



Final Draft Municipal Service Review Riverside LAFCO

*Supplimental Section for the County
Service Areas within Western Riverside
County and the Coachella Valley*

County Service Areas:

21, 22, 30, 41, 52, 53, 72, 73, 86, 87, 93,
97, 113, 117, 121, 124, 125, 126, 128,
132, 134, 135, 142, 148, 152

May 2005



L S A

LAFCO 2004-60-1&2,5
LAFCO 2004-61-14

TABLE OF CONTENTS

1.0 COUNTY SERVICE AREAS WITHIN WESTERN RIVERSIDE AND THE SOUTHERN COACHELLA VALLEY.....	1-1
1.1 FORMATION, PURPOSE, ADMINISTRATION, MANAGEMENT, OPERATIONS.....	1-1
1.2 FINANCIAL.....	1-4
1.3 POPULATION AND GROWTH.....	1-8
1.4 INFRASTRUCTURE.....	1-11
1.5 BOUNDARIES.....	1-11
1.6 PUBLIC PARTICIPATION.....	1-12
1.7 DETERMINATIONS FOR THE COUNTY SERVICE AREAS.....	1-13

FIGURES

Figure 1.1: County Service Areas Proximate to the City of Canyon Lake.....	1-17
Figure 1.2: County Service Areas Proximate to the City of Corona.....	1-18
Figure 1.3: County Service Areas Proximate to the City of Lake Elsinore.....	1-19
Figure 1.4: County Service Areas Proximate to the City of Riverside.....	1-20
Figure 1.5: County Service Areas Proximate to the City of Indio.....	1-21
Figure 1.6: County Service Areas South of the Southern Coachella Valley Cities.....	1-22

TABLES

Table 1.A: CSAs within Western Riverside and the Southern Coachella Valley Areas.....	1-1
Table 1.B: CSAs Providing Road Services.....	1-4
Table 1.C: County Service Area Charges.....	1-5
Table 1.D: Fiscal Year 04-05 Budget, Level of Deficit, and Percentage of Administrative Costs....	1-6
Table 1.E: Total Incorporated Population and Housing in Western Riverside County (1990, 2000, 2004).....	1-9
Table 1.F: Total Incorporated Population and Housing in the Southern Coachella Valley (1990, 2000, 2004).....	1-9
Table 1.G: Total Riverside County Population and Housing (1990, 2000, 2004).....	1-9
Table 1.H: Western Riverside Council of Governments (WRCOG) Unincorporated Area Projections (2010–2030).....	1-10
Table 1.I: CVAG Unincorporated Area Projections (2010–2030).....	1-10
Table 1.J: Riverside County Growth Projections (2010–2030).....	1-10

EXHIBITS

A: Detailed Maps of the CSAs

1.0 COUNTY SERVICE AREAS WITHIN WESTERN RIVERSIDE AND THE SOUTHERN COACHELLA VALLEY

1.1 FORMATION, PURPOSE, ADMINISTRATION, MANAGEMENT, OPERATIONS

County Services Areas (CSAs) are entities formed and operated by the County within specific geographical areas in the unincorporated County to provide specific enhanced service levels. CSAs are a method of financing and providing for a higher level of service than would normally be provided within unincorporated areas countywide. The higher level of service is typically intended to provide urban services equivalent to what would be provided within a city. The conceptual formation and method of implementation of CSAs allow residents to decide upon service levels through approval or rejection of assessments.

There are currently 59 active CSAs within the County of Riverside. This section includes the discussion of 25 separate CSAs, which provide various services within certain unincorporated areas of western Riverside and the southern Coachella Valley. The CSAs, which are discussed within this MSR, are listed in Table 1.A.

Table 1.A: CSAs within Western Riverside and the Southern Coachella Valley Areas

CSA #	Acres	General Location	Services
21	67.00	Coronita/Green River	Lighting
22	478.15	Lake Elsinore	Lighting
30	118.95	<u>Home Gardens</u>	Lighting (Dormant) ¹
41	2,905.74	Meadowbrook	Roads
52	622.73	<u>Home Gardens</u>	Lighting (Dormant)
53	17.55	Indio	Lighting
72	76.48	Rubidoux	Lighting
73	77.50	Crestmore	Lighting
86	2,135.65	Quail Valley	Roads
87	548.89	Woodcrest	Lighting
93	6,007.14	Does Not Exist	No Services
97	3,802.29	MECCA	Lighting
113	156.67	Woodcrest	Lighting/Roads
117	9,327.20	Mead Valley	Lighting
121	1,913.57	Bermuda Dunes	Lighting/Drainage Basin
124	568.14	<u>Warm Springs Valley</u>	Roads
125	80,300.03	Thermal	<u>Lighting</u>

¹ Dormant is the County of Riverside's term, which means that the CSAs are no longer collecting assessment revenue or providing services. This is described in further detail in 1.2, below.

