



LAFCO Agenda Packet

January 13, 2010

Revised 2010 LAFCO CALENDAR

JANUARY							FEBRUARY							MARCH						
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31																				
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OCTOBER							NOVEMBER							DECEMBER						
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31																				

- Regular LAFCO meeting dates, typically the 2nd Wednesday of each month.
(Regular LAFCO meetings are held at 9am in the Planning Commission Hearing Room, at 10 Civic Center Plaza.)
- Regular LAFCO meeting will be held at 9 am in the Board Hearing Room, at 10 Civic Center Plaza
- 2010 LAFCO Strategic Planning Session is August 11th.
- LAFCO office closed for Flex Day or Holiday.
- CALAFCO Annual Conference = October 6-8, at the Hilton Palm Springs Resort.

**LOCAL AGENCY FORMATION COMMISSION
ORANGE COUNTY**

12 Civic Center Plaza, Room 235
Santa Ana, CA 92701
(714) 834-2556 ♦ FAX (714) 834-2643

REGULAR MEETING AGENDA

**Wednesday, January 13, 2010 9:00 a.m.
Planning Commission Hearing Room, Hall of Administration
10 Civic Center Plaza, Santa Ana**

Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.

- 1. CALL THE MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE – BY CHAIR WILSON**
- 3. ROLL CALL**
- 4. APPROVAL OF MINUTES:**
 - a.) December 9, 2009 – Regular Commission Meeting**

5. PUBLIC COMMENT

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

- 6. CONSENT CALENDAR**
None

7. PUBLIC HEARING

a.) Proposed “Cypress Recreation and Parks District Detachment from the City of La Palma” (DD 09-20)

The Commission will consider the detachment of approximately 10 acres of inhabited territory from the Cypress Recreation & Parks District (CRPD).

b.) Request for Reconsideration for the “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19)

The Commission may consider a request for reconsideration for the “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19).

8. COMMISSION DISCUSSION AND ACTION

a.) Draft Guidelines for Evaluation of LAFCO Proposals

The Commission will discuss a draft policy for evaluating LAFCO proposals. No action will be taken on this item.

b.) Unincorporated Islands Fiscal Model

The Commission will receive an oral update on the fiscal model for unincorporated County islands.

c.) OC LAFCO Website

The Commission will receive an oral report on the launching of the new OC LAFCO website.

d.) CALAFCO

The Commission will receive an update on CALAFCO-related issues.

e.) Election of New LAFCO Officers for 2010

The Commission will elect a LAFCO Vice-Chair and Chair for 2010.

9. COMMISSIONER COMMENTS

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.

10. INFORMATIONAL ITEMS & ANNOUNCEMENTS

None

11. CLOSED SESSION

None

12. ADJOURNMENT OF REGULAR COMMISSION MEETING

NOTICE REGARDING ITEMS DISTRIBUTED TO THE COMMISSION LESS THAN 72 HOURS PRIOR TO THE LAFCO REGULAR MEETING:

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Orange County LAFCO offices at 12 Civic Center Plaza, Rm. 235 Santa Ana, CA 92701 during regular business hours. These records when possible will also be made available on the OC LAFCO website at <http://www.oclafco.org>

NOTICE: *State law requires that a participant in a LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.*

LAFCO Agendas and supporting documentation are available on the Internet at <http://oclafco.org/Schedule.htm>

Item 4a

Approval of the
December 9, 2009
minutes



DRAFT MINUTES

LAFCO REGULAR MEETING
Wednesday, December 09, 2009, 9:00 a.m.
Planning Commission Hearing Room, Hall of Administration
10 Civic Center Plaza
Santa Ana, CA

1. CALL TO ORDER

Chair Susan Wilson called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:01 a.m.

2. PLEDGE OF ALLEGIANCE

Vice Chair Peter Herzog led the pledge of allegiance.

3. ROLL CALL

The following Commissioners and alternates were present:

- **Chair Susan Wilson**
- **Vice Chair Peter Herzog**
- **Commissioner Cheryl Brothers**
- **Commissioner John Moorlach**
- **Commissioner Arlene Schafer**
- **Commissioner John Withers**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Derek J. McGregor**
- **Alternate Commissioner Charley Wilson**

The following Commissioners were absent at roll call:

- **Commissioner Bill Campbell** (Arrived at 9:05 am)
- **Alternate Commissioner Pat Bates** (Arrived at 9:05 am)

The following LAFCO staff members were present:

- **Legal Counsel Clark Alsop**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Senior Project Manager Carolyn Emery**
- **LAFCO Analyst Joe Serrano**

4. APPROVAL OF MINUTES

November 18, 2009 – Regular Commission Meeting Minutes

Chair Wilson called for any changes of the November 18, 2009 regular commission meeting minutes. There were none.

MOTION: Approve November 18, 2009 Regular Commission Meeting minutes without revision. (Peter Herzog)
SECOND: Susan Wilson
FOR: Bill Campbell, Peter Herzog, Susan Wilson, and John Withers,
AGAINST: None
ABSTAIN: Cheryl Brothers, John Moorlach, and Arlene Schafer
MOTION PASSED

5. PUBLIC COMMENT

Chair Wilson requested public comments on any non-agenda item. No public comments were made.

6. CONSENT CALENDAR

None

7. PUBLIC HEARING

7a. – Proposed “Southern Island Annexation to the City of Fountain Valley” (IA 09-16)

Senior Project Manager Carolyn Emery summarized the proposed Southern Island annexation of approximately 10.45 acres to the City of Fountain Valley. She noted that upon annexation, the City would assume the provision of municipal services to the subject territory. Ms. Emery pointed out some revisions regarding the terms and conditions that were made after the release of the staff report and draft resolution. She added that City Manager Ray Kromer requested to read into the record the City’s proposed revisions. Senior Project Manager Emery concluded with thanking staff from the Second District’s office, County and City for their assistance in bringing the proposal forward and recommended that the Commission approve the proposed annexation.

Chair Wilson called for questions from the Commission.

Commissioner Campbell asked whether the County of Orange agreed to these changes. Ms. Emery reassured him that the changes were acceptable to all parties.

Chair Wilson opened the public hearing.

