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6/23/2022

TO: Local Agency Formation Commission

FROM: Crystal M. Craig, Assistant Executive Officer

**SUBJECT: LAFCO 2021-06-1,2,3,4&5 – COUNTYWIDE CITY MUNICIPAL
SERVICE REVIEW AND SPHERE OF INFLUENCE REVIEWS AND
POTENTIAL AMENDMENTS.**

MUNICIPAL SERVICE REVIEW (MSR) DISCUSSION

A Municipal Service Review (MSR) is a comprehensive study of services provided by cities and/or special districts within a designated geographic area. The service review requirement is codified in CKH and is required to be performed whenever a Sphere of Influence (SOI) update is performed for each agency under LAFCO's purview. The intent of this MSR report is to allow for the conduct of SOI updates for each of the cities. For purposes of this MSR and SOI Update, those cities that provide water and/or wastewater services in conjunction with other services provided, have not been reviewed for water/wastewater. Those services were reviewed during the Countywide Water and Wastewater MSR process in 2019. Staff would like to acknowledge the cooperation of all City, Special District and the County staff that participated in the preparation and review of this report.

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Government Code Section 56430, LAFCOs are required to first conduct a review of municipal services provided within the county by region, sub-region, or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determinations for seven topics. These topics are outlined in the MSR report. The MSR process does not require LAFCOs to initiate changes of organization based on service review findings. It only requires that LAFCOs make the determinations regarding the provision of public services per Government Code section 56430. The seven determinations are required prior to or in conjunction with SOI reviews or updates.

RSG, Inc. was retained by the Commission to prepare the City MSR and SOI Update. This report will comprehensively review the services of all 28 cities within Riverside County. With this comprehensive MSR, there are three sections that are organized by region within the single

report that been prepared. The MSR have been subdivided into three subregions of the County: 1) Western region, Pass/Mountain regions, and 3) Coachella Valley/Eastern regions.

The MSR and SOI Update has been prepared based on information provided by the affected agencies. It is important to acknowledge that the data presented in this report represents the best information available during the data collection phase, which was largely completed between December 2020 and April 2021. This report represents a snapshot in time, and there may be material changes since then that are not reflected in this report.

The Western County region includes the City of Canyon Lake, City of Corona, City of Eastvale, City of Hemet, City of Jurupa Valley, City of Lake Elsinore, City of Menifee, City of Moreno Valley, City of Murrieta, City of Norco, City of Perris, City of Riverside, City of Temecula, and the City of Wildomar.

The **Pass/Mountain region** includes the City of Banning, City of Beaumont, City of Calimesa, and the City of San Jacinto.

The **Coachella Valley/Eastern County region** includes the City of Blythe, City of Coachella, City of Cathedral City, City of Desert Hot Springs, City of Indian Wells, City of Indio, City of La Quinta, City of Palm Desert, City of Palm Springs, and the City of Rancho Mirage.

Determinations: While the Executive Summary within the MSR provides an overview of the most significant determinations required by statute, the determinations themselves appear at the beginning of the MSR on pages 7-9 for the Western County, pages 9 & 10 for the Pass/Mountain region and pages 10 & 11 for the Coachella Valley/Eastern region, respectively. These determinations are supported by the preceding data and analysis for the required factors. The determinations contained within the MSR highlight several areas in which the Commission may wish to use in consideration of future SOI reviews or changes of organization. Additional proposed MSR determinations are located at the end of each city chapter in the report.

CITY SPHERE OF INFLUENCE REVIEW AND POTENTIAL AMENDMENTS

EXECUTIVE SUMMARY AND GENERAL RECOMMENDATIONS: This report provides a brief review of all 28 cities within the County. Each SOI recommendation and current or future options are discussed in greater detail in each city's analysis within the MSR/SOI report. The proposed SOI determinations made by RSG, Inc. are located at the end of each city chapter in the report. However, staff has altered some

of their recommendations and added additional discussion for each city that are presented below.

SPHERE OF INFLUENCE (SOI)

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) mandated Local Agency Formation Commissions (LAFCOs) to initiate SOI reviews for all cities and special districts once every five years (Govt. Code, § Sec.56425). Government Code Section 56000 et seq. establishes LAFCOs within each county for the primary purpose of establishing boundaries and SOIs for cities and special districts under each LAFCO's purview, and to authorize the provision of services within the approved service areas.

The service reviews provide LAFCOs with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

A "Sphere of Influence" (SOI), as defined by Government Code Section 56076 is "a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission." SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Spheres of influence are used as a planning tool for agencies to conduct service and facility planning for areas they intend to service in the future. In addition, for any agency that is already providing service through previous agreements, SOI amendments are encouraged.

Consistent with Commission sphere of influence policies, a SOI 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.

LAFCOs are required to make five written determinations in accordance with Government Code section 56425 when establishing, amending, or updating an SOI for any local agency.

General Plans:

Since 1971, California law has required that a city's zoning and subdivision approvals be consistent with an adopted General Plan. Any subordinate land use action, such as zoning, tentative maps or development agreements that are inconsistent with the general plan

are void at the time they are acted upon. Counties are now also required to have an adopted General Plan.

The purpose of the General Plan is to identify various goals of the community and provide "long-term" basis for decision making. In addition, to provide for citizen involvement in the planning process and inform all parties of development rules.

The mandatory General Plan Elements are Land Use, Circulation, Housing, Conservation, Open Space, Noise, Air Quality, Environmental Justice, and Safety. Permissive General Plan Elements in any subject are appropriate where there is a concern in the community to study and plan regarding an issue that is not included in the mandatory elements. Permissive elements might include Resource Management, Endangered Species Protection, Growth Management, Artistic Resources, Cultural Resources, Economic Development, and several more agencies.

General Plans must include Objectives and Policies. Failure to have a legally adequate General Plan can lead to new zoning ordinances being void, land use approvals including permits being void because the City or County lacks the power to approve them, or compliance with the California Environmental Quality Act (California Code of Regulations Section, title 14, section 15000 et seq., "CEQA") being impossible. A legally adequate Environmental Impact Report (EIR) may not be able to be approved for development projects if the General Plan is inadequate, causing new development to be delayed or prohibited. In addition, all map approvals must be consistent with the General Plan and any applicable Specific Plan and be consistent with the applicable zoning regulations. If the General Plan is legally inadequate, legal map findings may not be able to be made. In short, a legally adequate General Plan is the cornerstone of all land use, planning, and environmental review.

Staff will discuss the following court case in how the Commission got litigated on a project when LAFCO was the lead agency on CEQA. This will stem on the importance of General Plans, the significance of CEQA and how LAFCO Commission Policy 2.3.4. was derived.

SOI History and CEQA Litigation: LAFCO 1995-16-1 - Cleveland Ridge Community of Interest (COI) #9 - Designation as an Unincorporated Community and Sphere of Influence Amendment (Removal) to the City of Lake Elsinore concerned a 13.5 square mile area adjacent to the City of Lake Elsinore as an "unincorporated community" and removing the areas known as Cleveland Ridge from the City's SOI, which had been in the City's SOI over a decade at the time. These actions were considered and approved by the Commission on January 22, 1998. The

Commission also found the actions exempt from CEQA under the "common sense exemption" of State CEQA Guidelines section 15061 (b)(3).

On February 20, 1998, the City of Lake Elsinore submitted a Reconsideration request, alleging that the Commission had not complied with CEQA and that the Commission did not have the authority to create a UC designation. The City also requested that LAFCO reconsider its decisions approving the "unincorporated community" designation for Cleveland Ridge and removing Cleveland Ridge from the City's SOI.

On March 26, 1998, the Commission held a public hearing on the Reconsideration Request that was filed on February 20, 1998. After receiving public testimony, LAFCO affirmed its decisions designating Cleveland Ridge as an "unincorporated community" and removing Cleveland Ridge from the City's SOI.

On May 1, 1998, The City of Lake Elsinore filed litigation against Riverside LAFCO in the matter of the Riverside LAFCO's designation of Community of Interest No. 9 - Cleveland Ridge as an Unincorporated Community and Sphere of Influence Amendment to the City of Lake Elsinore (removal).

The City alleged that LAFCO violated CEQA (California Code of Regulations Section, Title 14, Section 15000 et seq.) by improperly finding that the decisions were exempt from CEQA under CEQA Guideline Section 15061 (b)(3).

The City also argued that, although LAFCO has the statutory authority to remove territory from the City's SOI, the Cortese-Knox Local Government Reorganization Act of 1985 (later updated and renamed the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, "CKH" specifically provides that such action cannot be taken until "[a]fter complying the California Environmental Quality Act." (Government Code, §56428(b)). The City further claimed the LAFCO Commissioners failed to adopt any findings or make any determinations concerning the environmental impacts of the project with respect to CEQA.

On November 3, 1998, the court held that LAFCO was required to conduct an environmental assessment of the UC designation and Sphere of Influence Amendment (Removal). The court ordered Riverside LAFCO to set aside its approvals of the resolutions designating the Cleveland Ridge Area as an Unincorporated Community and removing it from City of Lake Elsinore's sphere of influence until LAFCO conducted an environmental assessment of the actions and otherwise complied with CEQA. LAFCO did so on December 9, 1999, and the City filed an amended complaint seeking further mandamus relief challenging the approval

of the resulting negative declaration. The City argued that at least four potentially significant impacts were required to be analyzed in an EIR. LAFCO declined, and the City filed another lawsuit.

Commission Policy pertaining to City SOI's and City General Plans

As a result of losing this CEQA lawsuit, the Commission approved Policy 2.3.4. Commission Policy 2.3.4. states that "One of the factors the Commission shall use in determining a sphere of influence for a city shall be the city's general plan. Prior to any expansion of a city's SOI, the affected city's general plan must contain provisions to adequately demonstrate that the city has planned for the increased needs associated with a larger geographic boundary."

This policy was crafted to avoid issues raised in the City of Lake Elsinore litigation. Under this policy, if the area of SOI request (addition) is not within the city's General Plan, then there is no previously approved CEQA documents of which such approval could rely. Because such an action would likely be the first action by a public agency in relation to the change, LAFCO would likely be the lead agency, requiring that LAFCO must conduct CEQA review, either an Initial Study or EIR, prior to being able to consider the SOI request.

2.3.10 "For the purposes of reviewing a city's sphere of influence, the planning horizon for the sphere shall be the planning horizon used for the affected city's general plan."

CEQA; notice

Under Government Code Section 56428(b) after complying with the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code, the executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given. The executive officer shall give notice in the manner provided by Section 56427. On the date and time provided in the notice, the commission may do either of the following:

- (1) Without further notice, consider the amendments to a sphere of influence.
- (2) Set a future date for the hearing on the request.