CSA #	Acres	General Location	Services
126	2,385.00	<u>Highgrove</u>	Sheriff, Parks, Recreation, Lighting
128	1,956.52	Lake Mathews	Roads
132	2,521.94	Lake Mathews	Lighting
134	3,038.06	Temescal	Lighting, Parks, Landscape
135	206.52	Temescal	Lighting
142	187.80	Wildomar	Lighting
148	562.97	Lake Mathews	Lighting/Roads (Dormant)
152	Countywide	Countywide	Street Sweeping ¹

Source: Economic Development Agency of Riverside County, January 2005.

Each CSA is a separate entity, providing different services to different areas, and funded separately. However, all of the CSAs within the County 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. In addition to governing the CSAs, the Board is the governing body of the entire County, certain special districts, and the Housing Authority. The Board enacts ordinances and resolutions, adopts the annual budget, approves contracts, appropriates funds, determines land use zoning for unincorporated areas, and appoints certain County officers and members of various boards and commissions. Public Board meetings are held every Tuesday at 9:00 a.m. at 4080 Lemon Street in the City of Riverside.

The CSAs share common management and administrative staff, which is the Economic Development Agency of Riverside County (EDA). EDA is a County department that provides multiple services. In addition to administering the CSAs, the EDA administers the following services within the County:

- Economic Development
- Aviation
- Redevelopment
- Housing
- Community Development
- Tourism
- Workforce Development
- County Fair and National Date Festival
- Edward Dean Museum and Gardens

It is the policy of the Board that a CSA shall only be formed when it is important to the health and safety of residents and when it is supported by a majority of the registered voters/property owners who have clearly demonstrated a desire and willingness to pay for an increased level of County services. The formation of or annexation to a CSA may be initiated by a resolution of the County

¹ CSA 152 also has zones of benefit within specific areas to provide specific services.

Board of Supervisors or by petition signed by not less than 10 percent of the registered voters of the area.

Where the purpose of the CSA is to provide for a “permanent maintenance entity” for in-tract facilities, the County’s Policy A-48 states that:

- Ownership and long-term maintenance of in-tract facilities shall be the responsibility of a Home Owners Association (HOA); and
- An HOA may request the assistance of a CSA to provide for revenue recovery from the residents of the tract and for maintenance of in-tract facilities.

The EDA is in the process of amending Policy A-48 to remove the two policies listed above regarding HOAs.

It is also the County’s policy (Policy Number A-48) to discourage requests to form a CSA or to annex to a CSA for the purpose of funding improvements to rural roads. The policy states that “the provisions of Article XIID, section 6(c) of the State Constitution (otherwise known as Proposition 218, or the Right to Vote on Taxes Act), weigh heavily against the success of a long-term, pay-as-you-go road improvement programs. Proponents of such interests are encouraged to consider a traditional Assessment District as the appropriate neighborhood or community solution.”

Because County policy A-48 discourages the formation of Road Improvement CSAs, the policy also states that “that no road improvement projects be funded until a 3-Year Improvement Plan has been developed by the CSA’s Advisory Committee and has been approved by the Board, and all rights-of-way for the CSAs proposed road system have been perfected. In addition, it is the Board’s policy that the 3-Year Improvement Plan is annually updated by the CSA’s Advisory Committee in conjunction with the development of the annual budget and parcel fee. All of the proposed changes are subject to approval by the Board of Supervisors.”

Likewise, the policy explains that it is the Board’s intent that road CSAs should exist only for as long as it takes to complete the road improvement plan developed for the CSA, and bring the specific roads into the County Maintained Road System. For this reason, the Board’s policy states that road CSAs should focus their financial resources on projects that result in permanent improvements, such as right-of-way perfection, engineering, drainage improvement installation, and paving. Maintenance grading is not considered a permanent improvement or step in the evolution of a graded road to County-paved standards, and, therefore, should be a minor focus of road CSA activities.

There are, however, six CSAs within western Riverside County that provide road services, and have existed for long periods of time. As noted in Table 1.B, these CSAs were formed prior to the current County policy. However, because this policy now exists and because of the financial issues involved in road construction and maintenance (as detailed in Section 1.2), grading is the only type of service that these CSAs can afford to provide. Hence, it may be appropriate to evaluate different funding and service provision mechanisms for providing road services. Potential methods of financing and provision of service include Community Facilities Districts and Assessment Districts.

Table 1.B: CSAs Providing Road Services

CSA #	Date Formed	Current Services Provided
41	August 1966	Roads
86	December 1971	Roads
113*	May 1976	Lighting, Roads
124	November 1978	Roads
128	December 1979	Roads
148*	1991	Lighting, Roads (Dormant)

*CSA 113 and 148 have the authority to provide road services, however, assessments are not collected to provide this service. CSA 148 has no additional budget and is dormant.