Ray Kromer, City Manager of Fountain Valley requested the Commission to revise Section 2c of the draft resolution to clarify that all OCFCO owned and operated facilities would remain the responsibility of OCFCO.

MOTION: Approve the proposed “Southern Island Annexation to the City of Fountain Valley” (IA 09-16) with noted and revised conditions.(John Moorlach)
SECOND: John Withers
FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

7b. – Proposed “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19)

LAFCO Analyst Joe Serrano summarized the proposed annexation to the City of San Juan Capistrano. He noted that the 132-acre property is currently being used for equestrian, recreation and open space and that if approved, the City would maintain and preserve the open space areas. He stated while there were no comments sent by affected agencies opposing the annexation, a resident of the City did contact LAFCO regarding issues with the Purchase and Sale Agreement. Mr. Serrano stated that both parties, the City and Rancho Mission Viejo, submitted an implementation agreement to address the LAFCO-related issues raised by the resident.

He recommended that the Commission adopt the resolution and approve the concurrent sphere amendment and annexation of the proposed territory to the City of San Juan Capistrano.

Executive Officer Joyce Crosthwaite noted that representatives of San Juan Capistrano and Rancho Mission Viejo were present at the meeting.

Chair Wilson called for questions and comments.

Commissioner Bates requested that LAFCO staff to inform her with any further information on the timing of future events within the subject territory, including the close of escrow. Ms. Crosthwaite described the detailed calendar currently used for the project and agreed to notify her with any updates.

MOTION: Approve the proposed “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19) (Peter Herzog)
SECOND: Bill Campbell
FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

AGAINST: None
ABSTAIN: None
MOTION PASSED

8. COMMISSION DISCUSSION AND ACTION

8a. – Review of the City of Costa Mesa Island Annexations

Costa Mesa City Manager Allan Roeder provided the Commission with a brief history of the City's successful annexation of unincorporated islands. Mr. Roeder explained how the City conducted outreach programs to educate residents prior to annexing the unincorporated islands. He further noted that the City has been able to increase the level of services within the areas that were annexed.

Mr. Roeder referenced two unincorporated areas, the Santa Ana Country Club and the South Mesa Island, which the City will continue to study as potential annexation areas. He also noted that the unincorporated Banning Ranch area, located between Costa Mesa and Newport Beach, is still the subject of ongoing discussions between both cities.

Chair Wilson called for questions and comments.

Commissioner Brothers questioned whether the City or the County accepted responsibility for infrastructure project expenses upon annexing of these islands. Mr. Roeder indicated that the City and County formed a joint agreement to improve certain areas of unincorporated territory.

Commissioner Moorlach updated the Commission on discussions involving the County and Newport Beach regarding planning and preservation of the Banning Ranch area. He added that the Santa Ana Country Club and the residents in the South Mesa island prefer to annex to Newport Beach. **Commissioner Moorlach** suggested that a global solution may still be possible for these areas. He indicated that would like staff to consider these alternatives when Banning Ranch is discussed at future LAFCO hearings.

Chair Wilson thanked City Manager Roeder for his presentation.

8b. – Quarterly Adoption of Changes to the 2010 LAFCO Calendar

LAFCO Analyst Joe Serrano summarized the revision of the 2010 LAFCO Calendar. During the November Hearing, the Commission asked staff to compare the calendars of both LAFCO and the Board of Supervisors for potential conflicting dates. Mr. Serrano indicated that the proposed LAFCO Calendar has been adjusted to avoid such conflicts.

Chair Wilson asked for a motion.

Commissioner Wilson left the meeting at 09:40am.

MOTION: Approve the revised 2010 LAFCO Calendar. (John Moorlach)
SECOND: Arlene Schafer
FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach,
Arlene Schafer, Susan Wilson, and John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

8c. – Quarterly Project Calendar

LAFCO Analyst Joe Serrano explained that the Quarterly Project Calendar will serve as an informative resource to the Commission as well as the public. Mr. Serrano summarized the contents of the project calendar.

Chair Wilson questioned the status of the Bolsa Chica project. Senior Project Manager Carolyn Emery explained that the Huntington Beach City Council held a study session in October and realized there were too many unanswered questions regarding the financial liabilities for the area. The City Council decided to suspend further discussion of annexation of the reserve at this time.

Commissioner Moorlach reiterated the need for staff to illustrate possible alternatives for Banning Ranch and other unincorporated areas between Costa Mesa and Newport Beach. **Commissioner Moorlach** asked about the status of the Island Village area, located between the City of Long Beach and Seal Beach, with respect to the County Boundary Report. Ms. Crosthwaite stated that the progress is still ongoing and the residents are currently discussing their options..

Commissioner Moorlach updated the Commission on Sunset Beach. He discussed the poll results of residents regarding future governance options. Executive Officer Crosthwaite updated the Commission on the residents' preparation of Preliminary Fiscal Analysis exploring incorporation of the Sunset Beach area.

Chair Wilson asked for a motion.

MOTION: Receive and file the December 9, 2009 LAFCO Project
Calendar.
(Arlene Schafer)
SECOND: Peter Herzog
FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach,
Arlene Schafer, Susan Wilson, and John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

8d. – CALAFCO

Executive Officer Joyce Crosthwaite briefly summarized the issue of regional representation on CALAFCO Board raised by the Southern California LAFCOs. Ms. Crosthwaite referenced Commission discussion that took place during LAFCO's November 18th LAFCO meeting. She added that a meeting with all the Southern California LAFCOs is scheduled for Friday, December 11, 2009 to describe potential alternatives for regional coordination and would further update the Commission after the meeting

Chair Wilson called for questions and comments.

Commissioner Schafer suggested a sub-regional committee for CALAFCO. **Commissioner Schafer** stated that the ideal solution would be to stay a member of CALAFCO and to address the current issues with the Board.

Commissioner Herzog stated that he believes CALAFCO does not have enough resources to focus on Southern LAFCOs. **Commissioner Herzog** explained his observations as a previous member of the CALAFCO Board and cited long-standing issues with the organization's funding structure and representation. **Commissioner Herzog** made a motion to not pay the 2010-2011 dues unless the CALAFCO Board of Directors makes serious efforts to resolve the issues raised.