There are a number of cities that are requesting SOI amendments that are not within their General Plan. Those cities looking to explore SOI expansion need to do the necessary work of updating their General Plan with the proper CEQA documents, and the Commission will review and consider its request and the proper noticing of the CEQA would have to be advertised. Once the City has evaluated its

recommendations, the City may return to LAFCO that is consistent with the recommendation area and submit an application for a SOI amendment or Annexation.

BOUNDARY CHANGES: Although LAFCOs are responsible for reviewing and approving proposed jurisdictional boundary changes, the Commission cannot, by statute, initiate annexation of the "islands or pockets" within this SOI review study. Proceedings for annexation to a city may be initiated by petition (landowner or registered voter) or by resolutions of the governing body of any affected county, city, district, or school district (Govt. Code, §56650). However, the Commission can authorize staff to analyze further potential reorganizations or service provider modifications.

DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCS): On February 25, 2021, the Commission adopted policies to guide staff for the implementation of SB 244, which established various requirements and restrictions related to DUCs. On October 28, 2021, additional changes, corrections, and amendments to the existing DUC Policy were approved. This DUC Policy provides guidance to staff for the identification of DUC boundaries. Mapping the DUCs in conjunction with the current Countywide City MSR & SOI Reviews and Potential Updates report were critical, as they were a tool in aiding agencies in determining SOI updates. Within the same agenda, staff presented the mapping of the DUCs identified for all of Riverside County.

Within the MSR/SOI report, for each city that has a SOI containing at least one identified DUC an overview/vicinity map is provided, along with the current city boundary and SOI boundaries. The maps presented in the MSR illustrate both DUCs adopted in 2012 & 2013, as well as the updated DUCs based on the U.S. Census Bureau American Community Survey ("ACS") 2015-1 data. In addition, unincorporated islands and pockets are identified in the overview/vicinity map, should there be any within the city.

Commission Policy related to Unincorporated Pockets and Islands:

2.1.3 "LAFCO shall support annexation of all islands of unincorporated territory, including Disadvantaged Unincorporated Communities, and areas substantially surrounded by a city located within that city's sphere of influence, as the local provider of services and controls. If an annexation is proposed for only a portion of an island of unincorporated territory, the proponent shall provide adequate justification as to why the entire island should not be annexed. Cities are expected to solicit the opinions of landowners and residents in island and substantially surrounded areas."

In June 2017, the full Commission received a report on unincorporated islands and pockets in Riverside County. The report reviewed applicable statutes and provided brief descriptions and maps for these areas, including islands that had been successfully annexed over the last two decades. The remaining island/pocket areas were divided into two groups: those that could qualify for the streamlined procedures under CKH, whereby the Commission must approve the annexation and waive protest proceedings, and those that do not qualify for the streamlined procedure.

In our Five-Year Strategic Plan, staff had put Unincorporated Islands/Pockets as Strategic Objective (2) and a chart that lists those unincorporated islands and pockets that were identified in June 2017 and their priority.

CITY INTERVIEWS/INPUT ON CURRENT SOI CYCLE: A collaborative approach has been used throughout the preparation of the MSR/SOI Report for the current SOI cycle. Initially, an introductory letter was sent out by staff to each city advising them of the upcoming MSR/SOI process early November of 2020. Cities were then emailed questionnaires between January 23, 2021, and February 12, 2021, and maps for each city were part of the discussion.

For cities that did not respond to RSG, Inc.'s initial emails, Commission staff sent follow up emails and correspondence between February and March 2021. City interviews took place between February and April 2021. During the interviews, the questionnaires were used as a guide for the discussions, and, unless the question was specifically not applicable (the City had already indicated no interest in an SOI amendment/annexation) questions about the SOI were discussed with every city.

In November 2021, the city-section from the overall report was generated and then sent to the specific city for their review and comments. All responses were received by mid-December. The Public Review Draft Report was made available for publication on March 29, 2022, for comments by the public and any agency/organization. Any comments received have been considered and incorporated where appropriate within the Public Review Hearing Draft MSR/SOI Update Report.

The Public Hearing Draft Report was made available for publication on May 25, 2022, addressing any comments received during the public review process as necessary, and scheduled for a noticed public hearing before the LAFCO Commission. Additional comments will be taken during the public hearing and addressed.

City Input: The Cities that are **requesting** SOI amendments or expressed interest in potential future SOI amendments in certain areas include Western Region: **Canyon Lake, Menifee, Perris, Wildomar**, Pass/Mtn Region: **Banning, Calimesa**, Coachella Valley/Eastern region: **Coachella**, and **Indio**. Since general planning work has not been completed by the cities, these changes are not before the Commission at this time. These changes are neither proposed nor recommended at this time. There will be one small technical SOI amendment for the **City of Palm Desert** and a portion of the request for the Cities of **Coachella** and **Indio**.

The Cities that **did not** make a SOI amendment request include Western Region: **Corona, Lake Elsinore, Murrieta, Norco, Riverside**, and Coachella Valley/Eastern region: **Cathedral City and Palm Springs**. However, RSG, Inc. and staff is encouraging annexation of existing unincorporated islands and pockets or DUCs. The area(s) are not within their current City General Plan and the changes are not before the Commission, however, staff will provide discussion within this staff report for informational purposes to give these cities direction.

As a result, sphere of influence reviews were not found necessary for a great majority of our cities (17 out of 28 cities) for one or more of the following reasons:

1. Responses to SOI update letters were a "no" response or a repeated non-response confirming no sphere changes were anticipated.
2. Over the past five years, very limited growth has occurred.

RSG, Inc. and LAFCO staff have concluded that there is not a need to amend the city's SOI at this time for the 25 Cities of Western region: **Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, Temecula, Wildomar**, Pass/Mtn region: **Banning, Calimesa, Beaumont, San Jacinto**, Coachella Valley/Eastern region: **Blythe, Cathedral City, Desert Hot Springs, Indian Wells, La Quinta, Palm Springs** and **Rancho Mirage**. An agency with a coterminous sphere, means the agency has no sphere beyond its boundaries. Maps for each city illustrating its corporate boundary and SOI are attached with this staff report.

WESTERN COUNTY REGION:

1. City of Canyon Lake: The City of Canyon Lake is a small master-planned community that is predominantly built out. The City of Canyon Lake does not have a SOI beyond the city boundary which means that the city has a coterminous SOI. Please refer to Exhibit 4 within the staff report, that illustrates the City's current boundaries and SOI boundaries.

RSG, Inc. stated in the MSR/SOI report that City staff indicated that the city is actively evaluating potential annexation of the unincorporated County territory north of the City. RSG, Inc., recommends that Riverside LAFCO consider expanding the Canyon Lake SOI to include the unincorporated Meadowbrook area. Future annexation of this area along State Route 74 is being considered as an economic development opportunity for the City.

If the Canyon Lake SOI were extended to include the Meadowbrook area, the Canyon Lake SOI would then contain two DUCs, including the entirety of DUC1, commonly known as Meadowbrook (North), and the northern portion of DUC2, commonly known as Meadowbrook (South). Please refer to Exhibit 5 within the staff report.

Staff recommends that it would be appropriate for the City to evaluate how much of the unincorporated area known as Meadowbrook the city is considering to expand in its SOI. Neither RSG, Inc., nor LAFCO received a map depicting the area the City is considering. Approving to include an area outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. LAFCO staff has prepared Exhibit "GP1" of the City's General Plan located that depicts the area and clearly illustrates that the Meadowbrook area is outside the City's General Plan. Please refer to Exhibit "SR1" labeled "City of Canyon Lake" within the staff report as it also depicts Canyon Lake's SOI and City's corporate boundary, Meadowbrook Census Designated Place (CDP) area between Perris' SOI and the boundaries of Canyon Lake and the City of Lake Elsinore's SOI. In addition, this exhibit depicts the Good Hope/Meadowbrook Municipal Advisory Council boundaries to conduct community outreach and alert them of City intentions.

Most importantly, staff recommends coordination with the County of Riverside as it is undergoing its Highway 74 Community Plan efforts. In addition, staff recommends holding discussions with the City of Lake Elsinore on which agency is the best service provider since Pocket 22 is also currently within Lake Elsinore's SOI. The City of Canyon Lake may return to LAFCO once there is a consensus after discussions with the County and the City of Lake Elsinore how much of the Meadowbrook area the City wants to add to their SOI, which will first require updating the City's General Plan and preparing required CEQA documentation.

While the City is in favor of adding the Meadowbrook area to the City's SOI, these changes are neither proposed nor recommended at this time until the City amends its general plan. Since general planning work has not been completed, these changes are not before

the Commission at this time, the attached exhibits are shown for information purposes only.

2. City of Corona: Corona has ten (10) noncontiguous SOI areas, located on the City's western, eastern, and southern boundaries. The City's municipal and SOI boundaries are outlined in Exhibit 6 which also illustrates County Island/Pockets 8, 9 10 & 11. The largest contiguous SOI areas are situated along the City's eastern boundary, with the single-largest SOI area extending southeast of Corona along Interstate 15 to the border of Lake Elsinore's SOI. The City's SOI does not contain any LAFCO-designated DUCs, however two areas known as Home Gardens and a portion of El Cerrito, previously qualified as DUCs with the initial LAFCO DUC mapping years ago. With the new recent DUC mapping, they are no longer DUCs. The City's corporate boundary creates four (4) LAFCO-identified unincorporated islands or pockets, as follows:

- Pocket P8 is commonly known as Coronita. According to City staff, a majority of residents are believed to be against annexation, although the climate may be slowly changing. The area contains mostly housing, as well as an abandoned golf course. It is almost surrounded by the City of Corona, and water service in this area is currently provided by the City of Corona. City staff indicated that this area does not have municipal sewer services - most, if not all, of the area is currently on septic systems.
- Pocket P9 is an unincorporated area within the Corona SOI commonly known as El Cerrito, generally at the intersection of East Ontario Avenue and El Cerrito Road.
- Pocket P10 is commonly known as Home Gardens and is generally located at the intersection of McKinley Street and Magnolia Street in the Corona SOI.
- Pocket P11 is a small area adjacent to Corona's northern border near the Santa Ana River, that also borders Eastvale and the Norco SOI.

RSG, Inc. does not recommend any changes to the Corona at this time, SOI at this time, and staff concurs with this assessment. However, staff is recommending pockets of Coronita (P8) and El Cerrito (P9) be annexed as these areas have deficient services and infrastructure. According to staff, the City provides fire service to Coronita. The City is the most logical service provider for Coronita and El Cerrito. It would make sense for the City to

annex and provide sewer services to these communities, although the capital improvements would likely present a significant fiscal burden. LAFCO staff has prepared Exhibit "GP2" of the City's General Plan that depicts that Pockets 8, 9, 10 & 11 are within the City's General Plan.