12 FINANCIAL

Revenue sources for existing CSAs include: property taxes, special assessments, interest in invested funds, and Quimby Act fees. It is the County’s policy (Policy Number A-48) that CSAs must be able to financially sustain anticipated levels of service upon their formation, and continue until all residents receive that reasonable and feasible level of service, as well as other services that may be added subsequent to formation. Accordingly, it is the County’s policy to levy a sufficient parcel fee and maintain a satisfactory fund balance to accomplish the basic service goals of the CSA. Riverside County Ordinance No. 573 establishes the methods for setting parcel fees to fund the CSAs. Per Ordinance 573, each year, in conjunction with the proceedings for adoption of the County Budget, a written report is to be prepared containing the following information:

- A listing of the CSAs and the services being provided;
- A list of all parcels within the CSAs, including the services provided to each parcel; and
- The amount of fees being charged to each parcel for each service.

EDA has contracted with financial consultants to meet this requirement for annual reporting. As part of this MSR process, a copy of the most recent annual report was reviewed. The review found that the list included all of the parcels and the fees being charged to each parcel; however, the services provided to each parcel were not included. Analysis of the fees charged to each parcel would meet the requirements of Ordinance 573, and assist in confirming that parcels are being assessed correctly. A discussion of findings and/or recommendations may assist in administration of parcel fees, and may also identify financing opportunities.

In addition, Ordinance 573 states that during annual budget preparation, the Board is to determine the nature, extent, and cost of services within each CSA, and submit this along with any supporting data to the County Auditor-Controller. Then pursuant to Ordinance 573, the rates for each service within each CSA will be computed by dividing the net cost of each service by the number of parcels. Based on this analysis, the parcel fee may vary from year to year. If the parcel fee needs to be increased to balance the budget, then the EDA would follow procedures to set the recommended parcel charge pursuant to State law. Likewise, Government Code Section 25210.44 states that each year the Board of Supervisors shall fix the rates of CSA taxes. These charges are included on property tax bills and are required to be identified separately along with the service being provided. Table 1.C provides a

list of the parcel fees for each CSA that is discussed within this MSR. The items in parentheses in Table 1.C note discrepancies between the list of CSA charges provided by the EDA and the additional information regarding services, locations, and staff contacts that were also provided. In order to clarify the provision of service, EDA should consider preparing a service audit on the CSAs to evaluate if any services are authorized, but not provided. If any services are authorized and not provided, EDA may wish to consider eliminating the specific service from its authority, unless a potential future need for the service is identified.

Table 1.C: County Service Area Charges

County Service Areas with Streetlight Service Only		
CSA #	Assessment Range	
22	<u>\$31.48</u>	
53	\$15.00	
87	\$32.34 to \$58.62	
113	\$55.00	
117	<u>\$52.46</u> to \$53.02	
132	<u>\$36.98</u> to \$62.34	
135	<u>\$6.52</u> to <u>\$68.08</u>	
142	<u>\$31.50</u> to <u>\$74.76</u>	
County Service Areas with Multiple Services		
CSA #	Services	Parcel Fee
41	Roads	\$35.00
86	Roads, Sheriff (only roads provided at this time)	\$80.00
97	Lighting, Park & Recreation, Sewer (only lighting and recreation are currently provided)	\$50.00 to \$258.00
121	Lighting, Drainage Basin	\$7.90 to \$280.00
124	Roads	<u>\$5.00</u>
126	Park & Recreation, Sheriff, Landscape (lighting is also provided)	\$120.00
128	Roads	\$75.00
134	Lighting, Park, Sheriff, Landscape (Sheriff not yet provided) (only new development is assessed for Sheriff and Parks)	\$32.78 to \$770.00
152	Street Sweeping	\$40.00
152	Drainage Basin	<u>\$36.50</u>
152	City of Corona	\$5.82 BAU ¹
	City of Desert Hot Springs	\$1.57 BAU
	City of Lake Elsinore	\$6.64 BAU
	City of La Quinta	\$9.99 BAU
	City of Moreno Valley	\$8.15 BAU
	City of Murrieta	\$10.00 BAU
	City of Norco	\$5.78 BAU
	City of Palm Springs	\$9.50 BAU
	City of Rancho Mirage	\$4.68 BAU

¹ BAU (Benefit Assessment Unit) depends on the size of the property, land use, and potential runoff.

	City of Riverside	\$2.82 BAU
	City of San Jacinto	\$4.26 BAU
152B	Regional Sports Facility (<u>only new development is assessed</u>)	\$250.00
County Service Areas with No Assessment		
<u>21</u>	<u>Lighting</u>	
<u>72</u>	<u>Lighting</u>	
30	Lighting (Dormant)	
52	Lighting (Dormant)	
73	Lighting	
125	Lighting	
148	Lighting/Roads (Dormant)	

Source: Economic Development Agency of Riverside County, January 2005.