Chair Wilson called for further questions and comments.

Commissioner Campbell asked staff whether there is an established direction to proceed if the Southern LAFCOs decide to withdraw from CALAFCO. Ms. Crosthwaite explained that the Southern LAFCOs favor a sub-regional committee approach.

Commission Moorlach referred to CSAC's urban, suburban and rural caucus. He noted that this model could be another governance structure possibility.

Commissioner McGregor asked if the other Southern LAFCOs would also follow Orange LAFCO's recommendation of not paying dues. Ms. Crosthwaite explained that the other LAFCOs are in agreement but a concrete answer will be determined after the December 11th meeting. She noted that San Diego LAFCO has requested an amicus brief from CALAFCO and would participate in both the Southern LAFCO committee and CALAFCO for the time being.

Commissioner Marshall requested staff clarification on Action 3b in the Strategic Plan for Regional Implementation. The action should specify the bylaws for geographic diversity in the nominations procedures.

Commissioner Withers would support the Commission's decision, but would like to create guidelines for a sub-regional committee. Mr. Withers recommended the Commission place the funds set aside for CALAFCO dues in a reserve.

Commissioner Brothers described the rejection of restructuring models by the CALAFCO Board.

Chair Wilson asked staff to report back to the Commission regarding the December 11th meeting.

MOTION: Approve staff recommendations, withholding payment of CALAFCO's 2010-2011 dues and direct staff to report back to Commission after December 11th meeting.
(Peter Herzog)

SECOND: Arlene Schafer

FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

8e. – Consultant Contract with Stanley R. Hoffman & Associates

Executive Officer Joyce Crosthwaite briefed the Commission about the South County Fiscal Study which is exploring potential government structure options for south Orange County. The firm of Stanley R. Hoffman & Associates was selected through a competitive RFP process to prepare the study at a cost not to exceed \$25,000. The study will be jointly paid for by LAFCO, the County, the City of Rancho Santa Margarita, and the homeowners' associations of Coto de Caza and Las Flores. Each party has agreed to pay \$5,000.

Chair Wilson asked for a motion.

MOTION: Ratify contract with Stanley R. Hoffman & Associates for the South County Fiscal Study.
(Bill Campbell)

SECOND: John Moorlach

FOR: Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

Commissioners Campbell and Moorlach left the meeting at 10:05am.

9. COMMISSIONER COMMENTS

Chair Wilson congratulated **Commissioner Herzog** for being reelected as Mayor of Lake Forest for the 5th time.

10. INFORMATIONAL ITEMS & ANNOUNCEMENTS

10a. – Island Tours

Senior Project Manager Carolyn Emery offered the Commission the opportunity to tour the unincorporated islands in Orange County.

11. CLOSED SESSION

None

12. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 10:19 am.

Susan Wilson, Chair

Orange County Local Agency Formation Commission

By: _____

Joe Serrano

Policy Analyst

Item 7a

Proposed
“Cypress Recreation &
Parks District Detachment
from the City of La Palma”
(DD 09-20)



January 13, 2010

CHAIR
SUSAN WILSON
Representative of
General Public

TO: Local Agency Formation Commission

VICE CHAIR
PETER HERZOG
Councilmember
City of Lake Forest

FROM: Executive Officer
Policy Analyst II

CHERYL BROTHERS
Councilmember
City of Fountain Valley

SUBJECT: Proposed "Cypress Recreation & Parks District Detachment from the City of La Palma" (DD 09-20)

BILL CAMPBELL
Supervisor
3rd District

APPLICANT

The City of La Palma, by Resolution of Application

JOHN MOORLACH
Supervisor
2nd District

PROPOSAL

The proposed application was filed with LAFCO by the City of La Palma requesting the detachment of approximately 10 acres of inhabited territory from the Cypress Recreation & Parks District (CRPD).

ARLENE SCHAFER
Director
Costa Mesa
Sanitary District

LOCATION

The proposed territory is generally bounded by the Los Angeles/Orange County border along Denni Street to the west, La Palma Avenue to the south, Trinity Lane to the east and Maroon Drive to the north. A vicinity map of the proposal area is included as Attachment A to this report.

JOHN WITHERS
Director
Irvine Ranch Water District

ALTERNATE
PAT BATES
Supervisor
5th District

BACKGROUND

The CRPD was originally formed in 1949 to provide park and recreation services for Orange County residents in the Cypress and La Palma area as well as unincorporated portions of Buena Park, Anaheim, and Los Alamitos. In July 1971, the District became a subsidiary district of the City of Cypress and the Cypress City Council took over responsibility as the District's Board of Directors.

ALTERNATE
PATSY MARSHALL
Councilmember
City of Buena Park

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

Over the years, as unincorporated areas were annexed to adjacent cities and residents began to receive park and recreation services from cities, these same areas were detached from CRPD. As a result, today, CRPD's boundaries are largely coterminous with the City of Cypress with three exceptions — a 10-acre area that includes 31 parcels (City of La Palma is requesting this area be detached from the District) and two other areas currently located within the City of Cypress, but not located within the CRPD's boundaries.

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

JOYCE CROSTHWAITE
Executive Officer

The Cypress City Council acting as the Board of Directors of CRPD has chosen not to annex the latter two areas at this time.

In July of 2008, this Commission initiated a sphere of influence update for CRPD. As part of the analysis, it was determined that the 10-acre area in the City of La Palma was still within CRPD. The 10-acre subject area depicted in Attachment A was annexed to the City of La Palma as part of two separate reorganization proposals in the 1980s. The proposals included the annexation to the City of La Palma and detachment from the Cypress County Water District but omitted detachment from CRPD. In September of 2008, the Commission approved the sphere of influence update for CRPD, removing the 10-acre parcel from the District's sphere. The most recently adopted sphere of influence map for CRPD is included as Attachment B to this report.

ANALYSIS

The City of La Palma has requested that the 10-acre parcel be detached from the CRPD and the portion of the ad valorem property tax revenues currently allocated to CRPD be redistributed to the City of La Palma. For the past twenty years, the City of La Palma has provided parks and recreation services to this area. Removing CRPD as a taxing entity from local property tax assessment rolls would remove a redundant layer of government and ensure that the property tax revenues are appropriately allocated to the agency providing the services.