The City does not provide services to the unincorporated area of Home Gardens (Pocket 10) area, which is located in the Corona SOI. The Home Gardens area is largely developed and serviced by the Home Gardens Water District and Home Gardens Sanitary District, which are considered functional service providers by City staff.

LAFCO staff recommends adopting the following policy text as part of the Sphere of Influence Review:

- a. Future annexation boundaries should avoid the creation of isolated pockets of unincorporated territory. These isolated pockets of unincorporated territory create costly service provision boundaries and potentially degrade the quality of services provided to those areas. The Commission may consider conditions for service provision agreements to provide service to excluded areas as compliance with this policy.
 - b. The Commission recognizes three inhabited areas of significance within the Corona Sphere of Influence: 1) Coronita (Pocket 8), 2) El Cerrito (Pocket 9), and Home Gardens (Pocket 10). Prior to any future annexations which may impact any of the above inhabited areas(s), the City should solicit input from the community regarding interest in annexation. The city should include those discussions and impacts as part of the application process of the proposed annexation. The Commission may wish to consider the impact of the proposed annexation as part of their review of the proposal.
 - c. The County of Riverside and the City of Corona should continue to work together to promote the development of co-operative land use policies and development standards within the Corona sphere of influence, so that any future development approved within the unincorporated territory by the County would meet the City of Corona's development standards, thus making for a smoother transition for future annexations.
3. City of Eastvale: RSG, Inc. does not recommend any changes to the Eastvale SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Eastvale SOI boundaries. See Exhibit 7.

4. City of Hemet: The City has large areas within its SOI located both west and east of the city. The eastern SOI includes large, inhabited communities known as East Hemet and Valle Vista. The Ramona Bowl, home of the Ramona Pageant and often associated with the City of Hemet, is also in this area. The eastern SOI extends beyond these developed areas, east to the foot of the San Jacinto Mountains and south into Santa Rosa Hills. Much of uninhabited area is hilly and mountainous terrain. The western SOI includes an area south to the Old Newport Road alignment, proceeds north along California Avenue and then zigzags north from Stetson Ave. to the San Jacinto city limits. The irregular zigzag line does not consistently conform to parcels or geographic features. Its origin is unclear. The City last updated its General Plan in 2012.

Seven (7) DUCs are within the Hemet SOI or immediately beyond the City's SOI. The DUCs are described below and illustrated in Exhibit 8 within the MSR/SOI Report.

A group, "Hemet United," filed a Notice of Intent to Circulate Petition for SOI Amendments and Concurrent Annexation to the City of Hemet and Detachment from County Service Areas and County Waste Resources District, which was filed on July 20, 2020. The proposed SOI amendment and annexation would include a total of 34,000 acres, covering most of the present SOI and additional area to the south and southeast of the current SOI. According to City staff, they do not yet have complete details and no analysis or assessment has been made. LAFCO Registered Voter petitions were verified by the Registrar of Voters to meet the required 5% to proceed with a City Inhabited Annexation on April 4, 2022. Please refer to Exhibit "SR2" labeled "City of Hemet" within this staff report that depicts Hemet's SOI and its corporate boundary, and Hemet United's proposed boundaries for SOI amendments and annexation. This map is shown for information purposes only because this proposed change is not currently before the Commission. This exhibit also illustrates the Winchester/Homeland and Nuvview/Romoland Municipal Advisory Council (MAC) boundaries, as the area that Hemet United is pursuing will affect these two MAC's for Hemet United to conduct community outreach and alert them of their intentions of why they are interested in annexation to the City of Hemet. Staff has prepared Exhibit "GP3" of the City's General Plan attached to this staff report. This map depicts the potential SOI amendment and potential annexation. The study areas appear to be within the City's General Plan. Again, this map is shown for information purposes only.

RSG, Inc. does not recommend any changes to the Hemet SOI and staff concurs with this assessment. Staff recommends confirming the current City of Hemet's SOI boundaries. See Exhibit 8.

5. City of Jurupa Valley: RSG, Inc. does not recommend any changes to the Jurupa Valley SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Jurupa Valley's SOI boundaries. See Exhibit 9.
6. City of Lake Elsinore: Staff is currently, recommending no SOI change. However, the Lake Elsinore SOI includes multiple DUCs, including DUC4 (Lakeland Village), which is adjacent to the City-owned lake.

The Lake Elsinore DUCs are described below:

- DUC1 is commonly known as Meadowbrook (Central) and is not within the Lake Elsinore SOI. DUC1 overlaps an area that was also previously classified as a DUC in 2010. Based on conversations with Canyon Lake City staff, there may be interest in including this area in the Canyon Lake SOI. This proposal is discussed in the section of this MSR detailing Canyon Lake.
- DUC2 is commonly known as Meadowbrook (South). About half of DUC2 is within the current Lake Elsinore SOI. The remaining half of DUC2 is within the unincorporated and unsphered area north of Lake Elsinore's SOI.
- DUC3 is commonly known as Warm Springs/North Elsinore, is located entirely within the Lake Elsinore SOI, and overlaps an area previously classified as DUC1 in 2010. City staff indicated that the County would like for the City of Lake Elsinore to annex this area into the City because it is a challenging area for the County to provide services. According to City staff, the area is very under improved with significant road improvements and code enforcement issues that would create a fiscal burden for the City. Therefore, annexation of this area would not make sense from a fiscal perspective. Given the isolation of this community, the City is likely already benefiting from tax revenues as a result of expenditures by residents of this area, although staff does not believe it is sufficient enough to cover the costs to improve the area.
- DUCs 4, 4a, 4b, and 4c overlap an area commonly known as Lakeland Village, located on the southwestern shore of the Lake Elsinore body of water. According to City staff, about ten (10) years ago there were discussions with residents of this area regarding annexation. The City believes that many residents of this area do not understand that they are outside of the City of Lake Elsinore and that this confusion

may be the result of unclear or undefined boundaries. Similarly to DUC3, given the isolation of Lakeland Village from other communities, the residents of this area are likely already providing benefits in the form of tax revenues to the City. City staff indicated that the City's law enforcement, which monitors activities on the Lake Elsinore body of water is already providing informal law enforcement services to the Lakeland Village community along the shoreline of the lake.

The City already provides informal law enforcement services to DUC4 so it is logical to formalize provision of services via annexation. Please refer to Exhibit "SR3" labeled "City of Lake Elsinore" within the staff report. This map also illustrates the City's SOI and City's corporate boundary, Warm Springs Community Council, Lakeland Village Census Designated Place (CDP) and the Good Hope/Meadowbrook Municipal Advisory Council boundaries.

The unincorporated area that includes DUC1 and a portion of DUC2/P22, known as Meadowbrook, should be considered for addition to the City's SOI as well as for annexation. The City of Canyon Lake expressed interest in expanding its SOI to this area as well. The County has expressed challenges associated with service delivery to the Warm Springs area, identified as P23, which includes DUC3 within Lake Elsinore's SOI. Given the isolation of this area, Lake Elsinore may be the most logical service provider.

In addition, staff recommends coordination with the City of Canyon Lake on what agency is the best service provider for DUC2/P22 since DUC2/P22 is currently within Lake Elsinore's SOI. Staff has prepared Exhibit "GP4" of the City's General Plan located attached to this staff report that depicts that DUC2/P22, DUC3/P23 and DUCs 4, 4a, 4b and 4c within the City's General Plan.

P23 which includes DUC3 within Lake Elsinore's SOI, and given the isolation of this area, Lake Elsinore may be the most logical service provider. LAFCO staff is encouraging that Lake Elsinore consider annexation of P23.

RSG, Inc. does not recommend any changes to the Lake Elsinore SOI at this time, and staff concurs with this assessment. Staff is recommending to confirm the current City of Lake Elsinore's current/existing SOI boundaries.

7. City of Menifee: Since the incorporation of Menifee of October 1, 2008, there was a slight SOI amendment (LAFCO 2009-13-3) on the realignment of Railroad Canyon Rd. The City's western boundary is coterminous with the boundaries for the cities of Wildomar, Lake Elsinore, Canyon Lake and Perris. Because Menifee's SOI is coterminous with the City's corporate boundary, the SOI does not contain any DUCs. However, there are five (5) DUCs immediately north of Menifee, and four (4) additional DUCs are northeast of the City. Please refer to Exhibit "11" within this staff report for the City's current boundary and its coterminous boundary.

In addition, please refer to Exhibit "SR4" labeled "**City of Menifee - Winchester/Homeland Area**" within this staff report. This map illustrates the City's current boundary, the Winchester/Homeland Municipal Advisory Council boundaries, and Valley-Wide Recreation and Park District's boundaries, in addition to the nearby DUCs to the north and east of the city.

Menifee staff indicated a desire to expand the SOI to include most of the unincorporated land between the City's eastern boundary and State Route 79. Per City staff, the City Council adopted a Strategic Plan that included an item aiming to expand the Menifee SOI eastward as far as State Route 79.

During the Public Review of this MSR, 112 signatures opposed to any annexation or SOI expansion in the Winchester-Homeland MAC were gathered at the Winchester-Homeland Municipal Advisory Council meeting, Valley-Wide Recreation and Park District Board Meeting, and the Highland Palm community.

In addition, staff recommends that the City of Menifee coordinate with the County of Riverside, Valley-Wide Recreation & Park District as its working on a Winchester Community Plan which is assessing the Winchester Land Use Study and the vision for future development. The City should also hold discussions with the Winchester/Homeland MAC on what the City's intentions are, why it would like to expand, and its intended land uses.

Since general planning work has not been completed, the City's SOI request eastward as far as State Route 79, is not before the Commission at this time. Approving to include an area outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. Staff has prepared Exhibit "GP5" of the City's General Plan attached to this staff report that depicts that no area between the City's eastern boundary and State Route 79 is within the

City's current General Plan. This map is shown for information purposes only.

In addition, the City must evaluate its General Plan along with conducting community outreach effort, and complying with the appropriate CEQA documents prior to returning to LAFCO to update its SOI. The City of Menifee must also consider the five (5) DUCs immediately north of Menifee, and the four (4) additional DUCs that are northeast of the City when evaluating its General Plan.

