



July 8, 2020

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CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission
FROM: Executive Officer
SUBJECT: Proposed 2020-2021 OC LAFCO Work Plan

BACKGROUND

Each year, the Commission adopts an annual work plan that establishes the agency projects and priorities to be completed during the fiscal year. The proposed 2020-2021 Work Plan aligns with the strategic focus areas of the Commission's adopted strategic plan. Additional details of the proposed Work Plan are summarized in the next section of this report.

PROPOSED 2020-2021 WORK PLAN

The OC LAFCO Proposed 2020-2021 Work Plan (Attachment A) includes key project opportunities that have been placed into one of five strategic areas outlined in the 2019 OC LAFCO Strategic Plan. An additional category, "Administrative Projects," is also included in the Work Plan.

Strategic Area One

Prioritize and process applications for changes of organization and reorganization, sphere of influence reviews, updates and municipal service reviews.

Every year, OC LAFCO has several legally mandated projects in its Work Plan. The proposed 2020-2021 Work Plan includes five (5) projects involving anticipated city/district annexations and detachments. General descriptions for each of these projects are provided in the work plan. Under State law, the Commission is required to dedicate staff and financial resources to process these projects in accordance with prescribed timelines. The standard timeline for processing these applications range from six months to one year. For some projects, the processing goes beyond one year due to the terms and conditions of the proposed boundary change. Applications that are filed after the approval of the Work Plan are reviewed with the

Executive Committee and included in a mid-year Work Plan update to the Commission. Applications requiring significant staffing resources may require adjustments to other strategic areas of the Work Plan.

Strategic Area Two

Complete fourth cycle of Sphere of Influence (SOI) Reviews and Updates and prepare Municipal Service Reviews (MSRs) that serve as repositories of information for affected agencies and communities.

In 2018, the agency began the process for the fourth cycle of SOI and MSR reviews and updates. During the 2019 Strategic Plan Workshop, the Commission supported a proposed timeline for completion of this multi-year project and noted that it may be adjusted by staff as warranted. The proposed 2020-2021 Work Plan identifies key milestones to be accomplished during the next fiscal year. Many of the projects within this focus area have carried over from the previous fiscal year due to the processing of applications and the adjustment in staffing resources. As we are in the second year of the SOI/MSR cycle (2018-2022), staff anticipates that this multi-year project will go beyond 2022.

Strategic Area Three

Provide leadership on effort to transition unincorporated areas of high interest for the County and adjacent cities through the OC LAFCO Unincorporated Areas Program.

Today, the inventory of the County unincorporated areas includes 10 large areas (over 150 acres) and 14 small islands (150 acres and under). Excluding the unincorporated Canyon and south Orange County areas, the total of County unincorporated land remaining includes slightly more than 10,000 acres. Through the Commission's proactive leadership and collaboration with the County and multiple cities over the past two years, eight unincorporated areas were successfully annexed. The success is a result of the Commission identifying this project as a key priority, and the proposed Work Plan carries this effort forward by identifying additional areas for potential annexation.

Strategic Area Four

Engage the South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.

Commission staff has continued to meet with the Rancho Mission Viejo (RMV) representatives to stay apprised of the development of 14,000 homes projected to be the residence of 38,000 Orange County residents. While the build-out of the community is not expected until 2033 or beyond, continued engagement with RMV representatives will be useful in future discussions involving governance within the southern portion of the County. The proposed Work Plan maintains this as a key project for the next cycle.

Earlier this year, staff also began discussions with the South Orange County Unincorporated Communities (SOCUC). Staff invited the communities to participate in a working group to discuss social and economic interests and other areas relative to future governance. As the effort was impacted in part by the pandemic, it is included in the proposed Work Plan. The SOCUC include the areas of Coto de Caza, Ladera Ranch, Los Flores, Stonecliffe and Wagonwheel.

Strategic Area Five

Develop a program that enhances communication with local agencies and communities.

During the past work plan cycle, the Commission worked with consultant CV Strategies to complete an assessment of OC LAFCO's existing communication vehicles and to identify new tools that would enhance communication with local agencies and communities. The next key milestone has been included in the proposed Work Plan and involves the implementation of vehicles and strategies that will meet the goal of this strategic area. The Communications Plan with additional details on goals, deliverables, and implementation will be prepared by CV Strategies and presented to the Commission for consideration in August.

Administrative Projects

In addition to the five strategic areas, the proposed 2020-2021 Work Plan includes key administrative projects that are required by State law and Commission policy to support strong organizational effectiveness and internal efficiencies. The administrative projects include adoption of an annual budget, independent preparation of the agency's financial statements, redesign of the agency's website, and completion of the final phase of the archival and records project. Once completed, the agency website and digitization of OC LAFCO records will represent the accomplishment of a significant and multi-year effort and improvement of the agency's operational efficiencies.

Additionally, the work plan identifies other administrative activities that include the conducting of a competitive bidding process for the independent auditor and continued participation in CALAFCO committees and other events. Of notable mention is OC LAFCO's co-hosting of the 2021 CALAFCO Staff Workshop, which was rescheduled from 2020 due to the pandemic.

RECOMMENDATION

Staff recommends that the Commission:

1. Adopt the 2020-2021 OC LAFCO Work Plan.

Respectfully submitted,



CAROLYN EMERY

Attachment:

- A. Proposed 2020-2021 OC LAFCO Work Plan

**2020-2021 OC LAFCO
WORK PLAN**

(Approved: _____, 2020)

STRATEGIC AREA ONE

Prioritize and process applications for changes of organization and reorganization, sphere of influence reviews, updates and municipal service reviews.

