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VIA EMAIL mprestwich@hemetca.gov

August 7, 2024

Mr. Mark Prestwich City Manager City of Hemet 445 E, Florida Avenue Hemet, California 92543

Re: Proposed Annexation

Dear Mark:

As a follow-up to our recent meeting, I want to provide you and your staff with a summary of the efforts to annex a large portion of unincorporated Hemet to the City of Hemet. As you probably know, for incorporated municipalities in California, there are two general options available for annexing property. One requires a city council to identify an area and pass a resolution to commence the Local Area Formation Commission ("LAFCO") process. The other is for a group of citizens that reside in an unincorporated area to gather signatures of registered voters and request inclusion into a particular city. That group then assumes the responsibility of commencing the LAFCO annexation process. The second option is what I and a committed group of unincorporated Hemet residents (Hemet United) have been pursuing.

Under the leadership of Mr. Keith Garrison, over 1500 signatures of registered voters living in unincorporated Hemet were obtained and submitted to the Riverside LAFCO. These signatures were validated by the Riverside County Registrar of Voters and the annexation petition was subsequently certified by LAFCO. I believe that the City of Hemet has received official notification from LAFCO regarding Hemet United's annexation petition approval.

After receiving petition approval from LAFCO, Mr. Garrison met with representatives of Hemet Police and Fire to discuss how best to proceed with establishing realistic budgets for the required Fiscal Impact Report as well as the Plan of Services. In preparation for these meetings, Hemet United provided a report showing expected net recurring revenue post annexation from David Taussig & Associates, one of the most respected municipal finance consultants in California. I believe that Mr. Taussig has previously done work for the City of Hemet. In addition, Hemet United provided a detailed report of calls for service for both police and fire occurring in the proposed annexation territory for the past three years. We had hoped that these two reports would have significantly assisted the City in its analysis.

Unfortunately, Mr. Garrison has had some recent health issues and his involvement in Hemet United has been very limited. However, the interest in pursuing the annexation remains very keen and we would like to re-engage with the City of Hemet to see what can be done to advance our efforts.

Mr. Mark Prestwich August 7, 2024 Page two of three

While Hemet United has completed considerable work towards the annexation effort, e.g., signature gathering, extensive mapping, legal descriptions, data collection, etc., assistance from the City of Hemet is needed for the following LAFCO application components:

- 1. Plan of Services. This document is the key ingredient in any LAFCO application that involves an annexation. The Plan is a detailed explanation of how every department in the City of Hemet is prepared to provide as good as or better than the current level of service currently being provided by the County of Riverside. I believe that we have referenced the Plan of Service for the most recent City of Hemet annexation which was approximately five years ago. The location was in the southwest portion of the City. Using this prior Plan of Service should serve as a good example of what is needed. Note that the water and sewer purveyors would not change with the Hemet United proposed annexation. Hemet United is prepared to assist the City in every possible way to prepare the Plan of Services, however, the document requires input that only the City can provide.
- 2. Fiscal Impact Report. With any annexation in excess of 100 acres, a Fiscal Impact Report ("FIR") is required by LAFCO. As with the Plan of Services, the FIR requires input from the various City departments to demonstrate that the annexation produces a net recurring surplus of revenue to the City. We believe that if sensible assumptions are made, there will be a net recurring surplus. David Taussig shares in this conclusion. There is currently a duplication in east Hemet with Fire Station 5 and the County's Little Lake Fire Station, and the police calls for service in the proposed annexation territory are much lower per capita than in the City of Hemet. Community development is limited in the proposed annexation territory, and we believe that the City's existing department staffing levels can handle the annexation territory. City facilities such as the library are already providing services to unincorporated Hemet, and the annexation would allow the City of Hemet to finally be compensated for providing these library services. Again, Hemet United is prepared to assist the City in the FIR preparation and a major step forward has already been provided with the David Taussig recurring income projections. The key to the FIR will be to make reasonable assumptions, especially with police and fire protection, that are consistent with the current volume of calls for service.
- 3. Pre-annexation Zoning. This is another requirement from LAFCO for any annexation application. With the proposed Hemet United annexation, no project is involved and no change in zoning is requested. The general concept is that whatever zone one currently has in the County is the zone they would receive in the City. Fortunately, several years ago during the City's General Plan Update, the County General Plan designations were essentially duplicated with City of Hemet equivalents in the Sphere of Influence area. These duplicate General Plan and Zoning designations cover approximately 95% of the proposed annexation territory. Hemet United can provide legal assistance for this task and we believe that the Pre-annexation Zoning requirement can be easily accomplished. Note that LAFCO defers to the annexing city as lead agency for the pre-annexation zoning requirement. As with the other two requirements summarized above, this step in the annexation process can only be accomplished by the City of Hemet.

Mr. Mark Prestwich August 7, 2024 Page three of three

As we have discussed previously, the annexation of most of the unincorporated areas of Hemet would allow Hemet a much-needed opportunity to reinvent itself. We would increase in size from approximately 90,000 to nearly 130,000. The median household income would increase and the demographics for job creation and retailers would be much more favorable. As you know, a city with a population in excess of 100,000 also allows for greater opportunities in grant funding and would place the City of Hemet in the top tier of Riverside County cities. I believe that post annexation, out of the 28 cities in Riverside County, the City of Hemet would rank number four in population and first in land area. The city limits would extend to their logical final boundaries and planning for transportation infrastructure would be greatly enhanced. In short, the proposed annexation would create tremendous opportunities to maximize municipal service efficiency while at the same time providing Hemet a much-needed boost in its regional prestige.

I hope the foregoing has been helpful in explaining where we are in the annexation effort. Much has been accomplished by a small group of unincorporated residents who firmly believe that their personal and professional lives would be much better as citizens of a united Hemet. I look forward to further conversations as to how we can move the Hemet United efforts forward.

Yours very truly,

Kali P. Chaudhuri, M.D.

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