Riverside LAFCO staff recommends adopting the following policy text as part of the Sphere of Influence Review:

- a. Since 2012, the County of Riverside is undergoing community efforts on developing the Winchester Community Plan and Land Use Study. The City's proposed SOI boundary to the east will encroach upon the County's Winchester Community Plan. The County of Riverside, the City of Menifee, Valley-Wide Recreation & Park District and the Winchester/Homeland MAC should work together to promote the development of co-operative land use policies and development standards east to HWY 79, so that any future development approved within the unincorporated territory by the County would meet the City of Menifee's development standards, thus making for a smoother transition for future annexations.

On December 18, 2019, the City tasked their staff to provide input on several SOI alternatives and direction. It appears from the Minutes for the December 18, 2019, Special Meeting Workshop to the City Council that the City Council consensus was to move forward with Option/Alternative 3A, as presented by Menifee's staff, and to reach out and communicate with the Winchester/Homeland MAC. However, neither RSG, Inc. nor LAFCO has yet received any formal written SOI request from the City of Menifee, any map depicting what area(s) Menifee is considering for a SOI amendment or a more written geographic description of the City's eastern boundary, that Menifee is considering.

Although LAFCO staff have heard reports of the City wanting to extend its SOI eastward as far as State Route 79, this office has not received formal request. There is no need to amend the City's SOI at this time. However, the City may return to LAFCO once there is a general consensus/agreement with the County of Riverside, the City of Menifee, Valley-Wide Recreation & Park District and the Winchester/Homeland MAC to file application for a SOI Amendment. Staff recommends that it would be appropriate

for the City of Menifee to evaluate and confirm how much area east of State Route 79 the city is considering.

8. City of Moreno Valley: RSG, Inc. does not recommend any changes to the Moreno Valley SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Moreno Valley's SOI boundaries. See Exhibit 12.
9. City of Murrieta: The City of Murrieta's SOI consists of one contiguous area extending northeast beyond the City's corporate boundary. The Murrieta SOI does not contain any DUC, however LAFCO-identified unincorporated island P24 is within the City's SOI, and P25 is adjacent to Murrieta, Wildomar, and Menifee but is not within any city's SOI. Please refer to Exhibit 13 within the staff report, that illustrates the City's current boundaries and SOI boundaries.

Most of the P25 area has been included in the City of Murrieta's proposed Murrieta Hills Specific Plan Amendment. The City filed a Draft Environmental Impact Report for the Specific Plan Amendment on May 8, 2020.¹ The proposed Specific Plan Amendment would include development of 497 single-family residential units, 60 executive single-family residential units, and approximately 13 acres of mixed-use development with 193 multi-family residential units, retail, professional office, and other non-residential uses. City staff more recently indicated that it currently anticipates annexation of a +/-972-acre area west of I-215 and generally located between Baxter and Keller Roads, which would include 750 dwelling units, 18 acres of commercial use, and 652 acres of open space. An application for a SOI amendment and concurrent annexation for most of P25 was submitted by the developer, Pulte Homes last month right when the Public Hearing Draft MSR/SOI Report was published.

Please refer to Exhibit "SR5" labeled "City of Murrieta" within the staff report. This Exhibit illustrates the Murrieta SOI and City's corporate boundary, along with County Island/Pockets 24 & 25, potential SOI amendment and concurrent annexation of the Murrieta Hills application in the dashed red line, the remaining seven (7) parcels, depicted in a solid white line, which is not part of the Murrieta Hills proposal, and the overlapping Multiple Species Habitat Conservation Plan (MSHCP) areas as part of the Murrieta Hills proposal in the green solid line.

¹ Source: State of California Office of Planning and Research, Murrieta Hills Specific Plan Amendment, accessed May 3, 2021.
<https://ceqanet.opr.ca.gov/2014031045/2>

Topography of P25: The site is unique in that it is framed by two significant ridgelines that visually separate much of the developable land from both Menifee and Murrieta. The two valleys on the site open up into a relatively flat area at the northeastern corner of the property at I-215 and Keller Road. The greatest visual impact of development will be to unincorporated residents near that intersection and City residents within Mapleton Ave., just across the freeway.

Staff cannot recommend that the City of Murrieta expand their SOI to include the remaining seven (7) parcels at this time, because the remaining parcels are not within their General Plan. However, it is recommended that the City explore the seven (7) remaining parcels to fill in the existing P25 and update their General Plan to consider expanding its SOI and return to LAFCO with a proposal that is consistent with the recommendation. Attached to this staff report is Exhibit "GP6" of the City's General Plan, which depicts that the seven (7) remaining parcels are not within the City's current General Plan.

1. 384-190-002	19.69 ac
2. 384-190-004	19.82 ac
3. 384-200-001	19.64 ac
4. 384-200-002	19.97 ac
5. 384-200-003	13.87 ac
6. 384-200-004	4.10 ac
7. 384-200-005	18.36 ac
<u>Total acreage:</u>	<u>115.45 ac</u>

Since general planning work has not been completed, for the seven (7) remaining parcels that staff is recommending adding to the City of Murrieta's SOI, this is not before the Commission at this time. Approving to include an area outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

10. City of Norco: The City of Norco's SOI consists of two (2) relatively small noncontiguous areas that extend beyond the City's western boundary to the City of Eastvale's corporate boundary. Norco's corporate boundary and SOI boundaries are illustrated in Exhibit 15 within this report. While the SOI does not contain any DUCs, the SOI contains two (2) LAFCO-identified unincorporated islands or pockets, known as P26 and P27.

Pocket P26 is located at the western corner of the intersection of River Road and Bluff Street immediately outside of the City of Norco's corporate boundary. This area

contains several single-family homes. The northern portion of P26 extends into the Santa Ana Riverbed area but is on the Norco-side of the Santa Ana River. The Norco SOI overlaps a 12.4-acre portion of the Prado Basin Park (P26), which is Federally owned and classified as public or quasi-public conserved land under the MSHCP.

Pocket P27 is located on the northwestern side of Bluff Street, beginning about 400 feet south of the intersection with Vista Court and extending southwest to the intersection with Stagecoach Drive. This area may contain up to two (2) dozen single-family homes or accessory dwelling units. Similarly, to P26, this pocket is on the Norco-side of the Santa Ana River.

There are two (2) additional unincorporated pockets outside of the Norco SOI but adjacent to the City of Norco boundary - P11 and P17. Pocket P11 is discussed in greater detail in the context of the City of Corona and P17 is discussed in greater detail in relation to the City of Jurupa Valley.

RSG, Inc. does not recommend any changes to Norco's SOI and staff concurs with this assessment. However, staff is recommending Pockets 26 & 27 be considered for a future annexation by the City of Norco. The municipal boundary for the City is bifurcating residential developments southwest of River Road along Bluff Street, leaving unincorporated residential properties in portions of the Norco SOI on the opposite side of City-maintained streets from incorporated residential properties.

Pockets 26 & 27 are areas that contains several homes that are part of a single-family subdivision in Norco. Therefore, this area would be best served by the City of Norco. City staff also indicated that the City extends services to the homes in this area, including water and wastewater services.

Staff has prepared Exhibit "GP7" of the City's General Plan located attached to this staff report that depicts that Pockets 26 & 27 are not within the City's current General Plan, although these areas are within Norco's current SOI. Since general planning work has not been completed, Pockets 26 & 27, are not before the Commission at this time. Approving to include an area outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

11. City of Perris: The Perris SOI has two (2) noncontiguous areas and contains six (6) DUCs and three (3) LAFCO-identified

unincorporated islands or pockets. The Perris SOI, corporate City boundary, DUCs, and pockets are illustrated in Exhibit 16. The largest portion of the SOI is along the City's western boundary, west of Interstate 15 and extending south along State Route 74. According to City staff, the city does not extend services into any portion of the Perris SOI areas or DUCs. The Perris SOI also includes a small area on the City's eastern boundary that is described in more detail below pertaining to P31. The Perris SOI, DUCs, and pockets are described in more detail within the MSR/SOI report.

The City of Perris has requested expansion of the Perris SOI, which is an area along the City's eastern boundary along Dunlap Road and Foothill Blvd, illustrated in Exhibit 17 within this staff report. In addition, staff has prepared Exhibit "SR6", which illustrates the existing City SOI and Perris' corporate boundary, DUCs, County Islands & Pockets, the Nuvview/Romoland MAC boundary, and SOI request.

As the Perris SOI nears a population of 30,000 and contains multiple DUCs, the City of Perris should consider annexing parts of the SOI.

Staff recommends that it would be appropriate for the City of Perris to update their General Plan to coincide with the area of SOI expansion and return to LAFCO with an application that is consistent with the SOI request area. In addition, staff recommends that the City have discussions with the Nuvview/Romoland MAC if residents would like to be a part of the City's SOI.

Staff has prepared Exhibit "GP8" of the City's General Plan attached to this staff report. The area is not within the City's current General Plan. Since general planning work has not been completed, the City's SOI request of the eastern boundary along Dunlap Road & Foothill Blvd, are not before the Commission at this time. Approving to include an area outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

12. City of Riverside: The City of Riverside has four (4) noncontiguous SOI areas, which are illustrated in Exhibit 18. The exhibit illustrates the existing City SOI and Riverside's corporate boundary, one DUC, and multiple County islands and pockets.

The City's northern boundary, shared with Jurupa Valley, has five (5) additional LAFCO-identified unincorporated pockets (Pockets 18-21). The City of Riverside did not request a SOI

amendment, however, RSG, Inc. recommends, and staff concurs with the assessment, that the City of Riverside amend their SOI to include existing LAFCO identified islands/pockets P17, P18, P19, P20, and P21 as identified in Exhibits 19-22. These areas are generally located within the Santa Ana Riverbed between the cities of Riverside and Jurupa Valley. City staff indicated that the City maintains the Santa Ana River Trail in these areas and the City maintains interest in future annexation of these unincorporated pockets. However, the City is not actively pursuing any annexations at this time. This recommendation is ultimately designated for the City of Riverside to pursue SOI amendment and annexation by the City.

Attached to this staff report is Exhibit "GP9," which depicts the City's General Plan. This map depicts pockets P17, P18, P19, P20, and P21. Pockets P36 & P37 are also depicted in this map. Pockets 17-21 are not with the Riverside's current General Plan. However, Pockets P36 & P37 are within the City's General Plan. Staff recommends that the city update its General Plan to include Pockets 17-21 and return to LAFCO with a proposal that is consistent with the recommendation area. Since general planning work has not been completed, for the pockets 17-21, these areas are not before the Commission at this time. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

13. City of Temecula: RSG, Inc. does not recommend any changes to the Temecula SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Temecula's SOI boundaries. See Exhibit 23.
14. City of Wildomar: The City of Wildomar's SOI boundary was established when the City incorporated in 2008, which is coterminous with the City's corporate boundary. The Wildomar SOI and corporate boundary are illustrated in Exhibit 25 within the MSR/SOI Report.

