

The City of Rialto updated this FAQ to address many of the questions that arose during the Community Meeting on April 10, 2017 and at the Planning Commission meeting on April 12, 2017. It also incorporates feedback regarding the annexation approval process from LAFCO.

## Annexation Process

1. **What is annexation?** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs annexation of unincorporated areas to a City. Annexation is a reorganization that changes the governmental authority from one jurisdiction (the County) to another (the City). The San Bernardino County Local Agency Formation Commission (LAFCO) reviews and approves annexation requests. The annexation process typically takes several months to complete, and can sometimes take longer. For more information regarding LAFCO, please visit the website at [www.sbclafco.org](http://www.sbclafco.org) or call: 909-388-0480.
  
2. **What is an island?** In simple terms, an unincorporated “island” is a relatively small pocket of land currently served by the County of San Bernardino but substantially surrounded by the City of Rialto. Generally in accordance with Section 56375.3 of the Government Code, LAFCO characterizes an “island” as follows:
  - a) the land is substantially surrounded by a city, is substantially developed or developing, is not prime agricultural land, is designated for urban growth in the city’s general plan, and is not within the Sphere of Influence of another city, and
  - b) the land is located within an urban service area designated by the LAFCO, is not prime agricultural land, and is designated for urban growth in the city’s general plan, and
  - c) the land area does not exceed 150 acres.

Although islands are completely or substantially surrounded by a city, they remain under the land use and service authority of the County. The State Legislature determined that the continued existence of these islands created problems for cities, counties, island residents, adjacent city residents, and various agencies and special districts responsible for providing services and facilities. Consequently, the State modified the procedures to encourage cities to undertake island annexations by limiting the due process otherwise afforded other types of annexations.

- 3. Who approves an island annexation?** In this case, the City of Rialto. Although LAFCO is normally the entity responsible for approving or denying annexation requests after hearing and protest proceedings, island annexations are exempt from these stringent procedures. In 1999, the California Legislature adopted AB 1555 (codified in Government Code Section 56375.3) that encouraged cities to annex small unincorporated islands. The law allows cities to annex islands without protest proceedings or elections, provided the island meets special criteria. By law, LAFCO must approve an annexation request submitted by a city if all of the criteria mentioned in Question #2 above are satisfied.

Within 30 days of the LAFCO's resolution approving an island annexation, any person or affected agency may file a written request with the executive officer for reconsideration of the annexation proposal based on new or different facts that were not presented previously (Section 56895 of the CA Government Code).

- 4. Did the City initiate the annexation?** Yes. On November 22, 2016, the City Council adopted a Resolution initiating the filing process for annexing the five North Rialto Islands. The City took this action to fulfill a condition imposed by LAFCO Resolution No. 3222 adopted on May 18, 2016 in conjunction with the City's request to annex the Lytle Creek Ranch. Condition #4 of Resolution No. 3222 required the City of Rialto to initiate annexation of the five North Rialto Islands by May 17, 2017. If the City fails to complete the annexation of the five North Rialto Islands, then LAFCO would deny any future annexation until the City satisfied the condition. The City accepted this obligation when LAFCO allowed the City to annex land within the Lytle Creek Ranch Specific Plan.
- 5. Why did the City approve the Lytle Creek Ranch annexation given this condition?** In 2010, the City Council first approved the Lytle Creek Ranch Specific Plan and entered into a Development Agreement that obligated the City to commence annexation proceedings. The Lytle Creek Ranch Specific Plan originally consisted of 2,447 acres, with 694.2 acres within the City and 1,753.1 acres within the unincorporated County. The City's corporate boundaries meandered through the proposed community of 8,407 homes making efficient service delivery impractical without annexation into Rialto.