LAFCO staff has worked with staff from the Cities of La Palma and Cypress as well as staff from CRPD to ensure that each of the agencies understand and agree to the terms of the detachment. The City of Cypress, representing CRPD, is in support of the detachment and understands that the property tax revenues for CRPD will be impacted by the transfer of revenues from the District to the City of La Palma.

During the review of the application materials staff discovered that a portion of the property taxes for two of the tax rate areas (TRAs 16-021 & 16-022) had been misallocated as part of annexation and dissolution proposals in 1987 and 1988 respectively. When the area was annexed to La Palma in 1987, the property tax negotiations failed to include the transfer of funds from the Cypress County Water District to the City of La Palma. The Cypress County Water District was formally dissolved in 1988 and the City of Cypress was designated the District's successor agency and the County Auditor-Controller allocated the District's property tax revenues to the City of Cypress. The tax rate areas identified above are within the City of La Palma and staff is recommending that the TRAs be amended (16-021 and 16-022) to reallocate the funds for "Cypress City-(CCWD)/Sewer Fund" to the City of La Palma.

LAND USE

The proposal area is zoned residential, consists of single and multi-family housing and is surrounded by residential and public/institutional land uses.

PROPERTY TAX

Property tax exchanges will occur as a result of this proposal. The City of La Palma and the County of Orange have adopted property tax exchange resolutions pursuant to §99 of the California Revenue & Tax Code. Both agencies have agreed that the portion of the base levy rate of the ad valorem property tax assessments previously allocated to CRPD be reallocated to the City of La Palma as the service provider.

ENVIRONMENTAL REVIEW

On October 6, 2009 the City of La Palma adopted a Notice of Exemption (Attachment F) addressing the proposed detachment pursuant to the California Environmental Quality Act (CEQA). The Commission, as a responsible agency, may utilize this documentation in its consideration of the proposed detachment.

RECOMMENDATIONS

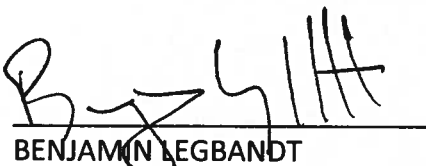
Staff recommends that the Commission:

1. Verify that the Commission has reviewed and considered the information contained within the Notice of Exemption prepared and certified by the City of La Palma.
2. Adopt the form of resolution (Attachment D) approving the proposed "Cypress Recreation & Parks District Detachment from the City of La Palma" (DD 09-20).

Staff also recommends that the property tax revenue from the City of Cypress (CCWD)/Sewer Fund be reallocated to the City of La Palma.

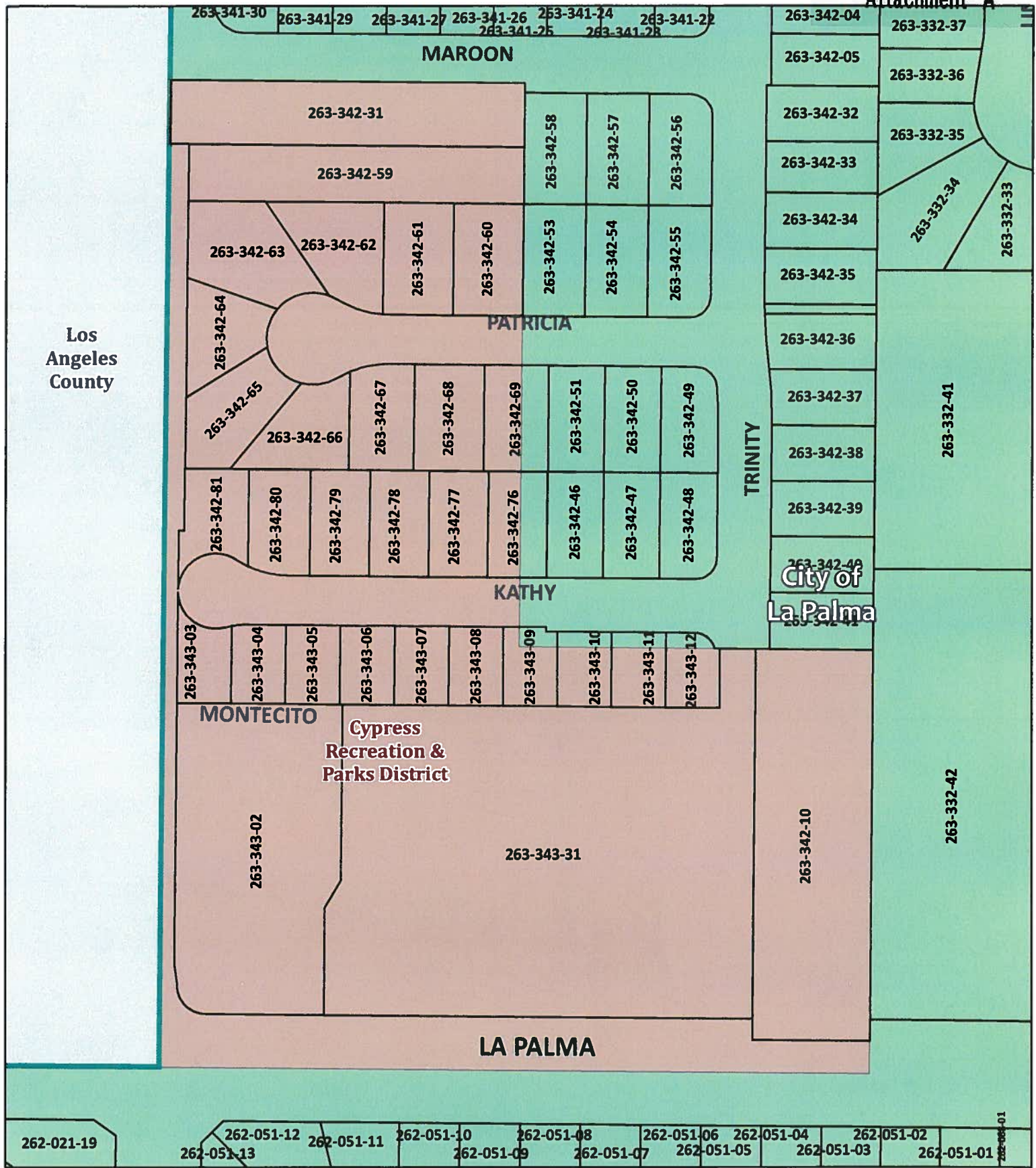
Respectfully submitted,


JOYCE CROSTHWAITE


BENJAMIN LEGBANDT

Attachments:

