



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** November 6, 2024

**To:** Honorable Mayor and City Council Members

**From:** Rochelle Clayton, Acting City Manager  
Gabriel Elliott, Director of Community Development & Housing

**Department:** Community Development & Housing

**Subject:** **Annexation of the Spring Trails Specific Plan Project and the 26-Acre Totally Surrounded Island (Ward 5)**

**Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino, California adopt:

1. Resolution No. 2024-220 of the Mayor and City Council of the City of San Bernardino, California, making application to the Local Agency Formation Commission for San Bernardino County (LAFCO) for Reorganization to include Annexation to the City of San Bernardino and Detachment from County Service Area 70, generally northerly of Meyers Road and Easterly of Martin Ranch Road (known as the Spring Trails Specific Plan Project); and
2. Resolution No. 2024-221 of the Mayor and City Council of the City of San Bernardino, California, making an application to the Local Agency Formation Commission of San Bernardino County (LAFCO) for Reorganization to include Annexation to the City of San Bernardino and Detachment from County Service Area 70, generally northerly of Meyers Road and Easterly of Martin Ranch Road (known as the 26-Acre Totally Surrounded Island); and
3. Direct the City Manager to transmit the Resolutions to the Director of the Local Agency Formation Commission.

**Executive Summary**

The Spring Hills Specific Plan Project, approved in March 2013, requires annexation

into the City limits. Subsequent to the approval, an application was submitted to the County of San Bernardino's Local Agency Formation Commission (LAFCO) for the annexation. In order for the Spring Trails Specific Plan Project to be annexed into the City of San Bernardino, LAFCO requires the City to initiate the annexation of both the Spring Trails Specific Plan and the 26-acre totally surrounded island area. At that time, LAFCO conducted an election of property owners for the 26 acres of totally surrounded island area, and the election failed to pass. However, the project proponent's legal counsel sent a letter to the City requesting to follow through on the annexation. This report outlines the history and includes the proposed action for adopting resolutions to initiate the actions and transmit the resolutions to LAFCO.

### **Background**

The Spring Trails Project Specific Plan, approved in March 2013, is located in the northwestern part of the City in the Verdemon area, outside the city limits but inside the City's Sphere of Influence. The Specific Plan proposes the development of 199 acres, allowing the creation of 215 residential lots. Due to site constraints, the original project was amended, reducing the project's scope by 43 acres and 92 residential lots. See Attachment 3, Location Map (Exhibit A-1).

The request is for the City to initiate the annexations for the Spring Trails Specific Plan Project (Exhibits A and A-1) and the 26 acres of properties located between the Specific Plan boundary and the City limits (Exhibits C and C-1). This process is routinely done for projects within a city's sphere of influence. This area between the City boundary line and the project would be a county area, which, if the Specific Plan were to be annexed, would create a County "unincorporated island" within the City's boundary. The Local Agency Formation Commission (LAFCO) does not support these County islands within cities, primarily from a services provision standpoint.

A condition was placed on the annexation process by LAFCO, which requires them (LAFCO) to proceed with the annexation. Further, the project proponent's legal counsel also sent a letter requesting the same.

### **Chronology:**

#### **City Approved Action**

In March 2013, the City of San Bernardino approved the Spring Trails Specific Plan (SP 10-01), which included a variety of underlying entitlements. The Specific Plan approvals included the adoption of Resolution No. 2013-34 that certified the Final Environmental Impact Report, the adoption of a Mitigation Monitoring and Reporting Plan, and the adoption of a General Plan Amendment (GPA 02-09) (including the pre-annexation of the Specific Plan area); approval of Tentative Tract Map No. 15576; and approval of a Development Agreement.

#### **LAFCO Approved Action**

Proposal No. LAFCO 3188A – On October 16, 2019, LAFCO adopted Resolution No. 3091 approving the annexation of the Spring Trails Specific Plan Project Area (LAFCO

Annexation No. 3188A) into the City of San Bernardino, subject to certain conditions of approval. The attachments from this meeting item are included in Attachment 9 for reference. During the processing of the annexation, a 26-acre area, including six parcels, was removed from the annexation, resulting in an unincorporated island surrounded by the City of San Bernardino. This area was removed because the registered voters occupying the six single-family residences/parcels located within the Project area had vocally opposed the Spring Trails Specific Plan Project, and it was unlikely that the annexation of the entire area, including the island, would be successful. As a result, the annexation continued without the unincorporated island area.