County policy states that as much as is practicable, CSA parcel fees should maintain a level of stability from year to year. Accordingly, the policy requires sufficient funds to be carried over from year to year to assure adequate cash flow during the period between the beginning of the new fiscal year and the installment receipt of parcel fees and property taxes. As detailed in Table 1.D, out of the 23 budgets received for review in this MSR, 10 show expenditures exceeding revenues. Of the 10 budgets where expenditures exceed revenues, 6 are for CSAs that provide road services. Only one active CSA analyzed in this MSR that provides road services has a budget where revenues equal expenditures.

Table 1.D: Fiscal Year 04-05 Budget, Level of Deficit, and Percentage of Administrative Costs

CSA #	Services	Acres	Budgeted Revenue	Percentage of Administrative Cost of Budgeted Revenue	Expenses Over Revenue
21	Lighting	67.00	\$9,650	4.7%	\$0
22	Lighting	478.15	\$35,900	<u>4.2%</u>	<u>\$1,600</u>
30	Lighting	118.95	Dormant	—	—
41A	Roads	2,905.74	\$98,400	1.3%	\$368,996
41B			\$4,600	<u>2.9%</u>	\$5,700
52	Lighting	622.73	Dormant	—	—
53	Lighting	17.55	\$1,335	4.8%	\$0
72	Lighting	76.48	\$3,775	4.3%	\$0
73	Lighting	77.50	\$2,505	<u>4.2%</u>	\$0
86	Roads	2,135.65	\$418,000	<u>3.8%</u>	\$299,970
87	Lighting	548.89	\$23,590	4.0%	\$0
93	No Services	6,007.14	-	—	—
97	Lighting, Recreation	3,802.29	\$51,610	<u>4.9%</u>	\$15,950
113	Lighting/Roads	156.67	\$3,470	<u>4.0%</u>	\$0

CSA #	Services	Acres	Budgeted Revenue	Percentage of Administrative Cost of Budgeted Revenue	Expenses Over Revenue
117	Lighting	9,327.20	\$10,800	<u>4.0%</u>	\$0
121	Lighting/Drainage Basin	1,913.57	\$57,700	<u>6.6%</u>	\$0
124	Roads	568.14	\$5,500	<u>0.4%</u>	\$96,125
125	<u>Lighting</u>	80,300.03	\$8,310	<u>2.9%</u>	\$3,300
126	Sheriff, Parks, Recreation, and lighting	2,385.00	\$217,900	<u>5.4%</u>	\$105,639
128E	Roads	1,956.52	\$31,850	<u>5.4%</u>	\$7,000
128W			\$8,650	<u>1.2%</u>	\$39,239
132	Lighting	2,521.94	\$70,600	<u>4.0%</u>	\$0
134	Lighting, Park, Landscape	3,038.06	\$191,000	<u>6.5%</u>	\$0
135	Lighting	206.52	\$13,000	<u>3.8%</u>	\$0
142	Lighting	187.80	\$13,100	<u>4.0%</u>	\$0
148	Lighting/Roads	562.97	Dormant	—	—
152	Street Sweeping	Countywide	\$646,500	<u>30.4%</u>	\$0

Source: Economic Development Agency of Riverside County, January 2005.

As discussed previously, it may be appropriate to evaluate different funding and service provision mechanisms for providing road services. Potential methods of financing and provision of service include Community Facilities Districts and Assessment Districts. However, Proposition 218 limits the ability of local governments to impose assessments or property-related fees. Proposition 218 requires that any local tax imposed to pay for specific governmental programs be approved by two-thirds of the voters. In addition, Proposition 218 limits elections on general taxes to once every two years and limits the amount of assessment or property-related fees that may be voted upon. Therefore, implementation of additional financing mechanisms would most likely need voter approval.

In addition, Table 1.D notes that CSAs 30, 52, and 148 are “dormant,” meaning that the CSAs are no longer collecting assessment revenue or providing services. CSAs 30 and 52 were formed prior to Proposition 13 and still receive a portion of the property tax dollars collected from each parcel. The EDA has stated that this property tax revenue was transferred to the County Transportation Department under a landscaping maintenance district to provide for street lights. Because these CSAs are dormant, not collecting assessment revenue, and not providing services, dissolution of these CSAs should be considered.

The Board’s policy is that the CSAs are assessed annually for expenses incurred in administering the CSA, including the costs of any losses occurring within the CSA or establishment of a reserve for such losses. A basic charge for administration is charged to each CSA, depending on administrative complexity. The standard percentage rates to be applied to the CSAs’ revenue are as follows:

4.0 percent	All Street Lighting or Fire Hydrant CSAs
6.5 percent	Combination Street Lighting/Sweeping or CSA 152 (NPDES)
6.5 percent	Road or Fire or Multifunction CSAs (without employees)
8.0 percent	Road or Fire or Multifunction CSAs (with employees)

As detailed in Table 1.D, the CSA budgets that were provided for this review indicate that the CSA's administrative costs are within reasonable limits.

