

June 8, 2022

**7a** | Public  
Hearing**REGULAR MEMBERS****CHAIR**  
**Douglass Davert**  
Special District Member**VICE CHAIR**  
**Donald P. Wagner**  
County Member**IMMEDIATE PAST CHAIR**  
**Derek J. McGregor**  
Public Member**Lisa Bartlett**  
County Member**Wendy Bucknum**  
City Member**James Fisler**  
Special District Member**Mike Posey**  
City Member**ALTERNATES****Andrew Do**  
County Member**Kathryn Freshley**  
Special District Member**Peggy Huang**  
City Member**Lou Penrose**  
Public Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer  
Policy Analyst**SUBJECT:** Proposed "Hamer Island Annexation to the City of Placentia  
(IA 22-02)"**BACKGROUND**

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider an application filed by the City of Placentia to annex approximately 76 acres of unincorporated territory. The purpose of the annexation is to facilitate the delivery of municipal services more effectively and efficiently.

For over 20 years, OC LAFCO has worked collaboratively with multiple cities and the County to transition unincorporated areas to cities. The Commission's Unincorporated Areas Program represents OC LAFCO's continued commitment and leadership on this effort and contributed to bringing the Hamer Island annexation forward. If approved, annexation of the island would enhance the delivery of public services to the island residents and bring the inventory of the unincorporated areas to a remaining total of twenty-three areas.

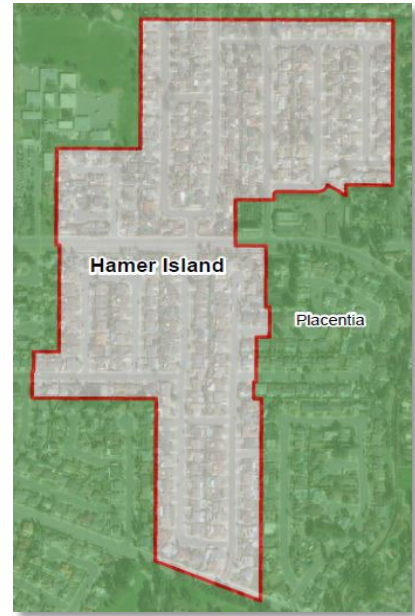
Staff recommends approval of the Hamer Island annexation to the City of Placentia. The following sections of this staff report provide additional background on the application and staff's analysis of the proposal.

**PROPOSAL**

The City of Placentia has filed an application with OC LAFCO for the annexation of an area located within the City's sphere of influence and commonly known as the "Hamer Island." In accordance with State law, the proposed annexation area is defined as a small island (less than 150 acres) and includes 326 single-family homes and approximately 1,045 residents. To complement State law, the Commission has implemented a fee waiver policy for small island annexations, which includes waiving of the OC LAFCO application fee (\$4,600) for the proposed annexation. The City remains responsible for all other fees that include charges assessed by the Orange County Clerk-Recorder and the State Board of Equalization.

### ***Location and Land Use***

Located in the northeast portion of the City's sphere of influence, the Hamer Island is completely surrounded by Placentia and is generally located north of East Palm Drive and west of Rose Drive. The subject territory includes a built out residential community. The City has indicated that the land use designation within its general plan of Single-Family Residential will remain the same, and rezoning of the area has been identified as Low Density Residential.



### **STAFF ANALYSIS**

In 1973, the Commission established the SOI for the City of Placentia, which included the Hamer Unincorporated Island. During subsequent SOI reviews and updates, the City's SOI was reaffirmed to include this area. Additionally, service delivery within the City's SOI was reviewed in municipal service reviews prepared in 2007, 2008, and 2013. Each MSR and SOI review noted the City of Placentia as the most logical provider of municipal services to the Hamer Island. Currently, the City provides fire protection and emergency medical services through an out-of-area service agreement to the island. Additional details on that agreement, along with staff's analysis of the City's proposal, are provided in the next section of this report.

### ***Authorization of Fire and Emergency Services***

On June 29, 2020, the Commission authorized an out-of-area service agreement (OASA) for the City of Placentia to provide fire protection and emergency medical services to the Hamer Island. The OASA between the County of Orange and the City, which officially began on July 1, 2020, ensures that the island residents will be served by the closest emergency medical units available through the City's Fire Station No. 2, approximately a quarter of a mile away from the center of the island. The transition of this key service to the City has resulted in providing the residents with a much faster response time than being served by Fire Authority Station No. 10, approximately 2.25 miles from the island.

In accordance with State law, the OASA was authorized contingent upon the City subsequently filing an application to annex the Hamer Island. Annexation of the island would allow the City of Placentia to continue providing fire protection and emergency services and begin providing other key municipal services that include planning, police protection, and parks and recreation. Upon annexation, the OASA would sunset accordingly.