- A. *DD 09-20 Vicinity Map*
- B. *Cypress Recreation & Parks District Sphere Map*
- C. *Notice of Exemption*
- D. *Draft Resolution*



Los Angeles County

City of La Palma

Cypress Recreation & Parks District

Proposed "Cypress Recreation & Park District detachment from the City of La Palma" (DD 09-20)

Vicinity Map

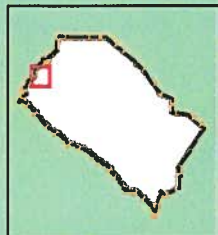
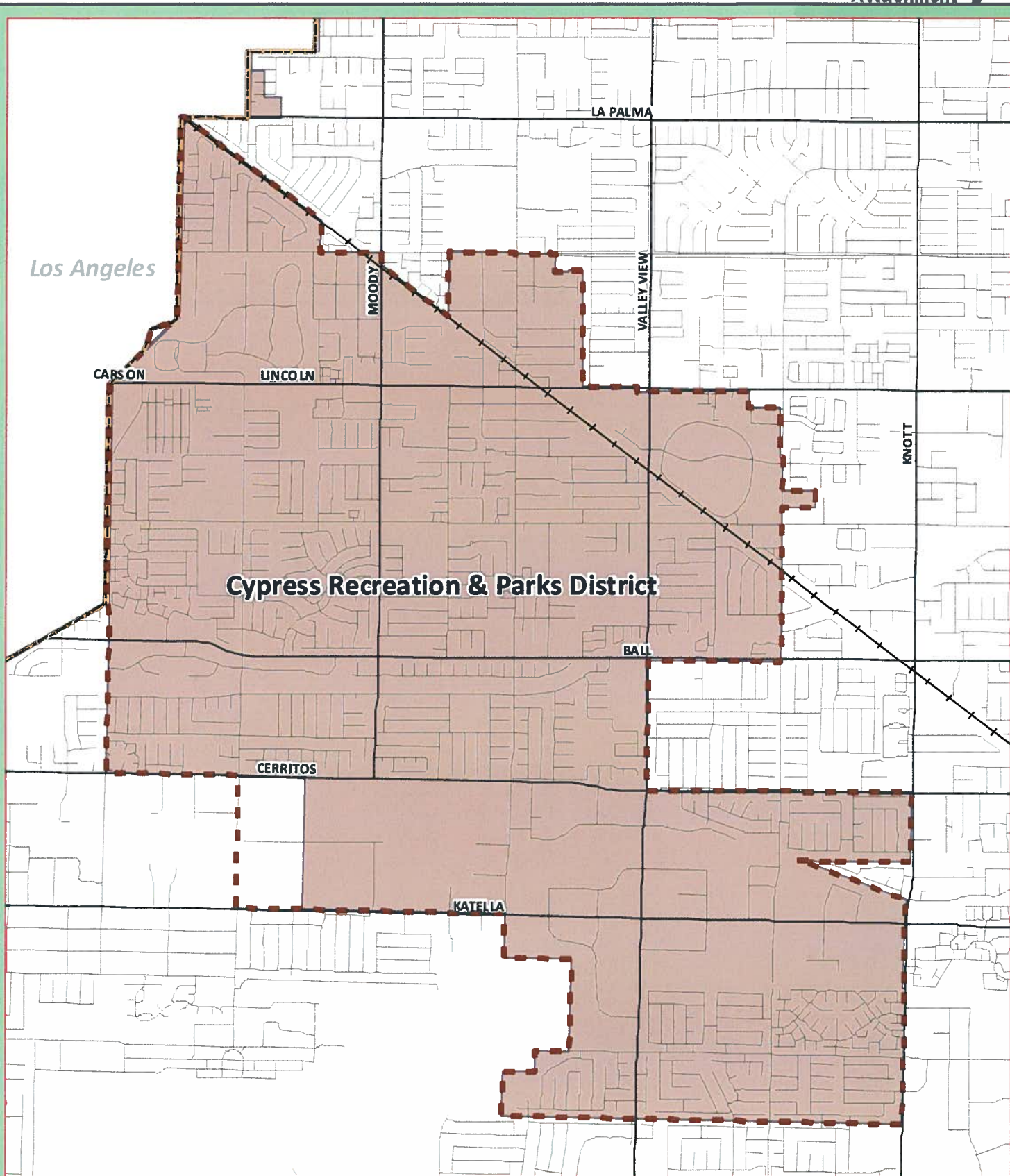


10/27/2009



- La Palma Sphere
- La Palma Boundary
- CR&PD Boundary

Los Angeles




Cypress Recreation & Parks District Sphere of Influence Map

SOI Originally Adopted: 09/10/08
Last Reviewed: 09/10/08



Orange County
LAFCO
October 1, 2008

-  Cypress Rec & Park District Sphere
-  Cypress Rec & Park District
-  Orange County Boundary



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NOTICE OF EXEMPTION
OCT 26 2009

LOCAL AGENCY FORMATION COMMISSION

TO: Orange County Clerk
P.O. Box 238
Santa Ana, CA 92702

FROM: City of La Palma
7822 Walker Street
La Palma, CA 90623

378330

Project Title: Application to detach territory within the City of La Palma from the Cypress Recreation and Park District

Project Location: An existing developed 10-acre residential area located within the City of La Palma, just north of La Palma Avenue and west of Moody Street, at the intersection of La Palma Avenue and Denni Street.

Project Location: City - La Palma County - Orange

Project Description: Application to the Local Agency Formation Commission (LAFCO) of Orange County, for the detachment of certain territory within the City of La Palma from the Cypress Recreation and Park District.