Upon the incorporation of the City of Moreno Valley in 1984, a large portion of CSA 93 was dissolved; however, a portion of the CSA is still in existence. CSA 93 was formed prior to Proposition 13; therefore, those areas that remain within the CSA are still collecting a portion of the property tax, although no services are being provided. Information was not provided regarding the status or use of funds being collected for CSA 93.

Government Code Section 25250 states that "At least biennially the board of supervisors shall examine and audit, or cause to be audited, the financial accounts and records. . ." "The audit shall encompass the immediately preceding two-year period, or any portion thereof not included in a prior audit." In addition, Riverside County Policy A-48 states that on a regular timetable, as prescribed by the County Auditor-Controller, the Board of Supervisors shall examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the CSA or money received or disbursed by them under authority of law. As a part of this MSR process, a copy of the most recent financial audit for the CSAs was requested. However, EDA and the County Auditor Controller have stated that no recent audits have been completed. Thus, a review of financial audits was not possible.

1.3 POPULATION AND GROWTH

This section is based upon data generated by the U.S. Census, the California Department of Finance, and the Southern California Association of Governments (SCAG). Existing and projected population information from these agencies is provided at the city or county level. It is not provided in a manner that can be used to identify information at the CSA level. Hence, existing population figures and future projections are not projected for individual CSAs, except countywide CSAs, unless significant administrative staff time is devoted to that purpose. However, assumptions regarding the CSAs' growth can be made by analyzing trends of the larger geographical areas, which are provided below.

Total Population

Existing unincorporated information is identified by the Department of Finance at the County level, and is not broken down into the different geographic unincorporated areas of the County. Therefore, information regarding the population of cities within the western Riverside and southern Coachella Valley areas is provided for analysis. The California Department of Finance estimates the 2004 population within the cities of western Riverside County (Canyon Lake, Lake Elsinore, Corona, Norco, and Riverside) to be 490,284. In the 10 years between 1990 and 2000, the population of in this area increased 28.8 percent and housing stock increased 21.4 percent.

The cities within the southern Coachella Valley (Coachella, Indio, and La Quinta) are estimated to have a 2004 population of 119,310. In the ten years between 1990 and 2000, the population in this area has increased 47.06 percent and housing has increased 44.79 percent.

Tables 1.E, 1.F, and 1.G show population and housing growth in western Riverside County, the southern Coachella Valley, and the County as a whole in 1990, 2000, and 2004. As shown, growth within the southern Coachella Valley was higher than growth within the western Riverside area and higher than in the County as a whole.

Table 1.E: Total Incorporated¹ Population and Housing in Western Riverside County (1990, 2000, 2004)

Year	Population	Annual Percent Change	Housing	Annual Percent Change
1990	344,107	—	119,518	—
2000	443,171	2.8	145,075	2.1
2004	490,284	2.7	157,498	2.1

Source: State of California, Department of Finance, E-5 City/County Population and Housing Estimates, 2004, Revised 2001–2003, with 2000 DRU Benchmark. Sacramento, California, May 2004; City/County Population and Housing Estimates, 1991–2000, with 1990 Census Counts.

Table 1.F: Total Incorporated² Population and Housing in the Southern Coachella Valley (1990, 2000, 2004)

Year	Population	Annual Percent Change	Housing	Annual Percent Change
1990	64,961	—	23,306	—
2000	95,534	4.71	33,745	4.48
2004	119,310	6.22	42,021	6.13

Source: State of California, Department of Finance, E-5 City/County Population and Housing Estimates, 2004, Revised 2001–2003, with 2000 DRU Benchmark. Sacramento, California, May 2004; City/County Population and Housing Estimates, 1991–2000, with 1990 Census Counts.

Table 1.G: Total Riverside County Population and Housing (1990, 2000, 2004)

Year	Population	Annual Percent Change	Housing	Annual Percent Change
1990	1,170,413	—	483,847	—
2000	1,545,387	3.2	584,674	2.1
2004	1,776,743	3.7	659,795	3.2

Source: State of California, Department of Finance, E-5 City/County Population and Housing Estimates, 2004, Revised 2001–2003, with 2000 DRU Benchmark. Sacramento, California, May 2004; City/County Population and Housing Estimates, 1991–2000, with 1990 Census Counts.

¹ Canyon Lake, Lake Elsinore, Corona, Norco, and Riverside.

² Coachella, Indio, and La Quinta.

Growth Projections

The growth projections that have been adopted by SCAG are shown in Tables 1.H, 1.I, and 1.J. As shown, the projected growth in population and households within the unincorporated Coachella Valley Association Governments (CVAG) area is higher than what is expected in unincorporated western Riverside or within the County as a whole.