Project	Status/Description	Project Complexity	Comments
Costa Mesa Sanitation District/Newport Beach Annexations	<p align="center">Status: Application Anticipated in Fall 2020.</p> <p>Proposed annexation to the District to align service and jurisdictional boundaries.</p>	<p align="center">Complex</p>	<p>Staff has participated in ongoing discussions with the district and city on annexation requirements.</p>
Givens Property Detachment from the City of Orange	<p align="center">Status: Application Anticipated in Summer 2020.</p> <p>Proposed detachment from the City to align jurisdictional boundaries.</p>	<p align="center">Routine</p>	<p>Staff has facilitated past meetings with County, City and landowner. Recently, staff conducted a pre-filing meeting with landowner.</p>
Laguna Woods/Laguna Hills Reorganization	<p align="center">Status: Application Anticipated in Summer 2020.</p> <p>Proposed reorganization of small areas involving the cities of Laguna Woods and Laguna Hills to clean up boundaries along common right-of-ways.</p>	<p align="center">Routine</p>	<p>Staff has participated in meetings with the City of Laguna Woods to discuss subject areas and annexation process and requirements.</p>
Orange County Sanitation District Annexations	<p align="center">Status: Application Anticipated in Fall 2020.</p> <p>Potential annexation of properties located in the Cities of Yorba Linda and Anaheim that are connected to sewer but not within the District's boundary.</p>	<p align="center">Complex</p>	<p>The areas are being reviewed as part of the District's MSR that is underway.</p>

STRATEGIC AREA ONE

Prioritize and process applications for changes of organization and reorganization, sphere of influence reviews, updates and municipal service reviews.

Project	Status/Description	Project Complexity	Comments
Sphere of Influence Update/Annexation of the City of San Juan Capistrano Water and Wastewater Systems to the Santa Margarita Water District	Status: Application Anticipated in Summer 2020. Proposed sphere of influence update and annexation of the City's water and wastewater systems to the District.	Complex	Staff has participated in discussions with the City and Santa Margarita Water District on a plan for service and other annexation requirements.

STRATEGIC AREA TWO

Complete fourth cycle of Sphere of Influence (SOI) Reviews and Updates and prepare Municipal Service Reviews (MSRs) that serve as repositories of information for affected agencies and communities.¹

Project	Description	Project Status	Project Milestone
4th Cycle of Spheres of Influence and Municipal Service Reviews	Work Program for the 4th cycle (2018-2022) of SOI reviews, updates and MSRs addressing Orange County's 34 cities and 35 special districts and other service providers.	Multi-year Project	Staff will complete the following work program components: <ol style="list-style-type: none"> 1. Update Agency Fiscal Indicators 2. Integrate Municipal Services Dashboard and Shared Services Web Program with redesigned agency website. 3. Prepare MSRs for the following regions and agencies: <ol style="list-style-type: none"> a. CSA Nos. 13, 22 and 26 b. MWDOC c. OCSD

¹ The 2018-2022 SOI/MSR timeline may be viewed at the OC LAFCO website, www.oclafco.org.

STRATEGIC AREA THREE

Provide leadership on effort to transition unincorporated areas of high interest for the County and adjacent cities through the OC LAFCO Unincorporated Areas Program.

Project	Description	Project Status	Project Milestone
County Unincorporated Areas	Develop an implementation strategy with affected stakeholders to annex islands of high interest.	Multi-year Project	Facilitate discussions with county and city staff of Anaheim and Placentia.

STRATEGIC AREA FOUR

Engage the South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.

Project	Description	Project Status	Project Milestone
South Orange County Future Governance	Engage South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.	Ongoing	<ul style="list-style-type: none"> Participate in quarterly meetings with Rancho Mission Viejo representatives to discuss development timeline and future governance. Facilitate joint discussions with the communities of Coto de Caza, Ladera Ranch, Los Flores, Stonecliffe, and Wagonwheel on social and economic communities of interests and future governance.

STRATEGIC AREA FIVE

Develop a program that enhances communication with local agencies and communities.

Project	Description	Project Status	Project Milestone
Outreach and External Relations	Implementation of Communication Plan	Multi-year Project	Implement new communication vehicles that support enhancement of agency communication.

ADMINISTRATIVE PROJECTS

The following internal efficiencies support administrative and organizational effectiveness and proactive outreach to our funding agencies and the public. These projects also involve statutory requirements.

Project	Description	Status	Project Milestone
Annual Budget	Preparation of OC LAFCO annual budget for 2021-2022	Begin Winter 2021	State law requires the Commission to adopt proposed and final budgets at two public hearings.
Annual Audit	Preparation of annual audited financial statements and presentation of Auditor's report.	Begin Fall 2020	Commission policy requires the preparation of annual audited statements by an independent auditor.
CALAFCO	<p>Continue membership with CALAFCO, attend staff workshops and conferences, and participate in CALAFCO's Legislative Committee.</p> <p>Continue to attend and participate in the bi-annual meetings of LAFCOs from the Southern Region of CALAFCO.</p>	Ongoing	<p>Participation in the following:</p> <ol style="list-style-type: none"> 1. CALAFCO Executive Board 2. CALAFCO Legislative Committee and subcommittees 3. Co-host the 2021 CALAFCO Staff Workshop 4. Southern Region Quarterly Meetings
OC LAFCO Records and Archival Systems	Final Phase of Records Digitizing	Ongoing	Digitizing of LAFCO records from 1963 to Present.
Agency Website	Redesign of the Commission Website	Ongoing	Launch the redesigned website.
Request for Proposals (RFP) for Independent Auditor	Conduct joint RFP process involving five southern region LAFCOs for the selection of independent auditor.	Begin Summer 2020	Commission policy requires conducting RFP process every six years.