City staff indicated that an unincorporated area to the City's southeast, known as La Cresta, had reached out to the City to discuss annexation at one point. The discussions did not materialize, but the area would be a good fit to be added to the Wildomar SOI, according to City staff. Exhibit 26 within the staff report identifies the La Cresta area and illustrates its proximity to Wildomar.

RSG, Inc. is not recommending changes to the Wildomar SOI, although City staff indicated that there is interest in extending

the Wildomar SOI to include the unincorporated La Cresta community. Attached to this staff report is Exhibit "GP10" of the City's General Plan. This map depicts the La Cresta area that is not within the City's General Plan.

While the City has expressed interest in adding the La Cresta community area to the City's SOI, these changes are neither proposed nor recommended at this time until the City amends its General Plan. Since general planning work has not been completed, these changes are not before the Commission at this time, and the Exhibit 26 is shown for information purposes only. Since general planning work has not been completed, for the La Cresta area, this area is not before the Commission at this time. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

PASS/MOUNTAIN AREA COUNTY REGION:

15. City of Banning: Large areas of the Banning SOI, particularly along the northern city boundary, may be undevelopable, and service delivery may be difficult or impossible due to mountainous terrain and the Whitewater flood channel. The southern SOI areas may be more accommodative to future development.

The Banning SOI contains (1) one LAFCO designated DUC. DUC1 is commonly known as South Sunset and is located in Banning's southwestern SOI. A portion of DUC1 extends outside of the Banning SOI to the City of Beaumont corporate boundary. Exhibit 27 within the staff report illustrates the location of DUC1. Staff has prepared Exhibit "SR7" labeled "City of Banning" which illustrates, the existing City SOI and Banning's corporate boundary, DUCs, County islands and pockets, Tribal lands (Morongo in the solid orange line), the San Geronio and West Desert MAC boundaries, and the two SOI requests.

Banning's boundaries and its SOI enclose two (2) LAFCO-identified unincorporated islands or pockets (noted as Pla and Plb on Exhibit 27 within the MSR/SOI Report).

- Pla - this is a residential area known as the Black Bench. There was a development proposal in this area in 2006, but it was met with resistance from the community². This pocket

² Source: Record Gazette "Black Bench: Banning's Development Drama" dated April 12, 2006.

https://www.recordgazette.net/news/black-bench-bannings-development-drama/article_b3c1c432-0f48-532e-9206-df9385e1b635.html

is entirely surrounded by the City's corporate boundary and SOI.

- Plb - this is a residential area known as the Banning Bench. According to City staff, Banning may have challenges trying to provide services to this area if annexed. This pocket is entirely surrounded by the City's corporate boundary and SOI.

The City has expressed interest in two (2) SOI expansions to the southern border, the Morongo/Cabazon SOI amendment illustrated in Exhibit 28 and the South Bobcat SOI amendment illustrated in Exhibit 29. DUC1 is entirely within the area known as South Bobcat. Almost all of the Morongo/Cabazon area, would overlap the existing Morongo Reservation boundaries. The proposed Morongo/Cabazon SOI request by the City would include an unincorporated DUC (u11).

Both proposed SOI expansions would designate existing DUCs, or portions thereof, for future annexation.

Morongo/Cabazon Sub-area: At various times in the past, the City has expressed interest in portions of the Cabazon area notably the Cabazon Outlet Centers. Contiguity with the City has always represented a challenge, as it is restricted by Tribal Lands. At this time no amendments are recommended by staff. The Morongo/Cabazon area is not within the City's General Plan. The area falls within the West Desert MAC, to conduct community outreach and alert them of their intentions

South Bobcat Sub-area: RSG, Inc. recommends no SOI change at this time, however, the City has proposed expansion of the SOI to the south as the City refers the area as "South Bobcat" sub-area. This area is within the City's General Plan. The South Bobcat area falls within the San Gorgonio MAC boundaries and staff recommends coordinating with the MAC on review of proposed SOI expansions to the South Bobcat area.

Attached to this staff report is Exhibit "GP11," which depicts the City's General Plan. This map depicts that the Morongo/Cabazon area is not within the City's General Plan. However, the South Bobcat area is within the City's General Plan.

RSG, Inc. is not recommending any changes to the Banning SOI at this time, and it was recommended that the City and LAFCO engage in further conversations to understand the intent and possibility of the proposed SOI expansions. However, since general planning work has not been completed, for the Morongo/Cabazon area, this

area is not before the Commission at this time. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. While the City has interest of adding, the Morongo/Cabazon area to the City's SOI, these changes are neither proposed nor recommended at this time.

The "South Bobcat" sub-area is included within the City's General Plan and includes a DUC, as this would be a positive move for the City to potentially annex this area to provide enhanced municipal services to this area. Most of the "South Bobcat" area is vacant with scattered residences. Staff recommends that the City provide the necessary CEQA documentation and return to LAFCO to file an application for a SOI amendment that is consistent with the recommendation area of "South Bobcat" sub-area.

16. City of Beaumont: RSG, Inc. does not recommend any changes to the Beaumont SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Beaumont's SOI boundaries. See Exhibit 30.
17. City of Calimesa: There are two (2) unincorporated areas adjacent to the City that have inquired about annexation into Calimesa. The City's municipal and SOI boundaries are illustrated in Exhibit 32.

One area, commonly referred to Cherry Valley Boulevard and Roberts Street, is located northeast of the intersection of Cherry Valley Boulevard and Roberts Street, and recently submitted a parcel map for subdivision and road realignment (parcels 407-220-018 and 407-220-019). City staff indicated there is interest by both the property owner and City to proceed with extension of the Calimesa SOI and future annexation of a rectangular un-sphered and unincorporated area roughly 230 acres in size, this area may contain some improvements but is largely undeveloped. However, development has begun to occur; for example, on October 28, 2021, Riverside LAFCO Commission approved a Request for Extra-Territorial Service Provision (LAFCO 2021-09-5) to provide expedited water and wastewater services to approximately 246 acres within Yucaipa Valley Water District's (YVWD) SOI boundaries of three parcels (407-220-018 and 407-220-019, and 413-270-022).

The property owners on the City's southeastern boundary, adjacent to Interstate 10, in an area commonly referred to as the "Golden Triangle", which is located immediately southwest of the above-mentioned Cherry Valley Boulevard and Roberts Street is primarily vacant (parcels 407-230-030 and 407-230-006 have a Truck,

Equipment & Tire repair business). City staff mentioned that a property owner intends to develop the property with commercial uses and will need to pursue annexation in order to have certain municipal improvements, such as water, wastewater, and other infrastructure, to support the commercial operations.

The Cherry Valley Boulevard and Roberts Street, and Golden Triangle focus areas are illustrated with a detailed view of these areas in Exhibit 33 within this staff report.

Staff is recommending the City to update their General Plan to coincide with the two areas of SOI interest (the "Cherry Valley Boulevard & Roberts Street" area and the "Golden Triangle"). Staff has prepared Exhibit "GP12" of the City's General Plan located within the staff report that depicts these two areas and clearly illustrates that these two areas are outside the City's General Plan. Please refer to Exhibit "SR8" labeled "City of Calimesa" within the staff report as it also depicts the two areas along with the San Geronio Municipal Advisory Council boundaries.

Since general planning work has not been completed, for the "Cherry Boulevard and Roberts Street" and "Golden Triangle" areas, this area is not before the Commission at this time, the attached exhibits are shown for information purposes. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. However, another alternative that would be appropriate, is when the landowner(s)/developer(s) are ready to annex "The Cherry Valley Boulevard and Roberts Street", and "Golden Triangle" areas, that the interested party request a sphere of influence amendment along with the application requesting annexation, since the areas are development driven areas.

While the City and several affected landowners are in favor of adding these changes to the City's SOI, these changes are neither proposed nor recommended at this time until the City amends its General Plan.

18. City of San Jacinto: RSG, Inc. does not recommend any changes to the San Jacinto SOI, and staff concurs with this assessment. Staff recommends confirming the current City of San Jacinto's SOI boundaries. See Exhibit 34.

COACHELLA VALLEY/EASTERN REGIONS:

19. City of Blythe: RSG, Inc. does not recommend any changes to the Blythe SOI, and staff concurs with this assessment. Staff

recommends confirming the current City of Blythe's SOI boundaries. See Exhibit 35.

20. City of Cathedral City: The City of Cathedral City has one SOI area located on the City's northeastern boundary, extending southeast along Interstate 10 and containing three (3) DUCs. The City's southern boundary is adjacent to one unincorporated pocket P30 which is within the City of Palm Springs SOI but is only accessible from the City of Cathedral City. One additional LAFCO-identified pocket P35 is adjacent to the Cathedral City corporate boundary but within the Rancho Mirage SOI. The City's three (3) DUCs and two (2) adjacent LAFCO-identified unincorporated pockets are illustrated in Exhibit 36.

Pocket 30 appears to be inhabited and is located in the Palm Springs SOI but is only physically accessible from Cathedral City as depicted in Exhibits 36 & 50 within the staff report. Palm Springs does not have a road or right-of-way that physically connects to this portion of its SOI. It is unclear how this pocket formed, but the likely service provider for this area is Cathedral City primarily due to physical access. Despite P30 being with the Palm Springs SOI, Cathedral City is the likely service provider to P30 and due to the remote nature and physical accessibility characteristics of this area, the City of Cathedral City may be providing informal services to this area already. This change is merely technical and likely non-controversial. See the Palm Springs section for the same discussion.

RSG, Inc. is recommending no SOI change at this time and staff concurs with this assessment. However, the City of Palm Springs should consider a future detachment of Pocket P30 from its city SOI and boundaries, and Cathedral City should consider adding this area to the Cathedral City SOI and annexing it. P30 is within Palm Spring's General Plan as depicted in Exhibit "GP17". Pocket 30 would need to be updated within Cathedral's City General Plan, should the City of Palm Springs wish to Detach P30 and should Cathedral City wish to annex P30.

Since general planning work has not been completed for the P30 area, this area is not before the Commission at this time. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

21. City of Coachella: Coachella's SOI is depicted in Exhibit 38, including the incorporated City boundaries and the unincorporated SOI area. In addition, staff has prepared Exhibits "SR9a and SR9b" labeled "City of Coachella SOI Expansion Request - Alternative A" & "City of Coachella SOI Expansion Request - Alternative B." These two maps are important as it is going to lay out all the issues and discuss the City's SOI request.

The City's SOI does not contain any DUCs but overlaps a portion of one LAFCO-identified unincorporated P7. Additionally, there is one DUC and three (3) pockets (P14, P15, and P16) outside the City's northwestern corporate boundary and within the City of Indio SOI.