Table 1.H: Western Riverside Council of Governments (WRCOG) Unincorporated Area Projections (2010–2030)

Year	Population	Households	Employment
2010	475,002	156,466	98,385
2020	667,930	235,183	163,253
2030	830,191	313,281	228,887
Annual Growth Rate	3.7%	5.0%	6.6%

Source: SCAG RTP, April 2004.

Table 1.I: CVAG Unincorporated Area Projections (2010–2030)

Year	Population	Households	Employment
2010	103,079	31,367	12,063
2020	149,159	48,269	16,844
2030	187,870	65,006	21,731
Annual Growth Rate	4.1%	5.4%	4.01%

Source: SCAG RTP, April 2004.

Table 1.J: Riverside County Growth Projections (2010–2030)

Year	Population	Households	Employment
2010	2,085,432	685,775	727,711
2020	2,644,278	907,932	954,499
2030	3,143,468	1,127,780	1,188,976
Annual Growth Rate	2.5%	3.2%	3.17%

Source: SCAG RTP, April 2004.

As stated previously, because localized growth projections do not exist, it is difficult to project growth within individual CSAs. As a result, the CSAs cannot plan in advance for growth, but are forced to react to development proposals and actual growth, and thus coordinate with developers to ensure that service demands resulting from residential growth are met. The EDA has stated that the CSAs are capable of expanding services based on the collection of special taxes and the public’s willingness to pay for enhanced services.

1.4 INFRASTRUCTURE

The CSAs provide services through contracts with a variety of service providers. For example, CSA contracts provide for road services to be provided by the County Transportation Department; sheriff services to be provided by the County Sheriff Department; park and recreation services to be provided by Park and Recreation Districts or by private firms within the County; lighting services to be provided by Southern California Edison; and construction and maintenance of drainage basins to be provided by the County Flood Control and Water Conservation District. Because the actual provision of services occurs via contract, the CSAs do not directly maintain any infrastructure. Some facilities, such as the regional park/sports complex, are owned by the County, although funding for the facility is provided by CSA 152B. The CSAs generally do not have capital improvement plans or master plans. However, CSA 126 operates a community center and a park, and has recently released a Request for Proposals (RFP) in order to obtain a consultant to prepare a Master Parks Plan so that the CSA can establish Quimby Act Fees¹. Preparation of capital improvement plans or master plans may be helpful to identify and program capital improvements (i.e., road deficiencies, drainage basin improvements) or other capital projects, such as new lighting for a developing area, in advance of actual need. This would facilitate advance programming of financing for such improvements.

1.5 BOUNDARIES

The current boundaries of each CSA encompass the specific areas in which services are being provided. All of the CSAs have a sphere of influence. CSAs that provide only street lighting services were given Countywide spheres of influence in 1986, while other CSAs that provide other or additional services have specific spheres of influence. As development occurs near an existing CSA, generally the area would be annexed into the existing CSA or a new CSA or another type of district would be created to provide similar services.

As shown within Figures 1.1 through 1.6, most of the CSAs that are discussed within this MSR are located either adjacent to city boundaries or within a city's sphere of influence. Because of projected growth of cities, numerous annexations can be expected to occur in the future. Government Code Sections 25210.90 and 22613 provide for the automatic detachment from a CSA of any area that is annexed into a City, unless the City has annexed into the CSA to provide for specific services, as is the case of many cities and CSA 152, which provides Countywide street sweeping.

In addition, because cities are already providing urban services, and would have an existing staff, resources, and infrastructure, it would generally be preferable for proposed developments that are located adjacent or in proximity to a city and that can be served by the city to be annexed rather than forming new or expanding existing CSAs. Overall, having a city provide services would generally be more efficient than having a small entity provide only specific services.

As shown in Exhibit A, 8 out of the 25 CSAs that are discussed within this MSR encompass several small land areas that have noncontiguous boundaries. These CSAs include: 22, 87, 113, 121, 132, 134, 135, and 142. As shown, these areas are separated from each other and have small service areas,

¹ A CSA that provides for parks may collect Quimby Act Fees only if the CSA has an adopted Master Parks Plan.

reflecting the formation of CSAs based on patterns of specific development projects, rather than over larger geographic areas, as would be the case for a special district.

Where a special district is in place that provides the service proposed for a CSA, potential efficiencies of having the service provided by the special district rather than the CSA should be investigated prior to formation or expansion of the CSA. For example, CSA 72 and CSA 73 are located within the Rubidoux Community Services District, which provides lighting services. An analysis should be undertaken to determine whether it might be more efficient for the districts to provide services rather than the CSAs.

CSA 53 is located within an unincorporated island area that is within the City of Indio's boundary, as shown in Figure 1.5. Because CSA 53 provides lighting services, which is also provided to the rest of the City of Indio by the City, it might be more efficient for the City to serve this small area.