Name of Public Agency Approving Project: City of La Palma

Name of Person or Agency Carrying Out Project:
City of La Palma
Community Development Department
7822 Walker Street
La Palma, CA 90623

FILED

OCT 09 2009

TOM DALY, CLERK-RECORDER

By TD DEPUTY

Exempt Status: Categorical Exemption Sec. 15320 (Class 20) -- Changes in Organization of Local Agencies -- consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised.

Reasons why project is exempt: The project involves an existing developed 10-acre area in the City of La Palma whereby an application for detachment from the Cypress Recreation and Parks District will be processed. There is not such possibility that the detachment from the Cypress Recreation and Parks District would have any impact on the environment.

Lead Agency

Contact Person: John Di Mario

Telephone: (714) 690-3322

Signature: John Di Mario

Date: October 9, 2009

POSTED

Title: John Di Mario, Community Development Director

OCT 09 2009

TOM DALY, CLERK-RECORDER

By TD DEPU

DD 09-20

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY, CALIFORNIA**

**APPROVING THE CYPRESS RECREATION & PARKS DISTRICT
DETACHMENT FROM THE CITY OF LA PALMA**

January 13, 2010

On motion of _____, duly seconded and carried, the following resolution was adopted:

WHEREAS, the proposed detachment from the Cypress Recreation & Parks District, designated as "Cypress Recreation & Parks District Detachment from the City of La Palma" (DD 09-20), was heretofore filed with and accepted for filing on January 4, 2010, by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 et seq. of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56664 set January 13, 2010, as the hearing date of this proposal; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665 has reviewed this proposal and prepared a report including her recommendation thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission on January 13, 2010, considered the proposal and the report of the Executive Officer, and considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and

WHEREAS, this Commission called for and held a public hearing on the proposal on January 13, 2010, and at the hearing, this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission has fulfilled its obligations as the responsible agency as defined by the California Environmental Quality Act and has reviewed and considered the

Notice of Exemption for the detachment of the subject territory adopted by the City of La Palma as the lead agency on October 6, 2010.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. Pursuant to the California Environmental Quality Act, the Commission has reviewed and considered the Notice of Exemption for the detachment of the subject territory adopted by the City of La Palma as the lead agency on October 6, 2010.

Section 2. The proposal is approved subject to the following terms and conditions:

- a) Payment of Recorder and State Board of Equalization fees.
- b) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- c) The effective date of the annexation shall be the date of recordation.

Section 3. The annexing area is found to be inhabited, is within the incorporated boundaries of the City of La Palma, and is assigned the following distinctive short-form designation: "Cypress Recreation & Parks District detachment from the City of La Palma" (DD 09-20)

Section 4. The Commission authorizes and directs the Executive Officer to conduct protest proceedings pursuant to Government Code Sections 57000 et seq. and set a 21-day protest period.

Section 5. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

Item 7b

Request for
Reconsideration
“Ortega La Pata
Annexation to the City of
San Juan Capistrano”
(Ca 09-19)



January 13, 2010

CHAIR
SUSAN WILSON
Representative of
General Public

VICE CHAIR
PETER HERZOG
Councilmember
City of Lake Forest

CHERYL BROTHERS
Councilmember
City of Fountain Valley

BILL CAMPBELL
Supervisor
3rd District

JOHN MOORLACH
Supervisor
2nd District

ARLENE SCHAFER
Director
Costa Mesa
Sanitary District

JOHN WITHERS
Director
Irvine Ranch Water District

ALTERNATE
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PATSY MARSHALL
Councilmember
City of Buena Park

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

JOYCE CROSTHWAITE
Executive Officer

TO: Local Agency Formation Commission

FROM: Executive Officer
Policy Analyst

SUBJECT: "Ortega/La Pata Annexation to the City of San Juan Capistrano"
(CA 09-19)" - Request for Reconsideration

On December 9, 2009, the Commission adopted a resolution approving the proposed "Ortega/La Pata Annexation to the City of San Juan Capistrano" (CA 09-19)" and the concurrent sphere of influence amendment. The annexation, with all the terms and conditions, will maintain and preserve the equestrian, park, recreation and open space areas for the 132 acre property.

Government Code §56895 specifies that following Commission adoption of a resolution making determinations, any person or affected agency may file a written request with the executive officer requesting amendments or reconsideration of the resolution. Any reconsideration request, however, must be based on new or different facts that could not have been previously presented to the Commission.

Lennie DeCaro, a San Juan Capistrano resident, indicated to staff that she may file a request for reconsideration. A letter written by Ms. DeCaro and addressed to the San Juan Capistrano City Council was attached to the December 2009 annexation staff report. Ms. DeCaro previously sent staff a letter in September 2009, concerning the annexation, and is attached to this staff report for your review (*Attachment A*).

While we have not received any formal request for reconsideration at the time of agenda mail-out (January 6, 2009), the deadline for filing requests is Friday, January 8th at 5:00 p.m. If staff receives a request for reconsideration after the agenda is mailed but prior to the deadline, a supplemental staff report will be delivered to Commissioners on Monday, January 11th.

RECOMMENDATIONS

Staff recommends that the Commission receive and file this report.

Respectfully submitted,


JOYCE CROSTHWAITE


JOE SERRANO

Attachments:

A. *Letter to LAFCO Commission*

September 14, 2009

Dear Joyce,

I wish to forward my additional thoughts on the annexation of the Rancho Mission Viejo property ("RMV polo grounds") by the city of San Juan Capistrano ("SJC"). In discussing this with individuals who are similarly concerned, they asked that I forward their thoughts as well. I would like you to consider the following points and ask that you consider retracting your support for annexing the RMV polo grounds as it is currently offered in the purchase contract.

We are not unreasonable with regards to growth, but believe it must be fairly planned and acceptable to the neighboring communities. We hope that LAFCO will proceed cautiously and not support this piecemeal annexation.

It is my understanding that since the passage of SB375, that CALAFCO supports legislation (SB 215) that will require LAFCO to consider consistency of a proposal with an applicable regional transportation plan. Additionally, LAFCO's mission to facilitate the orderly annexation of unincorporated areas into appropriate adjacent cities, lends support to the argument that the present annexation of the RMV polo grounds is NOT consistent with those objectives.