As part of the proposed annexation, LAFCO imposed Condition of Approval No. 4, which states the following:

*The City of San Bernardino shall be required to initiate annexation of the totally surrounded island within one year of the Commission's approval of LAFCO 3188A (a copy of which is attached as Exhibit B). A resolution by the City Council of the City of San Bernardino shall be submitted to the Executive Officer of LAFCO outlining the City's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3188A. A status report shall be provided to the Commission at the six-month date outlining the progress of the City of San Bernardino in fulfilling its obligation. Failure on the part of the City of San Bernardino to fulfill its commitment to annex the totally surrounded island shall require that the next annexation proposed to the City of San Bernardino, either by the City through resolution or by the property owner/registered voter petition to include a condition requiring the initiation of the annexation of the totally surrounded island. Said condition of approval shall be deemed completed upon the issuance of the Certificate of Filing for said island.*

The above Condition of Approval No. 4 imposed by LAFCO holds the Certificate of Completion for LAFCO Annexation No. 3188A (Spring Trails Specific Plan Project Area) on hold until: a) the City of San Bernardino City Council adopts a resolution identifying its commitment to annex the 26-acre unincorporated island area at some time in the future, and, b) the City submits a copy of the adopted resolution to the Executive Officer of LAFCO. In essence, Condition of Approval No. 4 places a hold on the developer's, (Montecito Equities, Ltd.) ability to proceed with the construction of the project until after the City Council adopts a resolution confirming its intent to annex the unincorporated island area into the City sometime in the future.

#### **City Actions Since LAFCO's Approved Action**

On January 15, 2020, the Mayor and City Council considered the annexation of the remaining unincorporated island abutting the Spring Trails Specific Plan Project area (Exhibit C-1). Subsequent to discussion on the matter, the City Council tabled the item to an unspecified date.

On March 18, 2020, the Mayor and City Council discussed this item in a Closed Session meeting based on a threat of litigation. Based on City Council direction, this item would be scheduled for an upcoming City Council meeting for consideration.

On May 6, 2020, the Mayor and City Council again considered the annexation of the

remaining unincorporated island abutting the Spring Trails Specific Plan Project area. Subsequent to discussion on the matter, the City Council tabled the item a second time to an unspecified date.

### **Project Proponent Letter**

In August/September 2020, legal counsel for Montecito Equities verbally requested that the City reconsider placing the item back on the City Council agenda for consideration. Staff at the time opted not to place the item back on the Agenda until after the Municipal Election in November 2020. This pushed the item beyond the October 16, 2020, deadline established by LAFCO. Due to changes in staff, the item did not move forward in a timely manner. Due to the lapse in the City taking action, the project proponent is now requesting the item to be considered by the Mayor and City Council.

### **Discussion**

In response to LAFCO and the project proponent, the City of San Bernardino desires to now initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Section 56000 et seq. of the California Government Code) for the annexation of the unincorporated territory located in the Verdemon area, generally northerly of Meyers Road and easterly of Martin Ranch Road, more specifically described in Exhibit "A" (Legal Description) and depicted on Exhibit "A-1". The area proposed for reorganization is within the Sphere of Influence of the City of San Bernardino and fulfills the requirement imposed by the Local Agency Formation Commission (LAFCO) for San Bernardino County to initiate the annexation of the totally surrounded island area that would be created through the annexation of the Spring Trails Specific Plan Project.

Through the LAFCO Annexation process, the City of San Bernardino requests that the proposed reorganization be subject to the following terms and conditions:

- (a) The standard terms and conditions required by LAFCO shall apply; and
- (b) The annexation shall be subject to any and all of the City of San Bernardino's fees, taxes, and special assessments as they currently exist or may exist at the completion of these proceedings.

The reason for the proposed reorganization is to fulfill the requirement imposed by the LAFCO for San Bernardino County to initiate the annexation of the totally surrounded island area that would be created through the annexation of the Spring Trails Specific Plan Project.