On May 18, 2016, the City of Rialto protested the condition obligating the City to annex the five North Rialto Islands, but expressed a willingness to negotiate terms acceptable to all parties. LAFCO imposed Condition #4 and the City conceded in order to complete the Lytle Creek Ranch annexation (LAFCO Proposal No. 3201). The City of Rialto stated that it understood the County arguments for island annexations, but preferred a more balanced economic solution for accepting the new service responsibilities. The City also expressed a desire to consider the governmental preferences of island residents.

- 6. Why isn't the El Rancho Verde community included in the island annexation, didn't the Lytle Creek annexation create an island there?** When LAFCO approved the Lytle Creek Ranch annexation, it acknowledged that it created an island of approximately 212 acres. After considering the "historic opposition" by the residents of the community to annexation, and the more arduous procedures associated with a conventional annexation (i.e. larger than 150 acres), LAFCO made a finding that the County retain jurisdiction over this island. LAFCO also voted to retain County jurisdiction over the CEMEX facility surrounded on multiple sides by the City of Rialto and our sphere of influence, claiming that the City does not have policies that protect the mineral resources considered valuable to the region.
- 7. Does the City need to take any future actions?** The City of Rialto still needs to take action to approve certain components of the annexation application, including the following:

  - a) The Planning Commission must consider an amendment to the General Plan and the Rialto Zoning Code to establish land uses for the annexation area. The Planning Commission must also consider an environmental determination in accordance with the California Environmental Quality Act (CEQA). The Planning Commission then forwards its recommendation to the City Council on the General Plan and Zoning Code amendments and environmental determination. The City scheduled this hearing for April 25, 2017.
  - b) The City Council must consider the Planning Commission's recommendation to amend the General Plan and the Rialto Zoning Code to establish land uses for the annexation area and make an environmental determination. The City Council must also approve a property tax allocation agreement between the City of Rialto and the County of San Bernardino. The City has not yet scheduled this hearing.
- 8. Does the City still have the option to reject the annexation?** Yes, the City could choose to withdraw its application to LAFCO. In accordance with LAFCO Resolution No. 3222, LAFCO would thereupon preclude the City from annexing any additional land into the City.
- 9. Who benefits from annexation?** The County of San Bernardino is the primary beneficiary of the annexation. The County of San Bernardino will no longer incur costs to provide services to the islands, thereby realizing a benefit to its operating and capital budgets. The County will transfer deferred capital improvement liabilities to the City without compensation to the City of Rialto.

Based upon the Plan for Services prepared by Stanley R Hoffman & Associates last year, the City of Rialto expects to incur annual operating deficits of \$518,000 to \$798,000 per year (depending upon the status of the utility tax) to provide services to the islands at the City's current service standards, and accept another \$20 million in deferred neighborhood and community infrastructure improvements. From a financial perspective, the islands represent a significant burden that Rialto and its existing constituents must absorb. In the short term, the City will address the burden by diluting public services citywide – in effect, covering the added service territory without an incremental increase in police, fire, or public works crews. Over time, with growth in revenues and possibly help from the County, the service standards may normalize.

The islands already receive some City services under mutual aid agreements for Police and Fire. Theoretically, the island residents should receive priority community services, with a nominal increase in costs. Island residents may have more influence regarding service standards for the neighborhoods with elected representation that is more sympathetic to neighborhood concerns. The City understands that many of the residents prefer the status quo.

- 10. Could LAFCO waive Condition #4 and allow the City to withdraw its annexation request – would the City consider that?** The City did not independently initiate the annexation proceedings but LAFCO conditioned the City as part of an unrelated annexation request (Lytle Creek). The City intends to fulfill its commitment to LAFCO to proceed in good faith to annex the North Rialto islands and avoid being prohibited from considering future annexations. If LAFCO proposed a waiver of the condition, the City would consider withdrawing its request.
- 11. What if I do not want to annex?** You may attend the upcoming public hearings and meetings before the City of Rialto to voice your concerns. Once the City of Rialto decides to annex the islands, the scope of the LAFCO hearing will be limited to determining whether the City of Rialto satisfied the statutory criteria for an island annexation. While LAFCO may hear your oral and written protests, it does not have the authority to deny the annexation if the City fulfills all of the statutory conditions. Therefore, your option is to direct your primary protest to the City of Rialto during the various hearings and the appointed and elected representatives will consider your testimony.
- 12. Will my voice in local government change?** As a City resident, you will be eligible to vote in City elections. City residents may also be eligible to run for City Council and serve on various City commissions and committees.