Please consider the following inconsistencies with LAFCO's stated goals:

It does not appear that the purchase contract for the RMV polo grounds is consistent with the regional transportation plan. The purchase contract *incorrectly* identifies Ortega Highway/La Pata as being two "major" arterials, with Ortega currently at 27,000 ADT per 2008 Caltrans study. In fact Ortega Highway is not listed on the MPAH as a major arterial. Instead, it is listed as a primary arterial capable of carrying 20-30,000 ADT.

A July 2007 traffic study performed for the proposed Villa Montana apartment homes off LaPata, using Linscott Law & Greenspan Engineers showed ADT's that currently approach 34,000 between La Novia & Rancho Viejo Road in San Juan Capistrano, which is "*inconsistent with the regional transportation plan*" and will only be exacerbated with future development that will use Ortega Highway as their main route to the I-5. Their exhibit shows "existing, plus their project, plus cumulative daily traffic volumes" as approx. 35,000 at Ortega/La Pata and exceeding 43,000 between Rancho Viejo and La Novia.

Source:

[http://www.ocregister.com/newsimages/community/sanjuancapistrano/2007/November/Villa%20Montana%20Pt4%20-%20Draft%20EIR%20\(Public%20Services%20Transportation%20%20Parking\).pdf](http://www.ocregister.com/newsimages/community/sanjuancapistrano/2007/November/Villa%20Montana%20Pt4%20-%20Draft%20EIR%20(Public%20Services%20Transportation%20%20Parking).pdf)

The RMV polo grounds purchase contract states that Ortega will be widened (page 5 of 169) to accommodate current and future additional traffic. Again, as of yet, there is no final agreement on this and further, the Caltrans DEIR has objections regarding their inconsistency with SJC's general plan along with numerous other objections.

The purchase contract for the RMV property also restricts use of the RMV Polo grounds due to traffic concerns, yet the contract precludes the city from suing RMV over anything regarding the Ranch's planned development of 14,000 homes in addition to retail and commercial development on the edge of San Juan.

Due to Ortega Highway's limited ability to carry any additional traffic, it is likely that the residents will want to sue to force the Ranch Plan to find alternative east-west routes to take the pressure off the Ortega Highway.

If OCLAFCO were to approve the annexation based on the restrictions in the purchase agreement, it would appear to be in direct opposition to the goals of LAFCO.

The annexation is just a piecemeal annexation of 136 acres (the Polo grounds) but it specifically excludes the area across from and adjacent to Ortega Highway at the north-east corner of La Pata and Ortega, which is to be a future shopping center site. This appears to be very poor planning and is really the equivalent of gerrymandering.

The annexation would require the city of San Juan to:

- Support sewer service
- Turn over the profits derived from an annual event on the polo grounds to specifically named charities for up to 50 years
- Take property "as-is" with numerous questionable clauses
- Prohibit the City of SJC from receiving income from cellular towers or from any beneficial tax base that the other surrounding RMV properties (if annexed) could offer to our city. The City of SJC is already burdened by providing fire services to RMV's outlying areas, yet SJC receives nothing in return.

It is our understanding that one of the reasons for the formation of LAFCO was to produce smooth, logical city boundaries -- not chopped up jigsaw puzzles of little bits of land. This polo ground deal appears to be just the sort of situation that LAFCO was formed to prevent.

On the issue of annexation, it would appear that there would be far less objection if the deal were consistent with the goals of LAFCO and the residents would be hard pressed to disagree with this. It appears that the correct way to do annexation, consistent with LAFCO goals would be to have one large, logical annexation, which includes the entire area; the polo field, the area north of the Ortega highway, the future shopping area on the North-east corner and the area east of La Pata.

In addition to the above, the entire RMV polo grounds purchase is questionable as it is not "in" San Juan Capistrano. This was a requirement that is stated in the full text of the November 2008 Open Space Bond initiative ("Measure Y") that provided the bond money to purchase open space property. Further, one of the two parcels was already zoned "open space", eliminating the need to purchase this parcel to "protect" it as "open space".

We believe that the annexation as proposed violates the very principals for which LAFCO was established and we respectfully request that you withdraw your support for the annexation as it is currently presented.

Thank you,

Lennie DeCaro

Item 8a

Draft Guidelines for LAFCO Evaluation of Proposals



January 13, 2010

CHAIR
SUSAN WILSON
Representative of
General Public

TO: Local Agency Formation Commission

VICE CHAIR
PETER HERZOG
Councilmember
City of Lake Forest

FROM: Executive Officer
LAFCO Consultant

CHERYL BROTHERS
Councilmember
City of Fountain Valley

SUBJECT: Draft Guidelines for LAFCO Evaluation of Proposals

BILL CAMPBELL
Supervisor
3rd District

Background

Orange County LAFCO is charged with evaluating a wide diversity of applications involving city and special district reorganizations as well as the potential formation of new agencies. The Commission's current set of Policies and Procedures (last reviewed and readopted on March 11, 2009) include procedural guidelines for processing various applications but does not specifically provide *evaluative* criteria or guidelines to assist the Commission in their review of proposals. The need for evaluation standards for OC LAFCO was raised at both the March 2009 Best Practices Summit and again during the Commission's August 2009 Strategic Planning Session.

JOHN MOORLACH
Supervisor
2nd District

ARLENE SCHAFFER
Director
Costa Mesa
Sanitary District

JOHN WITHERS
Director
Irvine Ranch Water District

Section 56375(g) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCOs adopt written procedures for the evaluation of proposals and requires that any policies for this purpose be in writing. *Attachment 1* to this report provides the Commission with a set of draft "Guidelines for Evaluating Proposals." The Draft Guidelines are designed to provide a consistent, objective set of evaluative criteria that can assist the Commission (and prospective applicants) in their review of LAFCO applications. These Draft Guidelines, however, are not intended to preclude any Commission action which may conflict with these standards if a specific proposal warrants such action.