### ***Hamer Island Annexation***

In 2021, OC LAFCO, City, and County staff began discussions on the annexation process and related matters for the Hamer Island. On August 18 and 25 of last year, the City, joined by OC LAFCO and the County, conducted community workshops to provide information on the

annexation process, address questions and receive comments from the residents. With the attendance of approximately 25 residents at each workshop, this community outreach was effective in assisting residents with a better understanding of the services that the City would provide upon annexation and the timeline for the process.

Following additional discussions and negotiations involving the County and City, on April 4, 2022, the City officially filed an application with OC LAFCO. The City's application proposes to annex the Hamer Island to its jurisdictional boundary and assume responsibility for most services to the residents of the island as outlined in Table 1 within this report. As the island is completely surrounded by Placentia, access to the area is through City right-of-ways that include Yorba Linda Boulevard, which borders the northern portion of the island and East Palm Drive, which provides access at the southern portion of the area. Because of the proximity of the Hamer Island to the City's limits, staff's analysis concludes that the annexation would facilitate more efficient and effective delivery of municipal services and would avoid duplication of service delivery within the area. As the City has demonstrated, within the application and other efforts, its interest and capability of adequately providing services to the residents of the Hamer Island, staff is recommending approval of the proposed annexation.

Table 1- Current and Proposed Service Provision for the Hamer Island		
Service	Provider (current)	Provider (upon annexation)
Animal Control	County of Orange	County of Orange
Fire Protection	City of Placentia	City of Placentia
Library Service	Placentia Library District	Placentia Library District
Parks & Recreation	County of Orange	City of Placentia
Planning	County of Orange	City of Placentia
Police Service	Orange County Sheriff	City of Placentia
Retail Water/ Wastewater	Yorba Linda Water District	Yorba Linda Water District
<b><u>Regional Providers (No Change)</u></b> Municipal Water District of Orange County Orange County Cemetery District Orange County Sanitation District Orange County Mosquito and Vector Control Orange County Water District		

Additionally, State Law requires the Commission to review and consider several factors for the application. The details of those factors are presented in **Attachment 1**.

### ***Other Statutory Requirements***

#### **Exchange of Property Tax Revenues**

California Revenue and Taxation Code Section 99 (Tax Code) requires the City and County to adopt property tax resolutions for proposed changes of organization and reorganization. On March 15 and April 26, 2022, the City of Placentia and the County of Orange adopted property tax exchange resolutions, respectively, for the proposed annexation. In accordance with the Master Property Tax Agreement (Resolution No. 80-1975), the County shall receive 47.34 percent and the City shall receive 52.66 percent of the County's share of the one percent basic levy of property tax generated within the annexation area. Additionally, as the City provides its own fire protection services and has been providing fire protection and EMS services to the annexation area since July 1, 2020, it shall receive 100% of the Structural Fire Fund generated in the annexation area.

#### **Environmental Review**

On February 17, 2022, the City of Placentia, as the lead agency under the California Environment Quality Act (CEQA) for the proposal, filed a Notice of Exemption with Orange County Clerk-Recorder. As a responsible agency, OC LAFCO is required to review the environmental documentation prepared by the City in its consideration of the proposed annexation. A Notice of Exemption is included within this report for the Commission's review.

#### **Protest Proceedings**

In accordance with Government Code Section 56375.3 (a), the Commission shall approve, after notice and hearing, the annexation of the Hamer Island to the City of Placentia and waive protest proceedings. The waiver of the protest proceedings applies under this statute as the subject territory is under 150 acres and qualifies as a small island.

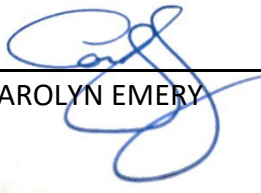
### **RECOMMENDED ACTIONS**

As the proposed annexation would facilitate a more logical boundary and the effective and efficient delivery of municipal services to the residents of the island, staff recommends the Commission take the following actions:

1. Confirm that OC LAFCO has reviewed the information contained within the Notice of Exemption prepared by the City of Placentia as the lead agency and filed with the Orange County Clerk-Recorder.
2. As a responsible agency, direct the Executive Officer to file the Notice of Exemption for the "Hamer Island Annexation to the City of Placentia (IA 22-02)" with the Orange County Clerk-Recorder. (Exhibit A)
3. Adopt OC LAFCO Resolution No. IA 22-02 approving the "Hamer Island Annexation to the City of Placentia." (Attachment 2)

4. Waive protest proceedings for the "Hamer Island Annexation to the City of Placentia (IA 22-03)" in accordance with Government Code Section 56375.3.

