,370</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Commission's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.50%
Net Pension Liability	\$ 1,004,022
Current Discount Rate	7.50%
Net Pension Liability	\$ 681,447
1% Increase	8.50%
Net Pension Liability	\$ 414,505

Pension Plan Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued SBCERA financial reports.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

9. Pension Plan (Continued):

c. Payable to the Pension Plan:

At June 30, 2016, the Commission had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

10. Salary Savings Plans:

Benefit Plan Groups:

For the purpose of the salary savings plans, employees shall be divided into the following groups:

- a. Group A Executive Officer
- b. Group B All Commission Employees not in Group A or C
- c. Group C Administrative Assistant

401(k) Plan:

Bi-weekly contributions of Commission employees to the County's 401(k) Defined Contribution Plan will be matched by a Commission contribution on the basis of two times the employee's contribution. The bi-weekly contributions of employees in Groups A and B of up to four percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution, not to exceed eight percent of an employee's bi-weekly base salary.

The bi-weekly contributions of employees in Group C to the County's 401(k) Defined Contribution Plan of up to three percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution. The Commission's contribution shall not exceed six percent of an employee's bi-weekly base salary.

The Commission contributed \$25,292 to this plan for the fiscal year ended June 30, 2016.

457 Deferred Compensation Plan:

Bi-weekly contributions of Commission Group A employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution on the basis of one (1) times the employee's contribution. The Commission contribution shall not exceed one percent of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to the Basic Financial Statements
(Continued)

June 30, 2016

10. Salary Savings Plans (Continued):

Bi-weekly contributions of Commission Group B and C employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution of one-half (1/2) times the employee's contribution. The Commission's contribution shall not exceed one-half percent (1/2%) of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

The Commission contributed \$1,581 to this plan for the fiscal year ended June 30, 2016.

11. Subsequent Events:

On October 5, 2015, the LAFCO entered into an Operating Lease with the San Bernardino County Transportation Commission for office space. The term of the lease is 5 years beginning June 1, 2017 and ending March 31, 2022. Rent will start at \$3,337 per month and increase annually based on the Consumer Price Index, limited to 3%. The agreement includes leasehold improvements estimated to cost \$275,000 that will be repaid to the San Bernardino County Transportation Commission separately from rent in monthly payments of \$2,167 over five years.

REQUIRED SUPPLEMENTARY INFORMATION

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Schedule of the Plan's Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

	Measurement Date	
	6/30/2015	6/30/2014
Proportion of the Collective Net Pension Liability	0.035%	0.034%
Proportionate Share of the Collective Net Pension Liability	\$ 681,447	584,731
Covered-Employee Payroll	\$ 341,542	289,935
Proportionate Share of the Collective Net Pension Liability as percentage of covered-employee payroll	199.52%	201.68%
Plan's fiduciary net position	\$ 1,736,731	1,505,924
Plan's total pension liability	\$ 2,418,178	2,090,655
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.82%	72.03%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Schedule of Plan Contributions

Last Ten Fiscal Years*

	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contribution	\$ 120,963	122,480
Contributions in Relation to the Actuarially Determined Contribution	(120,963)	(122,480)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
Covered Payroll	\$ 341,542	289,935
Contributions as a Percentage of Covered-Employee Payroll	27.27%	42.24%

Notes to Schedule:

Valuation Date 6/30/2013

Methods and Assumptions Used to Determine Contribution Rates:

Cost sharing employers	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.25%
Salary increases	4.60 to 13.75%, including inflation of 3.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50-70 years (2% @ 50 and 2.5% @ 67)
Mortality	RP-2000 Combined Healthy Mortality Table

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Apportionment	\$ 882,117	882,117	882,117	-
Charges for services	56,970	102,834	398,381	295,547
Investment income	<u>4,000</u>	<u>4,000</u>	<u>11,645</u>	<u>7,645</u>
Total revenues	<u>943,087</u>	<u>988,951</u>	<u>1,292,143</u>	<u>303,192</u>
Expenditures:				
General government:				
Salaries and benefits	731,729	738,449	680,134	58,315
Service and supplies	<u>323,280</u>	<u>517,752</u>	<u>457,753</u>	<u>59,999</u>
Total expenditures	<u>1,055,009</u>	<u>1,256,201</u>	<u>1,137,887</u>	<u>118,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,922)</u>	<u>(267,250)</u>	<u>154,256</u>	<u>421,506</u>
Net change in fund balances	(111,922)	(267,250)	154,256	421,506
Fund balances at beginning of year	<u>677,410</u>	<u>677,410</u>	<u>677,410</u>	<u>-</u>
Fund balances at end of year	<u>\$ 565,488</u>	<u>410,160</u>	<u>831,666</u>	<u>421,506</u>

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2016

1. Budgetary Reporting

The Commission established accounting control through formal adoption of an annual budget for the Governmental Fund. The budget is prepared on a basis consistent with generally accepted accounting principles. The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require Commission's approval. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the Commission's management to review the budget monthly and provide quarterly updates to the Commission.

To the Board of Commissioners
Local Agency Formation Commission for San Bernardino County

We have audited the financial statements of the governmental activities, and each major fund of the Local Agency Formation Commission for San Bernardino County ("Commission") for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 12, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Commission are described in Note 1 to the financial statements. We noted no transactions entered into by Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was allocations of the net pension liability and related amounts. These amounts were calculated by an actuary and audited by another firm.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Footnote 9: Pension Plan.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the

financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 4, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the *Management's Discussion and Analysis, the Schedule of the Plan's Proportionate Share of the Net Pension Liability, the Schedule of Pension Plan Contributions, and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of Board of Commissioners and management of the San Bernardino County Local Agency Formation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California
January 4, 2017