**13. How can I become involved in the annexation process?** There are a number of opportunities throughout the annexation process where your voice can be heard:

- a. Community meetings held prior to finalization of the annexation proposal. Based upon the level of interest in the first meeting, the City may schedule additional meetings in the future and invite participation from outside agencies with a role in the annexation, including the County Supervisor's Office and LAFCO.
- b. Planning Commission (scheduled for April 26<sup>th</sup>) and City Council meeting to consider zoning, compliance with the General Plan, and compliance with CEQA.
- c. LAFCO public hearing (TBD).

**14. How will you notify me of future public hearings on the proposed annexation?** The City will mail all directly affected and surrounding landowners notice via US Mail before the Planning Commission and City Council hearings. For more information regarding LAFCO's procedures, please visit the website at [www.sbclafo.org](http://www.sbclafo.org) or call: 909-388-0480.

**15. Who are my elected County representatives in this decision?** Supervisor Josie Gonzales, Fifth District for San Bernardino County, currently represents you. Supervisor Gonzalez can be reached at: San Bernardino County Government Center, 385 N. Arrowhead Ave., Fifth Floor, San Bernardino, CA 92415-0110, 909.387.4565, 909.387.5392 fax.

## Taxation & Fees

**16. Will my property value increase or decrease because of annexation?** The voluntary acts of buyers and sellers in the real estate marketplace establish values, with influence from lenders, realtors, and governmental authorities. Some argue that annexation increases values because of better governmental services and localized control. Others argue that buyers assign value to the lack of governmental authority and services. The City does not have an empirical answer to this question.

**17. Will my property taxes increase if annexed to the City?** Your property tax will not increase because of the annexation. Under the California Constitution, the County Assessor cannot assess your property at more than 1% of its value. The City does not now levy any special assessments that would apply upon annexation to the annexed areas. As properties develop in the future, they may be subject to special assessments for landscaping and lighting, or other services or improvements that may be voter approved. The City will annex some existing lighting and landscaping district responsibilities.

**18. Will there be a reassessment of my property upon annexation?** No. A reassessment would not occur due to an annexation.

# FREQUENTLY ASKED QUESTIONS

19. **Will I have to pay the City’s Utility Tax?** The City of Rialto currently levies an 8% tax on all utilities, including electric, gas, sewer, water, phone, and cable TV services. This tax supports general fund services, including police, fire, parks, and public works. The current levy sunsets on July 1, 2018 and the City Council is considering whether to seek a public vote to extend the tax, or replace it with an alternative tax. If annexed, the newly incorporated areas will be subject to the voter-approved tax. New residents would vote on any future tax measure after annexation. The Rialto Finance Division estimates that the UUT will cost \$38.40 per month or \$460.80 annually for a typical utility user without sewer service (the actual tax depends upon your specific utility consumption).

Utility	Typical Monthly Charge	Utility Tax %	Monthly Tax
Water	\$ 80.00	8.0%	\$ 6.40
Sewer	\$ -	8.0%	\$ -
Gas	\$ 100.00	8.0%	\$ 8.00
Electricity	\$ 100.00	8.0%	\$ 8.00
Cable	\$ 70.00	8.0%	\$ 5.60
Telephone	\$ 130.00	8.0%	\$ 10.40
	=====		=====
Monthly Totals	\$ 480.00		\$ 38.40
Annual Totals	\$ 5,760.00		\$ 460.80

20. **Will I have to pay a City Business License Tax?** Yes. If you operate a business within the City of Rialto, you will pay a tax to the City in accordance with established tax schedules:

Gross Receipts	Tax
\$0.00 to \$5,000	\$25
\$5,001 to \$10,000	\$50
Over \$10,000	\$79

If you have a current license with the County of San Bernardino, the City will not require a City business license until your business license expiration date or one year after annexation, whichever occurs first.