An option for CSAs with noncontiguous boundaries, which are located in developing areas (such as the following CSAs: 121, 22, 87, 134, 135, 142), may be to establish areawide spheres of influence for CSAs and work toward fewer larger CSAs, rather than continuing to create smaller CSAs. This would also provide for growth. As areas are developed, a method of service provision would already exist. The areawide CSA may be able to better provide and plan for services in the larger geographical area, functioning more like a special district. This structure could more effectively project growth within its boundaries, and boundaries would be more cohesive.

In addition, as shown in Figures 1.1–1.6, many of the CSAs are located in proximity to one another and provide similar services. It may be more efficient for resources to combine CSAs that provide similar services in proximity to each other. In this option, one larger CSA could provide services to all of the unincorporated areas surrounding a city. For example, the City of Lake Elsinore is currently surrounded by six separate CSAs. Combining them into one larger CSA may provide for the combination of financial resources and may reduce the number of administrative services. For instance, accounting and contracting tasks would be consolidated.

1.6 PUBLIC PARTICIPATION

As mentioned previously, public meetings of the Board of Supervisors are held every Tuesday in the City of Riverside. In addition to these meetings and having the Board as the decision-making authority, some CSAs utilize advisory committees to represent residents and provide recommendations about the service.

Except in CSAs with routine operations, such as those with only street lighting functions, advisory committees may be formed to provide recommendations to the EDA on day to day operations within the CSA. For example, in a road improvement CSA, the Economic Development Agency, in cooperation with the CSA Advisory Committee and the Transportation Department, would be responsible for perfecting the right-of-way dedication for public use, developing a priority list of roads to be paved, and constructing same to County standards.

The EDA ensures that all advisory committee meetings are open to the public and conform to the provisions of the Ralph M. Brown Act. In addition, the County's legal counsel periodically instructs the advisory committees on the Brown Act and its requirements. Advisory committee meetings

generally occur in the evening, on a regular schedule. The public is encouraged to attend via newspaper notifications, direct mail lists, and posting in CSA offices. Meetings are held in easily accessible public places such as meeting halls, libraries, government board rooms, or EDA public facilities.

Even though both Riverside County and the EDA maintain detailed informative Web sites regarding most services and Departments, information regarding specific CSA responsibilities, functions, services, locations, or contact information is not posted on either Web site. Because the CSAs provide various services to many areas throughout the County and to a significant number of residents, posting similar information to that of other County Departments could assist the public. In addition, including CSA information on either Web site could improve public participation, provide information regarding CSA activities, and maintain a public dialogue regarding issues of concern to the CSA communities.

1.7 DETERMINATIONS FOR THE COUNTY SERVICE AREAS

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Act. Based on the above information, following are the written determinations for the County Service Areas.

Infrastructure Needs and Deficiencies

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities, and service quality.

1. Because the CSAs provide services via contract with service providers, such as the Sheriff's Department, County Transportation Department, Southern California Edison, etc. CSAs do not own any capital infrastructure or facilities.
2. The CSAs do not have Capital Improvement Programs or other planning documents, except for CSAs that collect Quimby Act Fees and have adopted park master plans. Development of additional planning documents could provide information on upcoming infrastructure needs within the District and assist in programming the funding necessary to provide improvements in advance of need.

Growth and Population

Purpose: To evaluate service needs based upon existing and anticipated growth patterns and population projections.

1. SCAG has projected a significant amount of growth within both the western Riverside area and the southern Coachella Valley through 2030.
2. The EDA has stated that the CSAs are capable of expanding services, which are needed as a result of growth, based on the collection of special taxes and the public's willingness to pay for enhanced services.

3. Because of their small geographic boundaries, location within unincorporated territories, and provision of services to specific developments, demographic information is difficult to obtain for CSAs. As a result, population projections are not commonly undertaken for CSAs. This is a constraint to predicting future service demands outside of existing development areas, especially in areas where rapid growth is projected.

Financing Constraints and Opportunities

Purpose: To evaluate a jurisdiction's capability to finance needed improvements and services.

1. Out of the 23 budgets received for this MSR, 10 of them show expenditures exceeding revenues. This may indicate that either assessments should be increased or another method of financing should be implemented in order to provide the anticipated level of services while assuring adequate cash flow. Potential methods of financing and provision of service may include Community Facilities Districts and Assessment Districts. However, due to Proposition 218, implementation of additional financing mechanisms would most likely need voter approval.
2. A report has been prepared by the EDA's financial consultant, which lists all of the parcels within each CSA and the amount of fees being charged to each parcel. Information as to the services being provided to each parcel would assist in evaluating the cost of services being provided and facilitate a comparison of CSA costs to other potential means of providing services. In addition, a discussion of findings and/or recommendations as part of annual reporting may assist in the administration of parcel fees and may identify financing opportunities.
3. Differences may exist between the list of fees and services and the additional information regarding services that were provided by the EDA. An analysis should be considered to ensure that the identification of fees being charged corresponds to the listing of individual parcels receiving services.