Pocket 7:

Staff is going to concentrate its discussion on P7. P7 is commonly known as Jackson Street and 52nd Avenue within the Vista Santa Rosa area and is illustrated in Exhibit 39 in this staff report. P7 was originally created in 2006, when LAFCO adopted SOI's for the cities of La Quinta, Indio and Coachella. The City of La Quinta later indicated that it would be difficult to provide services to this area. LAFCO also received letters from several property owners in P7 indicating a preference to be excluded from the Coachella SOI and requesting an opportunity to investigate inclusion in the Indio SOI. Subsequently, many property owners expressed support at a Vista Santa Rosa Community Council meeting to be included in the Coachella SOI. Based on these findings, in 2006, LAFCO staff made no recommendation for the area, stating that "it appears that this area will be a classic case of landowner/developers vs. registered voter/residents."³

Additionally, at the time P7 was being considered for SOI inclusion, Coachella's water and sewer service was not extended into P7. City staff provided a staff report and agreement⁴ that was approved by the City Council in 2007 and countersigned by Coachella Valley Water District ("CVWD"), indicating that the two parties would work together to provide water and sewer services to areas within the Coachella SOI and P7, and specifically mentions that "the City will provide water and sewer services within the City's current boundaries

³ Source: Riverside LAFCO, "Status report on portion of Vista Santa Rosa North of Avenue 52 which was not included within any city sphere." Dated August 3, 2006

⁴ Source: City of Coachella, "Request Approval of an Agreement Between the City of Coachella and the Coachella Valley Water District," dated December 12, 2007. The City of Coachella provided two signed and countersigned versions of this document, dated December 21, 2007 (signed by the City of Coachella City Manager and Coachella Valley Water District General Manager), and dated January 8, 2008 (signed by the City of Coachella Mayor, and Coachella Valley Water District President).

and Sphere of Influence that is north of Avenue 56, as well as provide water and sewer services east of Jackson and north of Avenue 56" despite the fact that this area was outside the Coachella SOI at the time. The area east of Jackson and north of Avenue 56 includes the entirety of P7. In 2009, Coachella and CVWD entered into a Memorandum of Understanding ("2009 MOU") that was designed to secure a water supply for future development within Coachella and the Coachella SOI. In 2013, Coachella and CVWD entered into a MOU designed to implement the provisions of the 2009 MOU.⁵

Government Code Section 56133 requires LAFCO approval for extension of services outside a SOI prior to a City extending services by contract or agreement outside its jurisdictional boundary. The Service Agreement that was executed between the City of Coachella and CVWD in 2009 is an issue that is beyond this scope of work and will have to be re-visited. However, in brief, this became an issue with City of Coachella annexations as CVWD service boundaries overlap with the City of Coachella, which also offers water and wastewater services.

Additionally, before designating any portion of Pocket P7, RSG, Inc. recommends reviewing the capacity of all potential service providers for this area. Staff concurs with this recommendation.

Staff also wants to note that the last SOI boundaries for the Cities of La Quinta, Coachella, and Indio were established were to correspond with the Coachella & CVWD Service Agreement.

In early 2021, the Cities of Indio and Coachella both expressed interest in P7. The two cities had informally negotiated splitting this area roughly in half along a new north-south boundary. The western half of P7 would be included in the Indio SOI and the eastern half of Pocket P7 would be included in the Coachella SOI.

The City of Indio also indicated that there is an 18" water main on Jackson Street that could provide water service to this area. The City of Coachella more recently has reconsidered the informal negotiation with the City of Indio, presenting the aforementioned evidence that Coachella has pre-existing agreements to provide water and sewer service to the entirety of P7.

⁵ Source: Coachella Valley Water District, "2020 Coachella Valley Regional Urban Water Management Plan," page 5-17, dated June 30, 2021, (accessed on May 10, 2022) <http://www.cvwd.org/DocumentCenter/View/5482/Coachella-Valley-RUWMP>

Pocket 14:

The southeastern portion of P14 (Cabazon Trail), specifically the area south of Dillon Road, which includes land that is currently in the Indio SOI and Indio's corporate boundary, is proposed for a SOI reduction from Indio. Indio requested a sphere reduction for the portions of this area that are unincorporated, and this has been discussed by Coachella and Indio.

The Dillon Road Focus Area is identified in corrected Exhibit 45, P14 is within the Cabazon tribal boundaries of this exhibit.

Since the release of the Public Hearing Draft, this exhibit has been corrected, at the request of the City of Indio and is attached within this staff report. This area was proposed for SOI detachment by Indio, and the City of Coachella is neutral on adding this area to the Coachella SOI, the proposed changes will not create an irregularly shaped area (pages 17, 615, 638 and 721 will be corrected in the Final Report about this within the sections of Coachella and Indio), which was going to present issues associated with future service delivery.

Since the release of the Public Review Draft, the City of Indio requested that the area on Dillon Road be removed from its SOI. However, the corporate area (P14) is not being detached from the City of Indio at this time. The agency would need to file an application to do so when ready as the Commission cannot initiate a boundary change.

In a corresponding change, this area would be added to the Coachella SOI. City of Indio staff indicated that both the City of Indio and City of Coachella had previously agreed to this realignment.

Alternatives "A" & "B":

At the 11th hour, the City of Coachella requested review of preferred SOI amendment alternatives that had not been discussed with RSG, Inc. nor staff during the SOI process. The City's comment letter is attached.

Staff prepared Exhibit of "SR9a" of the City's request expanding its SOI. The City's SOI request would encroach upon La Quinta's SOI. This area was added to La Quinta's SOI as part of La Quinta's SOI review (LAFCO 2005-20-4).

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Within the same Exhibit of "SR9a", the City is requesting SOI expansion, depicted in a dashed red line, north of the City's boundary for a proposed residential development of 818 acres at the southeast corner of Dillon Rd. and Fargo Canyon Road. This area would encroach upon Indio's SOI. This area was added to Indio's SOI as part of LAFCO 2007-09-4.

Staff prepared Exhibit of "SR9b", the City's secondary alternative to expanding its SOI, depicted in a dashed red line. This alternative would encroach upon Indio and La Quinta's SOI. "Alternative B" includes areas that are subject to the City of Coachella and CVWD Water & Sewer Boundary Agreement (see attached agreement).

In addition, the City is requesting removal of existing SOI areas to the east (Refer to Exhibits "SR9a & SR9b" with the hatched black lines) of the City Boundary due to the topography features in this area and seismic issues that make the area difficult and costly for future development. The areas are identified by the City for future conservation land used in the City of Coachella's 2035 General Plan. Staff is recommending at this time, the City of Coachella's SOI request of removing the existing SOI area to the east as this is more of a technical boundary change.

RSG, Inc. recommends that both Indio and Coachella begin community outreach with the intent of identifying a solution that is mutually acceptable to Indio, Coachella, and the property owners and residents of P7. Additionally, before designating any portion of P7, RSG, Inc. recommends reviewing the capacity of all potential service providers for this area. Staff concurs with this recommendation. Most importantly, since the City of Indio is also interested in Pocket 7, and both cities should conduct community outreach meetings within the Vista Santa Rosa Community Council and residents.

Staff recommends that the City of Coachella also have discussions with the Cities of La Quinta and Indio as the City of Coachella is interested in encroaching into Indio and La Quinta's SOI with Alternative A & B. (Refer to Exhibits "SR9a & SR9b").

The unincorporated area within Pocket 7 is not within Coachella's General Plan. Attached to this staff report is Exhibit "GP14," which depicts the City's General Plan located within the staff report that depicts that both Alternative A & B and the Dillon Road Focus Area are clearly outside the City's General Plan.

While the City is in favor of adding the proposed areas with either Alternative A or B, including a neutral stance on the Dillon Road Focus Area to the City's SOI, these changes are neither proposed nor recommended at this time until the City amends its General Plan.

Since general planning work has not been completed, these changes are not before the Commission at this time, although the areas are shown for information purposes on the attached exhibits. Approving to include the proposed areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. No changes are recommended at this time. The only SOI amendment staff is recommending at this time, is removing the existing SOI area to the east per the City's request. This change is merely technical and likely non-controversial.

22. City of Desert Hot Springs: RSG, Inc. does not recommend any changes to the Desert Hot Springs SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Desert Hot Spring's SOI boundaries. See Exhibit 40.
23. City of Indian Wells: RSG, Inc. does not recommend any changes to the Indian Wells SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Indian Well's SOI boundaries. See Exhibit 41.
24. City of Indio: The Indio SOI and City's corporate boundary are illustrated in Exhibit 42 within the MSR and SOI Update. In early 2021, the cities of Indio and Coachella both expressed interest in P7. The two cities had informally negotiated splitting this area roughly in half along a new north-south boundary. The western half of P7 would be included in the Indio SOI and the eastern half of P7 would be included in the Coachella SOI. P7 is illustrated in Exhibit 44.

Pocket 7:

P7, which is sometimes commonly referred to as either the Vista Santa Rosa area, or the area east of Jackson Street between Avenues 50 and Avenue 52, is not within the Indio SOI. Portions of pocket P7 are within the Coachella SOI and the southwestern portion of P7 is unincorporated. P7 is also discussed in the City of Coachella section.

RSG, Inc. and staff understands that there is interest from both Indio and Coachella in assignment of the territory to their respective SOIs. Given the history of this area, RSG, Inc.

recommends that both Indio and Coachella begin community outreach work to seek to find a solution that is mutually acceptable to Indio, Coachella, and the property owners and residents of the Vista Santa Rosa area and Vista Santa Rosa Community Council of Pocket P7.

The City of Indio also indicated that there is an 18" water main on Jackson Street that could provide water service to this area. The City of Coachella more recently has reconsidered the informal negotiation with the City of Indio, presenting the aforementioned evidence that Coachella has pre-existing agreements to provide water and sewer service to the entirety of Pocket P7. The discussion on the Service Agreement that was executed between the City of Coachella and Coachella Valley Water District in 2009 is discussed within the City of Coachella's section of the report.

Additionally, before designating any portion of Pocket P7, RSG, Inc. recommends reviewing the capacity of all potential service providers for this area. Staff concurs with this recommendation. Staff has prepared Exhibit "GP15" of the City of Indio's General Plan located within the staff report that depicts that Pocket 7 is clearly outside the City's General Plan.

While the City is in favor of adding Pocket 7, these changes are neither proposed nor recommended at this time until the City amends its General Plan. No changes are recommended at this time. Since general planning work has not been completed, these changes are not before the Commission at this time. Approving to include the proposed areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10.