21. **I have a home-based business, what will be required of me after annexation?** A home-based business is subject to a City business license and to the City’s zoning requirements for a home-based business. If the County permits the home-based business under County codes, but the City’s codes do not permit it, the business would become a legal

non-conforming use, subject to the City’s non-conforming use regulations. If the home based-business is illegal (does not have county approval or does not comply with county requirements) it is most likely to be illegal under the City’s regulations and would have to comply with the Rialto Municipal Code to operate, including by securing a business license if the business is allowed under the Municipal Code. Otherwise, the City could force you to cease operations. A non-conforming use may not be expanded, increased or enlarged. If the use ceases to exist for 1 year or more it may not be re-established.

22. **Are there any other fees, that I will have to pay because of annexation?** Other fees that may be applicable are:

Dog Licensing

License Type	One Year	Two Years	Three Years
Regular – dog is not altered	\$48.70	\$95.70	\$143.60
Altered – dog is spayed/neutered	\$12.10	\$23.90	\$35.80
Senior Citizen – dog is not altered	\$24.30	\$47.70	\$71.60
Senior Citizen – dog is altered	\$6.00	\$11.80	\$17.60

Alarm Fees

Residential Annual Permit Fee: \$18.20  
 1<sup>st</sup> and 2<sup>nd</sup> False Alarm: No Fine  
 3<sup>rd</sup> False Alarm: \$91.30;  
 4<sup>th</sup> False Alarm: \$121.80;  
 5<sup>th</sup> False Alarm and above: \$152.20 each

Commercial Annual Permit Fee: \$24.30  
 1<sup>st</sup> and 2<sup>nd</sup> False Alarm: No Fine  
 3<sup>rd</sup> False Alarm: \$121.80;  
 4<sup>th</sup> False Alarm: \$182.70;  
 5<sup>th</sup> False Alarm and above: \$243.60 each

**Zoning and Land Use**

23. **How will the zoning on my property change after annexation?** Zoning will conform to the pre-zoning designation for the parcel when it is annexed, which is Single Family Residential (R-1A). Structures legally built to the County zoning standards with a permit will be legal in Rialto. Any structure built without a valid County permit will become an illegal non-conforming use after annexation. A map showing the existing County zoning and a matrix comparing the County zoning standards with the City zoning standards is attached to this FAQ.

24. **How will annexation affect my pets and/or livestock?** The City regulates the keeping of livestock and fowl on residential properties. The City permits cats, dogs, and horses

within residential zones with certain restrictions. The keeping of other types of animals permitted under the County zoning designation, but not permitted under the City zoning designation would create a legal non-conforming use. Such uses would exist until the property is sold or the use ceases to exist for 1 year or more. If either occurs, the owner will be expected to achieve conformance with the City's regulations.

25. **Will the City honor a County of San Bernardino building permit?** Yes, a building permit issued by the County for a property subsequently annexed to the City will remain valid for the life of the building permit, including renewals, if construction starts prior to annexation. If you have a building permit from the County, but have not yet commenced construction, or if your permit has been suspended, revoked, or expired, a new permit would be required from the City of Rialto.
26. **How do the County and City enforce land use, health, and fire codes to maintain the safety and value of the property?** Both the County and cities operate "code compliance" programs to enforce local ordinances dealing with such issues as weeds, animals, noise, dilapidated structures, and similar property issues. The City will provide code compliance services to the annexed area with an initial focus on health and safety conditions. The City will otherwise respond to resident complaints.
27. **What happens to my street address after annexation?** The existing addresses may change upon annexation to ensure that emergency responders will locate the property address without unnecessary delay. The City will issue a formal letter to all affected property owners, listing the former address and APN, and specifying the new address because of the annexation that can be used for real estate, banking, and other transactions that require address verification.
28. **Can the City approve an annexation agreement with the residents that binds future City Councils?** No. The City Council may adopt a resolution stating its current commitment to annex an area as a written reference for future City Councils, but cannot bind future City Councils. A future City Council can modify any resolution with a majority vote at a public meeting.