Respectfully submitted,

  
CAROLYN EMERY  
GAVIN CENTENO

Attachments:

1. 56668 Factors Considered by the Commission
2. OC LAFCO Resolution No. IA 22-02

**Factors Considered in Review of the  
“Hamer Island Annexation to the City of Placentia (IA 22-02)”**

**I. Population and population density, land area and land use, and assessed valuation.**

- The subject territory includes approximately 1,045 residents.
- The land use designation for the proposed 76-acre annexation is currently identified as Single-Family Residential in the City of Placentia's General Plan.
- The subject territory includes a built out residential community, and in accordance with Government Code Section 56375, the City has indicated that the land use designation will remain the same as identified currently within the City's General Plan and rezoning of the area has been identified as Low Density Residential, consistent with the General Plan.
- The subject territory is within Tax Rate Areas 80-003 and 80-020.
- The total assessed valuation for the proposed annexation territory is \$128,037,124.

**II. Organized community services, present cost and adequacy, and future needs of governmental services, and probable effect of the proposed annexation.**

- The City of Placentia provides fire protection and emergency medical services to the area through an out-of-area service agreement (OASA). Upon annexation, the City of Placentia will be responsible for key municipal services, except local water and wastewater services, to the area, and the OASA will sunset accordingly. The Yorba Linda Water District will continue to provide local water and wastewater services to the subject territory.
- If the Commission approves the proposed annexation, it will not affect the City of Placentia's ability to adequately provide services to the residents of the City. The table below depicts the current and future service providers to the subject territory.

**Table 1- Current and Proposed Service Provision for the Hamer Island**

<b>Service</b>	<b>Provider (current)</b>	<b>Provider (upon annexation)</b>
<b>Animal Control</b>	County of Orange	County of Orange
<b>Fire Protection</b>	City of Placentia	City of Placentia
<b>Library Service</b>	Placentia Library District	Placentia Library District
<b>Parks &amp; Recreation</b>	County of Orange	City of Placentia
<b>Planning</b>	County of Orange	City of Placentia
<b>Police Service</b>	Orange County Sheriff	City of Placentia
<b>Retail Water/ Wastewater</b>	Yorba Linda Water District	Yorba Linda Water District
<b><u>Regional Providers (No Change)</u></b>		
Municipal Water District of Orange County		
Orange County Cemetery District		
Orange County Sanitation District		
Orange County Mosquito and Vector Control		
Orange County Water District		

**III. Effect on adjacent areas, mutual social and economic interests, local government structure.**

- Upon annexation the City of Placentia would be the local governing body for the subject territory. The annexation will not have an effect on adjacent areas and mutual social and economic interests.

- IV. **The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Government Code Section 56377.**
- The proposed annexation does not include any open space lands.
  - The subject territory's land use is consistent with the City of Placentia's General Plan land use designation and zoning.
  - The proposed annexation was processed in accordance with Commission policies and procedures and is consistent with the priorities set forth in Government Code Section 56377.
- V. **Effect on maintaining the physical and economic integrity of agricultural lands.**
- No agricultural lands are contained within or adjacent to the subject territory.
- VI. **The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.**
- The proposed annexation has been reviewed by staff and does not create any islands or corridors of unincorporated territory.
- VII. **Regional Transportation Plan (RTP) adopted and Consistency with city or county general and specific plans.**
- The proposed annexation is consistent with the City of Placentia's General Plan and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that were adopted for the region by the Southern California Association of Governments.
- VIII. **Sphere of Influence of Local Agencies.**
- The subject territory is within the City of Placentia's sphere of influence and is completely surrounded by the City.
  - The unincorporated island is also within the spheres of influence of the following agencies: Municipal Water District of Orange County, Orange County Cemetery District, Orange County Mosquito and Vector Control District, Orange County Sanitation District, Orange County Water District, and Yorba Linda Water District.
- IX. **The proposal's consistency with city or county general and specific plans.**
- Land use for the subject territory is designated within the City of Placentia's General Plan as Single-Family Residential.
- X. **Comments from affected agencies and/or other public agency.**
- In accordance with Government Code Section 56658(b), on May 3, 2022, all affected agencies were notified of the proposal. During the comment period, no comments on the proposed annexation were received.
- XI. **Ability of newly formed or receiving entity to provide services to proposal area and sufficiency of revenues for those services.**
- The City of Placentia has sufficient revenues and can provide adequate municipal services to the proposed territory.