The Plan(s) for Service and Fiscal Impact Analysis for the Specific Plan and island area that were prepared for the proposed reorganization have been reviewed and accepted and are included with the Resolutions in Attachment 4 (Plan for Service and Fiscal Analysis - Spring Trails Specific Plan Project Area) and Attachment 8 (Plan for Service and Fiscal Analysis - Meyers Road Island Area Annexation)

## **CEQA**

The application for annexation is covered by the certified Environmental Impact Report (State Clearinghouse #2009111086) for the Spring Trails Specific Plan Project (Specific Plan No. SP 10-01; General Plan Amendment No. GPA 02-09, including pre-annexation of the Spring Trails site; Tentative Tract Map No. 15576 (Subdivision No. 02-09); and Development Agreement No. 11-01) approved February 19, 2013. No further environmental review is required for the project pursuant to Public Resources Code section 21166 and State CEQA Guidelines section 15162.

## **2021-2025 Strategic Targets and Goals**

The proposed Annexation is consistent with Key Target No. 1: Improved Operational & Financial Capacity - Continue to seek opportunities to secure long-term revenue sources. Specifically, the area considered for annexation is within the City's sphere of influence and has been anticipated for development as identified in the City's General Plan. Future in-fill development, such as that proposed as a part of the Spring Trails project, will be a catalyst to encourage new development in the city that will generate additional revenue. Key Target No. 4b: Economic Growth & Development - Update the General Plan and Development Code, as it ensures this property meets the General Plan uses and will be included in a future City annexation of this unincorporated area.

## **Fiscal Impact**

The adoption of the Resolutions committing to the annexation does not require the expenditure of General Fund revenues at this time. However, the attached Plans for Service and Fiscal Impacts identify the benefits of the proposed annexed areas in terms of surplus to the City's General Fund. The Plans for Service also identify recurring General Plan costs based on the 2022-2023 City Budget.

## **Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California adopt:

1. Resolution No. 2024-220 of the Mayor and City Council of the City of San Bernardino, California, making application to the Local Agency Formation Commission for San Bernardino County (LAFCO) for Reorganization to include Annexation to the City of San Bernardino and Detachment from County Service Area 70, generally northerly of Meyers Road and Easterly of Martin Ranch Road (known as the Spring Trails Specific Plan Project); and
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3. Direct the City Manager to transmit the Resolutions to the Director of the Local Agency Formation Commission.

## **Attachments**

Attachment 1	Resolution No. 2024-220 (Spring Trails Specific Plan Project)
Attachment 2	Resolution No. 2024-220 (Spring Trails Specific Plan Project), Exhibit A - Legal Description
Attachment 3	Resolution No. 2024-220 (Spring Trails Specific Plan Project), Exhibit A-1 - Location Map
Attachment 4	Resolution No. 2024-220 (Spring Trails Specific Plan Project), Exhibit B - Plan for Service and Fiscal Impact Analysis
Attachment 5	Resolution No. 2024-221 (26-Acre Totally Surrounded Island)
Attachment 6	Resolution No. 2024-221 (26-Acre Totally Surrounded Island), Exhibit C - Legal Description
Attachment 7	Resolution No. 2024-221 (26-Acre Totally Surrounded Island), Exhibit C-1 - Location Map
Attachment 8	Resolution No. 2024-221 (26-Acre Totally Surrounded Island), Exhibit D - Plan for Service and Fiscal Impact Analysis
Attachment 9	LAFCO Agenda Packet (October 19, 2019)
Attachment 10	PowerPoint Presentation

**Ward: 5**

## **Synopsis of Previous Council Actions**

March 2013 The City of San Bernardino approved the Spring Trails Specific Plan (SP 10-01), which included a variety of underlying entitlements, the adoption of Resolution No. 2013-34 that certified the Final Environmental Impact Report, the adoption of a Mitigation Monitoring and Reporting Plan, and the adoption of a General Plan Amendment (GPA 02-09) (including the pre-annexation of the Specific Plan area); approval of Tentative Tract Map No. 15576; and approval of a Development Agreement.

January 15, 2020 - The Mayor and City Council considered the annexation of the remaining unincorporated island abutting the Spring Trails Specific Plan Project area. Subsequent to discussion on the matter, the City Council tabled the item to an unspecified date.

March 18, 2020 - The Mayor and City Council discussed this item in a Closed Session meeting based on a threat of litigation. Based on City Council direction, this item would be scheduled for an upcoming City Council meeting for consideration.

May 6, 2020 - The Mayor and City Council considered the annexation of the remaining unincorporated island of the land abutting the Spring Trails Specific Plan Project area. Subsequent to discussion on the matter, the City Council tabled the item a second time to an unspecified date.