## Public Services

29. **Will my service providers change after annexation?** Once annexed to the City, the City will provide municipal services such as police, building inspection, maintenance of public roads and infrastructure, public works, parks and recreation, and sewer. Other services, such as water, gas, & electric, and cable will continue to be provided by your current service providers.
30. **Will there be a change in my garbage collection services?** Burrtec Disposal provides garbage service to Rialto residents. Residential service costs \$84.03 per quarter.
31. **Will annexation change where my children go to school?** The annexation will not affect school district boundaries and your children will go to the same school.
32. **Will I be required to install curbs, gutters, and sidewalks?** The City requires

construction of frontage improvements such as curbs, gutters, and sidewalk upon new construction. If you do not seek a permit for new construction, then the City will not require you to construct frontage improvements.

33. **When will the City maintain my streets? Or, will it add sidewalks, streetlights or other basic amenities?** The County will not provide any funding to repair, replace, or install missing or deteriorated improvements. Consequently, the City must budget for these costs after consideration of all community needs. Many existing areas of the City lack basic infrastructure. The City makes no promise or timetable to address these needs in the annexation areas but will consider them annually as part of the Capital Improvement budget.
34. **Do I have to annex to the City sewer service?** The Government Code allows for “out of agency service” so your property can continue with a septic system without connecting to the City sewer system. If there is an existing or impending threat to the health and safety of the public (e.g., failed septic system), the County Environmental Health Department may require you to connect to a sewer system. The City is researching whether a State law overrides our policy in Rialto. If not, Rialto will provide a written letter to all affected property owners that the City of Rialto will not require a sewer connection.
35. **Will I be required to hook up to public sewer and/or water?** You can continue to use a septic system after annexation. The City will allow continued use of an existing septic system unless the County Environmental Health Department detects a health problem. If your property is already connected to a City sewer line, there will be no change in cost or service.

The City’s Sewer Ordinance requires that a property owner connect to the City’s sewer main if the nearest plumbing outlet is within 200 feet of the sewer main. The Ordinance holds this requirement in abeyance so long as the existing septic system continues to function. The County Environmental Health Department makes the determination if the existing septic system is functioning. If the plumbing outlet of the property is more than 200 feet from a sewer main, the County Environmental Health Department will determine whether you may reconstruct your septic system.

36. **What does it cost to connect to City sewer and does the city offer any financial assistance?** The cost to connect to the City of Rialto sewer system is as follows:
- Residential-single family home is \$5,138 per unit;
  - Multiple dwelling unit is \$4,405 per unit; and
  - Non-residential charges vary depending upon the volume and quality of discharge.

The connection fees include the costs of extending sewer lines and for treatment at the City wastewater treatment plant. In addition, sewer users must pay a monthly charge of \$61.27 per single family or multi-family unit.

The City would consider establishing a special district that would finance the cost of connecting to the City sewer. Residents would repay the connection fees on their

property tax bills.

37. **Are cities more prone to financial distress than counties?** Because counties are generally larger with more diverse revenue streams, they are arguably less susceptible to financial distress that would result in service reductions. Cities encounter financial stress during recessionary periods and often reduce service levels as a means of balancing the budget. As noted above, this annexation is a financial burden to Rialto that will increase our financial risk.

# FREQUENTLY ASKED QUESTIONS



## ANNEXATION AREA MAP

## ZONING COMPARISON MATRIX