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8/23/2007

TO: Local Agency Formation Commission

FROM: Crystal M. Craig, Local Government Analyst II

**SUBJECT: LAFCO 2006-87-4 SPHERE OF INFLUENCE REVIEW AND
POTENTIAL AMENDMENTS- CSA 115 (DESERT HOT SPRINGS).**

PRIOR AGENDA/RELATED ACTIONS: None.

EXECUTIVE SUMMARY:

This Sphere of Influence (SOI) study addresses County Service Area (CSA) 115. County Service Areas are entities formed and operated by the County within specific geographical areas in the unincorporated County to provide specific enhanced service levels. Formation and annexation into the CSAs allow residents to decide upon levels of services through approval or rejection of assessments.

CSA 115 was formed for the intent of street lighting and road improvement & maintenance for the residents and property owners near the Desert Hot Springs area.

Currently, CSA 115 has a coterminous SOI (where the sphere and the service boundaries are identical). The current sphere of influence has been reviewed and is adequate at this time.

BACKGROUND:

A Sphere of Influence (SOI), as defined by Government Code Section 56075 is a "plan for the probable physical boundaries and service area of a local agency, as determined by the Commission." Spheres of influence are used as a planning tool for agencies to conduct service and facility planning for areas it intends to serve in the future.

Riverside Local Agency Formation Commission is initiating sphere of influence (SOI) reviews for all special districts pursuant to the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56425).

State law requires the Commission to review all city and district spheres of influence at least once every five years.

Existing State law (Government Code §§ 56430), states that in order to prepare and update an SOI, LAFCOs are required to first conduct a Municipal Service Review (MSR). There are currently 59 active CSAs within Riverside County however, the MSR included studies of 8 separate CSAs, within the Western Coachella Valley. CSA 115 was reviewed with the Western Coachella Valley MSR (LAFCO 2005-89-4&5), which was received and filed by the Commission on February 22, 2007.

Consistent with Commission sphere of influence policies, a sphere of influence can a) be coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extend beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a "zero sphere", which indicates a potential dissolution of the agency.

The purpose and authorized functions of County Service Areas are defined by Government Code Sections 25210.1 through 25211.33. They are governed by the County Board of Supervisors. The Board is comprised of five members who are elected by the voters within their respective Districts. The Board is the decision-making authority regarding all CSA activities. CSAs are managed and administered by the County's Economic Development Agency (EDA).

GENERAL LOCATION:

CSA 115 comprises approximately 242 acres located southeasterly of the City of Desert Hot Springs, east of Bubbling Wells Road, west of Mountain View Road and north of 20th Avenue in a portion of Section 17 of Township 3 South, Range 5 East. CSA 115 within the City of Desert Hot Springs sphere of influence.

HISTORY: County Service Area 115 was formed in December 1977 for the purpose of providing street lighting and road maintenance for the residents and property owners within area located south of the City of Desert Hot Springs. No annexation applications have been submitted to LAFCO over the course of its existence.

The last time the SOI was reviewed for CSA 115 was September 26, 1985 (LAFCO 1985-73-3). The Commission adopted a sphere of influence outlining four factors for which the Commission must

consider and make a written statement of determinations. At that time, the Commission established a coterminous SOI for the County Service Area.

ANALYSIS:

DISCUSSION: Per Board Policy A-48, CSA Administration contracts with the Riverside County Transportation Department for all CSAs that have road maintenance and improvements required.

Because County policy A-48 discourages the formation of Road Improvement CSAs, the policy also states "that no road improvement projects be funded until a 3-Year Improvement Plan has been developed by the CSAs Advisory Committee and has been approved by the Board, and all rights-of-way for the CSAs proposed road system has been perfected.

There are, however, three CSAs (CSA 104, 105 and 115) within Western Coachella Valley in Riverside County that provide road services, and have existed for long periods of time. However, because this policy now exists and because of the financial issues involved in road construction and maintenance, grading is the only type of service that these CSAs can afford to provide.

In 2002, EDA took over the management of the CSAs. CSA 115 has a four year road paving plan. The roads on that plan are road maintenance projects that will be contracted through the County Transportation Department for maintenance. Future road paving improvements are based on CSA budget. The CSA will keep a reserve for maintenance of the roads.

The Board has made recommendations to review the feasibility of the following road plan for the years 2006-2010:

Chip Seal: 2006
Buckboard
Broken Arrow
Yaqui Lane
El Sombrero
Long Canyon
Roundup Drive
Sagebrush (El Serape to Roundup)
Clubhouse Drive
Hatchet Cactus
Sagebrush (Cactus Apple to Hatchet Cactus)
Prickly Pear
Paintbrush (20th to Hatchet Cactus)

Whitesage
Tumbleweed

Road Paving: 2006
North Clubhouse Dr.

Chip Seal: 2007
Cottonwood (Clubhouse to 20th Ave.)
Pepper Tree Ln. (Cottonwood to White Sage Tr.)

Road Shoulder Grading & Pot Hole Repair: 2007/2008
All roads within the boundaries.

Road Paving: 2007/2008
Prickly Pear Trail (north extension)
Bubbling Wells to Roundup (will require dedication from property owner)

Staff recommends that the Sphere of Influence for CSA 115 remain coterminous.

TAXES AND ASSESSMENTS: The annual assessment cost for street lighting and road maintenance services ranges from \$71.76 to \$350.00 per parcel per year to each of the 570 parcels in CSA 115. There are 12 streetlights within CSA 115.

COMMENTS FROM AFFECTED AGENCIES/INTERESTED PARTIES: A completed questionnaire was sent back from Economic Development Agency (EDA) and recommends that the SOI for CSA 115 remain as coterminous.

Staff received comments for information only that were provided by Riverside County Executive Office and Coachella Valley Water District. Comments are not significant to the sphere reviews but they are attached to this report.

CONCLUSIONS:

CSA 115 was formed on December 1977 to provide street lighting and road improvement & maintenance for the residents and property owners within the Desert Hot Springs area. CSA 115 is located southeasterly of the City of Desert Hot Springs and is within their SOI. Currently, the CSA has a coterminous sphere.

County policy A-48 discourages the formation of Road Improvement CSAs and this policy now exists and because of the financial

issues involved in road construction and maintenance, grading is the only type of service that these CSAs can afford to provide. Due to the financial issue it would be irrelevant to expand the sphere. Staff is recommending that the SOI remain coterminous.

RECOMMENDATION:

Staff is recommending that the Commission determine that the sphere of influence has been reviewed and it is determined that the current coterminous sphere of influence is adequate at this time.

Respectfully Submitted,

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