ALTERNATE
PAT BATES
Supervisor
5th District

ALTERNATE
PATSY MARSHALL
Councilmember
City of Buena Park

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

Key Criteria

The Draft Guidelines generally place the burden on the applicant to demonstrate to the Commission that: (1) there is a clear *need* for any new or enhanced services, and (2) any agency proposed to provide new or enhanced services has the financial and service capability to provide that service over the long-term and is more efficient than other alternative

JOYCE CROSTHWAITE
Executive Officer

service providers. Finally, the Draft Guidelines rank the Commission's preferences when considering an extension or enhancement of municipal services to unincorporated territory in the following order: (1) annexation to an existing city or district; (2) activation of an existing special district's latent powers; and (3) formation of a new agency.

Recommendation

The Draft Evaluation Guidelines are presented at today's meeting for Commission discussion only. Comments from the Commission will be incorporated into a final Draft Policy which will be presented along with a complete set of updated and revised Commission Policies and Procedures at your February 10, 2010 meeting.

Staff recommends that the Commission:

1. Discuss the "Draft Guidelines for LAFCO Evaluation of Projects" and provide comments to staff.
2. Direct staff to bring a complete set of updated Commission Policies and Procedures to the Commission for review at their February 10, 2010 meeting.

Respectfully submitted,


JOYCE CROSTHWAITE


BOB ALDRICH

Attachment 1: Draft Guidelines for Evaluating Proposals

DRAFT Guidelines for Evaluating Proposals

I. Statement of Purpose

Beginning at Section 56000, the California Government Code requires LAFCO to review and make determinations on all changes of organization and reorganization. Section 56375(g) further requires that LAFCO adopt written procedures for the evaluation of proposals and requires that any policies for this purpose be in writing. Pursuant to this requirement, the following standards have been adopted by the Commission in order to assist in their evaluation of proposals filed with LAFCO. These standards also address concerns raised during the Commission's March 2009 Best Practices Summit and its August 2009 Strategic Planning Session that identified the need for more objective criteria for evaluating proposals.

These policies are based on existing circumstances unique to Orange County and are primarily designed to ensure that local services are provided efficiently and economically. As unincorporated territory has diminished over the years through incorporations and annexations, the County's role in providing municipal level services to Orange County residents has also declined. Orange County is now largely urbanized, with existing cities and special districts providing the vast majority of municipal services to Orange County residents.

LAFCO applications proposing changes in service provision for the remaining unincorporated areas in Orange County must be weighed carefully by the Commission in terms of: (1) demonstrated need; (2) the feasibility of annexation to an existing city or district to provide services in lieu of forming a new agency; (3) the ability of residents to pay for enhanced services, if applicable; and, (4) the long-term efficiency and quality of services proposed. These policies are not intended to preclude any Commission action which may conflict with these standards if a specific proposal warrants such action. These policies incorporate by reference those factors identified in Government Code Section 56668.

II. Criteria for Evaluating Applications

In addition to the factors identified in Government Code Section 56668, which are required to be considered by the Commission in the review of all proposals, the following criteria shall be used when evaluating applications by Orange County LAFCO:

Prior to scheduling an item for consideration by the Commission, the applicant must:

- A. Demonstrate the need for new or enhanced services or a new agency by providing the Commission with provisions 1 and 2 below:
1. A petition of a majority of area residents, *and*
 2. Identification of municipal service shortcomings through a Municipal Services Review or a special study completed by LAFCO, *or* notice from existing agencies stating that they are unwilling to annex the area at this time or provide a similar level of service.
- B. Demonstrate an agency's financial and operational capabilities by providing the Commission with provisions 1 and 2 below:
1. A detailed plan of services which clearly demonstrates that the agency has the capability to provide the service (or services) in a more cost effective and efficient manner than other alternative governance options, *and*
 2. A detailed fiscal analysis, prepared by LAFCO staff, which documents all revenues and expenditures. If a shortfall is anticipated, a permanent, dedicated source of funding for all proposed services must be identified *or* a petition demonstrating that a majority vote of affected area residents a permanent funding source to pay for the proposed services.
- C. In order of priority, the following shall be the Commission's preference when considering the extension or enhancement of municipal services to unincorporated territory:
1. Annexation to an existing city or district
 2. Activation of an existing special district's latent powers
 3. Formation of a new agency

Item 8e

Election of new
LAFCO Officers for
2010



January 13, 2010

8e

CHAIR
SUSAN WILSON
Representative of
General Public

TO: Local Agency Formation Commission

VICE CHAIR
PETER HERZOG
Councilmember
City of Lake Forest

FROM: Executive Officer
Commission Clerk

SUBJECT: Election of new LAFCO Officers for 2010

CHERYL BROTHERS
Councilmember
City of Fountain Valley

Each year the Commission elects a new LAFCO Vice-Chair and Chair at the January regular Commission meeting. Currently Commissioner Susan Wilson serves as Chair and Commissioner Peter Herzog serves as Vice-Chair. Attached is a list of the Chairs and Vice-Chairs for the past five (5) years.

BILL CAMPBELL
Supervisor
3rd District

The New Chair, Vice-Chair and, previous Chair (currently Chair Susan Wilson) will serve as the new Executive Committee according to Article 3.5 (f) of the Orange County LAFCO Bylaws.

JOHN MOORLACH
Supervisor
2nd District

ARLENE SCHAFFER
Director
Costa Mesa
Sanitary District

RECOMMENDATION:

JOHN WITHERS
Director
Irvine Ranch Water District

1. Nominate Vice-Chair and Chair

ALTERNATE
PAT BATES
Supervisor
5th District


JOYCE CROSTHWAITE


ESTHER GARCIA-NEGRETE

ALTERNATE
PATSY MARSHALL
Councilmember
City of Buena Park

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

Attachment: Chair and Vice-Chair list

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

JOYCE CROSTHWAITE
Executive Officer

**Previous Chairs & Vice-Chairs
(Reverse Chronological Order)**

Year	Chair	Vice-Chair
2009	Commission Susan Wilson (Public member)(Current)	Commissioner Peter Herzog (City member)(Current)
2008	Commissioner John Withers (Special District member)	Commissioner Susan Wilson (Public member)
2007	Commissioner Bill Campbell (Board of Supervisors member)	Commissioner John Withers (Special District member)
2006	Commissioner Robert Bouer (City member)	Commissioner Bill Campbell (Board of Supervisors member)
2005	Commissioner Susan Wilson (Public member)	Commissioner Robert Bouer (City member)