Cost Avoidance Opportunities

Purpose: To identify practices or opportunities that may help eliminate unnecessary costs.

1. The current method of providing administrative services provides for efficiencies and cost savings because one joint staff is providing services for all CSAs. This method reduces costs by minimizing the number of employees who only serve the CSAs.
2. Potential cost avoidance opportunities may exist by combining some CSAs into larger geographic entities, which could consolidate tasks, such as accounting, or by consolidating the small CSA tracts with adjacent service providers. An analysis of these potential opportunities could be implemented to indicate any financial benefits of either option.

Opportunities for Rate Restructuring

Purpose: To identify opportunities to impact rates positively without decreasing service levels.

1. County Ordinance 573 requires that during the annual budget preparation process, the cost of service provision should be computed and divided by the number of parcels. Based upon this analysis, the parcel fee may be increased. Therefore, the parcel fees should be assessed annually and could also be restructured annually. Likewise, Government Code Section 25210.44 states that CSA rates shall be fixed each year. When it is necessary to balance a CSA's budget due to the limitations of Proposition 218, the CSA budget should clearly reflect the source of funds used to balance the CSAs budget.

Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

1. The CSAs contract for service provision, and, therefore, rely on facilities of other agencies. As a result, any efficiencies that might result from shared facilities are achieved through the contract.

Government Structure Options

Purpose: To consider the advantages and disadvantages of various government structures to provide public services.

1. Due to the existing County policy and the costs involved in providing road services, it may be appropriate to evaluate different funding and service provision mechanisms. Potential methods of financing and provision of road services include Community Facilities Districts and Assessment Districts. However, due to Proposition 218, implementation of additional financing mechanisms would most likely need voter approval.
2. CSAs 30, 52, and 148 are “dormant,” which means that they are no longer collecting assessment revenue or providing services. Unless a potential future need for these CSA is identified, their dissolution should be considered.
3. It would generally be preferable for proposed developments that are located adjacent or in proximity to a city, and that can be served by the city, to be annexed rather than forming new or expanding existing CSAs. Overall, having a city provide services would generally be more efficient than having a small entity provide only specific services.
4. Many CSAs are separated from each other and have small service areas. It may be beneficial to individually analyze service provision within each of these CSAs to determine whether there are potential efficiencies that might be gained by including them in another nearby service entity.
5. CSA 53 is located within an unincorporated island area that is surrounded by the City of Indio. Because City provides lighting services, it may be more efficient for the City to serve this small area. However, without annexation of this area into the City, services would need to be provided via contract or extra-territorial service provision.
6. A government structure option that may provide efficiencies is areawide CSAs rather than smaller, CSAs. The areawide CSAs may be able to better provide and plan for services in the

larger geographical area, such as a special district does. This structure could more effectively project growth within its boundaries, and boundaries would be more cohesive. Larger CSAs may also provide for the combination of financial resources and may reduce the number of administrative services.

7. In order to clarify the provision of service, EDA should consider preparing a service audit on the CSAs to evaluate if any services are authorized, but not provided. If any services are authorized and not provided, EDA may wish to consider eliminating the specific service from its authority, unless a potential future need for the service is identified.

Evaluation of Management Efficiencies

Purpose: To consider the management structure of the jurisdiction.

1. The EDA and the County Auditor Controller have stated that no recent audits regarding CSA financial activity have been completed. In order to ensure the efficient use of funds, accurate future budgeting, adequate parcel fees, and comply with State law and County policy, a financial audit of all of the CSAs should be implemented on a regular schedule.

Local Accountability and Governance

Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

1. The Board of Supervisors holds weekly public meetings that are held pursuant to the Brown Act.
2. Some of the CSAs utilize advisory committees to represent residents and provide direction regarding appropriate service levels. The advisory committee meetings are open to the public and conform to the provisions of the Brown Act. The public is encouraged to attend advisory committee meetings via newspaper notifications, direct mail lists, and posting in CSA offices.
3. Information regarding specific CSA responsibilities, functions, services, locations, or contact information is not posted on the Internet as it is for other County Departments. Because the CSAs provide many services to a significant number of residents, posting similar information to that of other County Departments would assist with public accessibility. In addition, including CSA information on either the County or EDA website could improve public participation, provide information regarding CSA activities, and maintain a public dialogue regarding issues of concern to the CSA communities.

Figure 1.1: County Service Areas Proximate to the City of Canyon Lake

Figure 1.2: County Service Areas Proximate to the City of Corona

Figure 1.3: County Service Areas Proximate to the City of Lake Elsinore

Figure 1.4: County Service Areas Proximate to the City of Riverside

Figure 1.5: County Service Areas Proximate to the City of Indio

Figure 1.6: County Service Areas South of the Southern Coachella Valley Cities

EXHIBIT A

DETAILED MAPS OF THE CSAs