Pocket 14:

The southeastern portion of P14 (Cabazon Trail), specifically the area south of Dillon Road, which includes land that is currently in the Indio SOI and Indio's corporate boundary, is proposed for a SOI reduction from Indio. Indio requested a sphere reduction for the portions of this area that are unincorporated and has discussed the issue with Coachella.

The Dillon Road Focus Area is identified in corrected Exhibit 45, P14 is within the Cabazon tribal boundaries of this exhibit.

Since the release of the Public Hearing Draft, this exhibit has been corrected at the request of the City of Indio and is attached within this staff report. This area was proposed for

SOI detachment by Indio, and the City of Coachella is neutral on adding this area to the Coachella SOI, the proposed changes will not create an irregularly shaped area (pages 17, 615, 638 and 721 will be corrected in the Final Report about this within the sections of Coachella and Indio), which was going to present issues associated with future service delivery.

Since the release of the Public Review Draft, the City of Indio requested that the area on Dillon Road be removed from its SOI. However, the corporate area (P14) is not being detached from the City of Indio at this time. The agency would need to file an application to do so, when ready as the Commission cannot initiate a boundary change.

In a corresponding change, this area would be added to the Coachella SOI. City of Indio staff indicated that both the City of Indio and City of Coachella had previously agreed to this realignment.

Staff recommends the proposed SOI reduction on Dillon Road per the City of Indio's request on Exhibit 45.

While the City of Indio requested the removing Pocket 14 from its SOI, the addition of this area cannot be designated in Coachella's SOI at this time until the City of Coachella amends its General Plan. Since general planning work has not been completed, this particular change of adding P14 to the City of Coachella's SOI is not before the Commission at this time. Approving to include the proposed areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10. Once the City of Coachella amends its General Plan, the City of Coachella may return to LAFCO that is consistent with the study area of P14 (Exhibit 45) and apply for a SOI amendment.

Sun City Sphere Reduction: The City of Indio proposed that two (2) small areas that are currently within P29 be detached from the Indio SOI and added to the Palm Desert SOI in a corresponding change. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI. The two (2) areas proposed for realignment are illustrated in Exhibit 46 within the staff report.

The westerly pocket that is currently within Indio's SOI is not within the City of Palm Deserts General Plan. This area is predominately built out with high end residential homes with the exception of one vacant parcel (752-030-054). See discussion within the City of Palm Desert section.

The easterly pocket that is currently within Indio's SOI is recommended to be removed from Indio's SOI and added to Palm Desert's SOI since the parcel (752-030-046) is currently in Palm Desert's General Plan and is built-out with the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI.

Staff has prepared Exhibit "GP 15" of the City's General Plan located within the staff report that depicts the two pocket areas. It illustrates that both pockets are not within the City of Indio's General Plan, however, the easterly pocket is within the City of Palm Desert's General Plan.

If the City of Palm Desert agrees to this recommendation, the city must update their General Plan to coincide with the westerly pocket area of SOI expansion and may return to LAFCO that is consistent with the General Plan.

Staff is recommending at this time that the easterly pocket be detached from Indio's SOI and be added to Palm Desert's SOI since this parcel is built-out and within Palm Desert's General Plan and is readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI. This is more of a technical boundary change.

25. City of La Quinta: RSG, Inc. does not recommend any changes to the City of La Quinta SOI, and staff concurs with this assessment. Staff recommends confirming the current City of La Quinta SOI boundaries. See Exhibit 48.
26. City of Palm Desert: The Palm Desert SOI currently includes the majority of Pocket P29. The City of Indio proposed that two (2) small areas that are currently within P29 be detached from the Indio SOI and added to the Palm Desert SOI in a corresponding change. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI. The two (2) areas proposed for realignment are illustrated in Exhibit 46 within the staff report. See the City of Indio section for this same discussion.

The Palm Desert SOI contains one (1) LAFCO-identified DUC, which is described in the MSR report, and two (2) additional DUCs that are located in the Cathedral City SOI immediately north of the City, outside the current incorporated Palm Desert boundary. Staff also wants to note that on May 26, 2022, the Commission

approved having DUC2 removed from the City of Palm Desert DUC inventory list within the Del Webb Community.

The westerly pocket that is currently within Indio's SOI is not within the City of Palm Desert's General Plan. This area is predominately built out with high end residential homes with the exception of one vacant parcel (752-030-054).

The easterly pocket that is currently within Indio's SOI is recommended to be removed from Indio's SOI and adding it to Palm Desert's SOI since the parcel (752-030-046) is currently in Palm Desert's General Plan and is built-out with the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert's SOI.

Staff has prepared Exhibit "GP16" the City's General Plan located within the staff report that depicts the two pocket areas. It illustrates that the westerly pocket is not within the City of Palm Desert's General Plan, however, the easterly pocket is within the City of Palm Desert's General Plan.

If the City of Palm Desert agrees to this recommendation, the city would need to update their General Plan to coincide with the westerly pocket area of SOI expansion and then could return to LAFCO with a proposal that is consistent with the one (1) westerly pocket area, which appears to be accessible from Palm Desert's existing SOI but, which is currently in the Indio SOI.

Staff is recommending at this time that the easterly pocket be detached from Indio's SOI and be added to Palm Desert's SOI since this parcel is built-out and within Palm Desert's General Plan.

27. City of Palm Springs: The Palm Springs SOI includes six (6) noncontiguous unincorporated areas and corporate boundary are illustrated in Exhibit 50. Two (2) of the SOI areas are located on the City's northeastern and northern boundary, extending to Interstate 10. One of the City's most unusual SOI areas, which is also LAFCO-identified unincorporated island or P30, is located on the City's eastern boundary, adjacent to the City of Cathedral City and containing the Dunn Road Access Trail off Channel Drive in Cathedral City. The City also has two (2) SOI areas on the City's southeastern boundary, extending eastward to the City of Palm Desert's SOI. The fifth and largest unincorporated SOI area is on the City's western boundary in the Santa Rosa and San Jacinto Mountain National Monument. While the Palm Springs SOI does not contain any

DUCs, four (4) DUCs, described below, are located near the City and Palm Springs SOI.

- DUC1 is commonly known as San Gorgonio (West) and is north of Interstate 10 near the intersection of Tamarack Road and Rushmore Avenue. DUC1 is west of the Palm Springs SOI.

Pocket 30 appears to be inhabited and is located in the Palm Springs SOI but is only physically accessible from Cathedral City as depicted in Exhibits 36 & 50 within the staff report. Palm Springs does not have a road or right-of-way that physically connects to this portion of its SOI. It is unclear how this pocket formed, but the likely service provider for this area is Cathedral City primarily due to physical right-of-way access. Despite P30 being within the Palm Springs SOI, Cathedral City is the likely service provider to P30 and due to the remote nature and physical accessibility characteristics of this area, the City of Cathedral City may be providing informal services to this area already. This change is merely technical and likely non-controversial. See the City of Cathedral City section for this same discussion.

RSG, Inc. is recommending no SOI change at this time and staff concurs with this assessment. However, the City of Palm Springs should consider a future detachment of P30 from its city and addition of this area to the Cathedral City SOI, with possible future annexation to Cathedral City. P30 is within Palm Spring's General Plan as depicted in Exhibit "GP17". Pocket 30 would need to be updated within Cathedral City's General Plan, should the City of Palm Springs wish to detach and if Cathedral City wishes to annex P30. Note: pages 17 and 804 will be corrected to coincide with the Cathedral City recommendation on page 16 to the Final Report).

Since general planning work has not been completed for the P30 area, this area is not before the Commission at this time. Approving to include areas outside its sphere prior to the City updating its General Plan would be contrary to Commission Policies 2.3.4 & 2.3.10

28. City of Rancho Mirage: RSG, Inc. does not recommend any changes to the City of Rancho Mirage SOI, and staff concurs with this assessment. Staff recommends confirming the current City of Rancho Mirage SOI boundaries. See Exhibit 51.

COMMENTS FROM AFFECTED AGENCIES/INTERESTED PARTIES: Each city and special district has had the opportunity to provide input throughout

the development of the MSR & SOI Report during the public review period.

Representatives from the Cities, Special District and residents have responded. Attached is an inventory chart of comments received. Staff notated the date in which the comment received and a very brief description as to the nature of the letter. All letters are attached to this staff report, whether they were technical comments or letters expressing support or opposition to an issue. It is requested that the Commission consider these comments.

CEQA Compliance: LAFCO, as Lead Agency for this MSR and SOI Update since initiated by LAFCO, shall make findings related to the California Environmental Quality Act (CEQA).

CEQA Guidelines Section 15306 consists of "basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." The ultimate outcome of conducting a service review, however, may result in LAFCOs making recommendations on a change of organization or reorganization to a local agency. This would require a process separate from the periodic MSR process.

For Cities of Coachella, Palm Desert and Indio: SOI confirmations are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment. Section 15061(b)(3) states: "The activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Establishing or modifying an SOI in a way that is already consistent with the city in question's previously approved general plan, does not induce any impact on the environment as an SOI only identifies existing and potential future boundaries of a local agency in a way consistent with the city's existing general plan, which previously received environmental review. In addition, areas being added to SOIs are consistent with current provision of services or to ensure the city most able to expand services into that area has the area within its SOI. Therefore, this would be exempt since these are technical boundary clean ups with no potential for significant impacts to the environment.

SOI CONCLUSIONS: At this time, only technical modifications are recommended. The **City of Coachella** requested SOI removal of open space area east of as depicted in Exhibits "SR 9a & 9b". The **City of Indio** has expressed interest in amending its SOI for by removing the two areas, as indicated on Exhibit 45 along Dillon Rd., in addition to the two pockets within the Sun City area, as indicated on Exhibit 46. Staff is recommending that the one of the two pockets, which is the easterly pocket be added to the **City of Palm Desert's** SOI, since this area is within Palm Desert's General Plan; however, the westerly pocket is not within Palm Desert's General Plan. The City of Palm Desert will need to update its General Plan to include the westerly pocket and return to LAFCO.

In conclusion, for cities requesting potential expansion areas or SOI amendments outside their General Plan, it is the staff position that it is premature for the Commission to address additional areas until acquisition/General Plan updates are complete. If there is an area where a city may anticipate future growth that is outside its current sphere and outside of its current General Plan, the best option is for the city to amend its General Plan to include those areas. For cities requesting SOI amendments (additions) that are not in conformance with the City's General Plan, it is recommended that the city include conducting outreach meetings to those unincorporated communities including affected Municipal Advisory Committees (MAC), Community Councils (COC), and the County of Riverside prior to amending the General Plan, in order to maximize public outreach and participation.

Should the Commission feel there are additional city sphere of influence reviews necessary, input is encouraged at this time.

Public Hearing: **Jim Simon**, Principal/Engagement Manager and **Brandon Fender**, Associate/Project Manager with RSG, Inc., will present an overview of the City MSR to the Commission at the public hearing. At this meeting, staff is requesting that the Commission open the public hearing, discuss the significant issues identified below and provide staff with direction as appropriate.

MSR STAFF RECOMMENDATION: Based on the factors above, it is recommended the Commission:

1. Conduct the public hearing and take testimony on the MSR & SOI Reviews and Potential Amendments.
2. Specify any modifications to the MSR and/or SOI Statement of Determinations as deemed appropriate by the Commission.

3. Adopt the required attached MSR Statement of Determinations for each of the twenty-eight cities for the three subregions.
4. Find the Municipal Service Review is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15306 of the CEQA Guidelines in that the municipal service reviews consist of basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.
5. Receive and file the **LAFCO 2020-06-1,2,3,4 & 5 - Countywide City Municipal Service Review - Western County Region, Pass Mountain Region, & Coachella Valley/Eastern Region and Sphere of Influence Reviews and Potential Amendments.**
6. Authorize the Executive Officer to post additional information received as appendices or errata to the Final MSR on the LAFCO website.

SOI STAFF RECOMMENDATION: Based on the factors above, it is recommended the Commission:

1. Confirm the current spheres of influence for the cities of Western Region: **Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, Temecula, Wildomar,** Pass/Mtn Region: **Banning, Calimesa, Beaumont, San Jacinto, Blythe,** Coachella/Valley/Eastern Region: **Cathedral City, Desert Hot Springs, Indian Wells, La Quinta, Palm Springs and Rancho Mirage.**
2. Provide direction to staff as necessary.
3. Amend the SOI for the **City of Coachella (easterly part of current SOI)** to remove the open space area east of the city limits, as indicated on Exhibits "SR 9a & 9b";

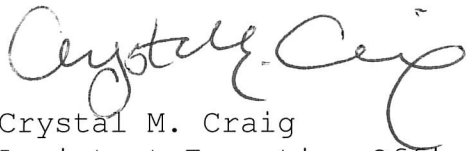
Amend the SOI for the **City of Indio (Dillon Rd. and Sun City pockets)** to remove the area as indicated on Exhibit 45 from the City of Indio's current SOI, along Dillon Rd.

In addition, to remove the two pockets within the Sun City area that are currently within Indio's SOI, as indicated on Exhibit 46; and add the easterly pocket to the Palm Desert SOI. The easterly pocket is within Palm Desert's General Plan, however, the westerly pocket is not within Palm Desert's General Plan. The City of Palm Desert will need to update its General Plan to include the westerly pocket and return to LAFCO to apply for a SOI amendment.

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4. Amend the SOI for the **City of Palm Desert (easterly pocket)** to include the easterly pocket within the Sun City area, and adding it to City of Palm Desert's SOI as indicated on Exhibit 46;
5. Find the proposed sphere of influence amendments for the **City of Coachella, City of Indio, City of Palm Desert**, are exempt from the California Environmental Act pursuant to CEQA Guidelines Section 15061 (b) (3), as it can be seen with certainty that the proposal will not have a significant effect on the environment for the reasons set forth above;
6. Adopt the attached SOI Statement of Determinations.

Respectfully submitted,



Crystal M. Craig
Assistant Executive Officer

Attachments:

- 1) Statement of Determinations
- 2) Exhibits: Staff Report Maps, Exhibit Maps, and City General Plan Maps
- 3) Comments Received

STATEMENT OF DETERMINATIONS

- CITY OF COACHELLA
 - CITY OF INDIO
 - CITY OF PALM DESERT
-

STATEMENT OF DETERMINATIONS FOR LAFCO 2021-06-1,2,3,4 & 5 LAFCO
2021-06-1,2,3,4&5 – COUNTYWIDE CITY MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE REVIEWS AND POTENTIAL AMENDMENTS.

CITY OF COACHELLA – SOI REDUCTION/REMOVAL

1. THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING
AGRICULTURAL AND OPEN SPACE USES:

The only SOI amendment staff is recommending at this time, is removing the existing SOI area to the east per the City of Coachella's request. This change is merely technical and likely non-controversial. Refer to Exhibits "SR9a & SR9b" with the hatched black lines.

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

Due to the topography features in this area and seismic issues that make the area difficult and costly for future development.

3. THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC
SERVICES WHICH THE AGENCY PROVIDED OR IS AUTHORIZED TO PROVIDE:

The area identified by the City of Coachella within the eastern portion of Coachella's SOI is for future conservation land used in the City of Coachella's 2035 General Plan.

4. THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN
THE AREA:

There are no social or economic communities of interest within the eastern portion of the City of Coachella's SOI.

5. FOR AN UPDATE OF A SPHERE OF INFLUENCE OF A CITY OR SPECIAL DISTRICT
THAT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWER,
MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE
PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES
OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE
EXISTING SPHERE OF INFLUENCE:

Riverside LAFCO has determined that there are no DUCs within the eastern portion of Coachella's SOI nor any adjacent within the eastern SOI boundary.

STATEMENT OF DETERMINATIONS FOR LAFCO 2021-06-1,2,3,4 & 5 LAFCO
2021-06-1,2,3,4&5 – COUNTYWIDE CITY MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE REVIEWS AND POTENTIAL AMENDMENTS.

CITY OF INDIO – SOI REDUCTION/REMOVAL
SUN CITY & POCKET 14 (DILLON RD.)

1. THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING
AGRICULTURAL AND OPEN SPACE USES:

The only two SOI amendments staff is recommending at this time, is removing portions from the existing SOI area per the City of Indio's request.

Pocket 14: The southeastern portion of P14 (Cabazon Trail), specifically the area south of Dillon Road, which includes land that is currently in the Indio SOI and Indio's corporate boundary, is proposed for a SOI reduction from Indio. The City of Indio requested that the area on Dillon Road be removed from its SOI. However, the corporate area (P14) is not being detached from the City of Indio at this time. The area is within the Cabazon and Twenty-nine Palms tribal boundaries.

Sun City: The City of Indio proposed that two (2) small areas that are currently within P29 be detached from the Indio SOI and added to the Palm Desert SOI in a corresponding change. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI. The two (2) areas proposed for realignment are illustrated in Exhibit 46 within the staff report. This change is merely technical and likely non-controversial.

However, the easterly pocket that is currently within Indio's SOI is recommended to be removed from Indio's SOI and added to Palm Desert's SOI since the parcel (752-030-046) is currently in Palm Desert's General Plan and is built-out with the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI.

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

Pocket 14: Primarily tribal territory that is vacant will need water and wastewater services in the future.

The southeastern portion of LAFCO-identified Pocket P14 (Cabazon Trail), specifically south of Dillon Road, which includes land

that is currently in the Indio SOI and Indio's corporate boundary, is proposed for detachment and SOI reduction from Indio. This area is identified in Exhibit 45 as the Dillon Road Focus Area, within the Indio section of this MSR. In a corresponding change, this area would be added to the Coachella SOI. City of Indio staff indicated that both the City of Indio and City of Coachella had previously agreed to this realignment.

Sun City: The westerly pocket that is currently within Indio's SOI is not within the City of Palm Deserts General Plan. This area is predominately built out with high end residential homes with the exception of one vacant parcel (752-030-054).

The easterly pocket that is currently within Indio's SOI is recommended to be removed from Indio's SOI and added to Palm Desert's SOI since the parcel (752-030-046) is currently in Palm Desert's General Plan and is built-out with the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI.

3. THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES WHICH THE AGENCY PROVIDED OR IS AUTHORIZED TO PROVIDE:

The City of Indio does not provide services in the SOI. City staff indicated that the SOI lacks adequate storm water drainage and wastewater facilities.

4. THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA:

There are no social or economic communities of interest within the two areas. Pocket 14 is within tribal territory and the two Sun City pockets are adjacent to the Del Webb community.

5. FOR AN UPDATE OF A SPHERE OF INFLUENCE OF A CITY OR SPECIAL DISTRICT THAT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWER, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE:

Riverside LAFCO has determined that there are no DUCs within Pocket 14 and the two Sun City pocket area.

STATEMENT OF DETERMINATIONS FOR LAFCO 2021-06-1,2,3,4 & 5 LAFCO
2021-06-1,2,3,4&5 – COUNTYWIDE CITY MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE REVIEWS AND POTENTIAL AMENDMENTS.
CITY OF PALM DESERT – SOI REDUCTION/REMOVAL

SUN CITY (EASTERLY POCKET ONLY)

1. THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN SPACE USES:

Sun City: The City of Indio proposed that two (2) small areas that are currently within P29 be detached from the Indio SOI and added to the Palm Desert SOI in a corresponding change. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI. The two (2) areas proposed for realignment are illustrated in Exhibit 46 within the staff report. This change is merely technical and likely non-controversial.

The easterly pocket that is currently within Indio's SOI is recommended to be removed from Indio's SOI and added to Palm Desert's SOI since the parcel (752-030-046) is currently in Palm Desert's General Plan and is built-out with the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel. The two (2) small areas are readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI.

The only addition to Palm Desert's SOI is adding the easterly pocket from Indio's SOI.

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

The City of Indio does not provide services in the SOI. City staff indicated that the SOI lacks adequate storm water drainage and wastewater facilities. Since parcel 752-030-046 that is being added to Palm Desert's SOI as it is the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel and is already receiving water services from Coachella Valley Water District.

3. THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES WHICH THE AGENCY PROVIDED OR IS AUTHORIZED TO PROVIDE:

The City of Indio does not provide services in the SOI. City staff indicated that the SOI lacks adequate storm water drainage and wastewater facilities. Since parcel 752-030-046 that is getting added to Palm Desert's SOI is the existing Sun City Palm Desert Golf Course. In addition, the Greenbelt Dog Park is also located on this parcel and is already receiving water

services from Coachella Valley Water District. The easterly pocket area is readily accessible from the Sun City community (Del Webb) in the Palm Desert SOI.

4. THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA:

There are no social or economic communities of interest within the Sun City pocket are adjacent to the Del Webb community.

5. FOR AN UPDATE OF A SPHERE OF INFLUENCE OF A CITY OR SPECIAL DISTRICT THAT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWER, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE:

Riverside LAFCO has determined that there are no DUCs within the two Sun City pocket areas. Since the SOI amendment (addition) is to Palm Desert's SOI, there is no DUC in the easterly pocket.

Due to the size of the Staff Report please see additional links on the LAFCO website for attachments:

- Exhibits
- Comments Received