- XII. Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.**
- The annexation of the subject territory to the City of Placentia will not interrupt or alter the current service provision and the availability of water supplies as specified in Government Code Section 65352.5. Yorba Linda Water District currently provides retail water and wastewater services to the affected territory. Wholesale water and groundwater is currently provided by the Municipal Water District of Orange County and Orange County Water District, respectively. Upon annexation, the local water and wastewater service providers will remain the same and can adequately provide these services to the affected territory.
- XIII. Extent to which the proposal will affect a City(ies) and the county in achieving their respective fair shares of the regional housing needs.**
- There were no comments received from the City of Placentia or the County of Orange regarding the extent to which the proposal will affect their respective allocation of the regional housing needs.
- XIV. Information or comments from landowners, voters, or residents within affected territory.**
- In accordance with Government Code Section 56157, a notice of the public hearing was mailed to all landowners within the subject territory and 300 feet of the exterior boundary of the subject territory. At the date of the agenda distribution on June 1, 2022, no written comments had been received.
- XV. Information relating to existing land use designations.**
- The existing land use designation for the subject territory in the City's General Plan as Single-Family Residential.
- XVI. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**
- Upon annexation of the subject territory to the City of Placentia, the residents of the area will receive the same municipal services currently provided to all City residents.
- XVII. Information contained in a local hazard mitigation plan, information contained in safety element of a general plan, and any maps that identify land as very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to 4102 of the Public Resources Code.**
- Government Code Section 51178 requires the California Department of Forestry and Fire Protection (CAL FIRE) to identify "very high fire hazard severity zones" using consistent statewide criteria. The Orange County Board of Supervisors has adopted the very high fire hazard Severity Zones Map for unincorporated Orange County and the Hamer Island is not located within a very high fire hazard severity zone.



IA 22-02

**RESOLUTION OF THE LOCAL AGENCY  
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA  
MAKING RESPONSIBLE AGENCY FINDINGS UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT AND APPROVING THE “HAMER ISLAND  
ANNEXATION TO THE CITY OF PLACENTIA (IA 22-02)”**

**JUNE 8, 2022**

On motion of Commissioner \_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, the proposed annexation, designated as “Hamer Island Annexation to the City of Placentia (IA 22-02),” was hereto filed with and accepted for filing on May 17, 2022 by the Executive Officer of the Local Agency Formation Commission of Orange County (“LAFCO”) 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 56658 set June 8, 2022 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 therein and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposed annexation, consists of the annexation of approximately 76 acres of inhabited territory to the City of Placentia; and

WHEREAS, the City of Placentia served as the lead agency for the environmental review and analysis for the proposal, pursuant to the requirements of the California Environmental Quality Act (Public Resources Code section 21000 et seq.) and the State CEQA Guidelines (14 Cal. Code Regs., § 15000 et seq.) (“CEQA”); and

WHEREAS, pursuant to CEQA, on February 17, 2022, the City of Placentia adopted a Notice of Exemption (“NOE”) for the proposal; and

WHEREAS, LAFCO has been asked to approve the proposed “Hamer Island Annexation to the City of Placentia (IA 22-02)”; and

WHEREAS, LAFCO is thus a “responsible agency” for the proposal under CEQA because it has limited approval and implementing authority over the proposal; and

WHEREAS, LAFCO, at its agendized public hearing on June 8, 2022, independently reviewed and considered the NOE and other related documents in the record before it; and

WHEREAS, as contained herein, LAFCO has endeavored in good faith to set forth the basis for its decision on the proposal; and

WHEREAS, this Commission called for and held a public hearing on the proposal on June 8, 2022, and at the public 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, all of the findings and conclusions made by LAFCO pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and not based solely on the information provided in this Resolution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, LAFCO does hereby resolve as follows:

Section 1. LAFCO Findings.

The subject territory is found to be inhabited, is within the City of Placentia’s Sphere of Influence, and is assigned the following distinctive short-form designation, “Hamer Island Annexation to the City of Placentia (IA 22-02).” The Resolution (IA 22-02)

proposal consists of the annexation of approximately 76 acres generally located north of east Palm Drive and west of Rose Drive (Exhibit B).

Section 2. Compliance with the Environmental Quality Act.

As the decision-making body for LAFCO, and in LAFCO's limited role as a responsible agency under CEQA, the Commission has reviewed and considered the information contained in the NOE, and all supporting documentation, copies of which are on file at LAFCO's office and are incorporated by reference as though set forth fully herein. Based on this review, the Commission concurs with the City of Placentia's conclusion that the proposal is exempt from CEQA, as set forth in greater detail in the City's NOE, which was filed with the Orange County Clerk-Recorder on February 17, 2022. Specifically, the Commission finds that the proposal is categorically exempt from CEQA under the Class 19 exemption set forth in State CEQA Guidelines section 15319 (a) concerning the annexations of existing facilities and lots for exempt facilities. The proposal is comprised of administrative action (i.e., government reorganization and administrative boundary changes) that would not result in either a direct, or reasonably foreseeable indirect, physical change in the environment.

Section 3. The proposal is approved subject to the following terms and conditions.

- a) Upon annexation of the territory to the City of Placentia, all right, title, and interest of the County, including easements and/or the underlying fee title where owned by the County in any and all sidewalks, trails, landscaped areas, street lights, open space, public roads, adjacent slopes, traffic signals, storm drains and culverts, appurtenant facilities and site drainage that are within the annexation area shall vest in the City of Placentia, except for those properties to be retained by the County and specifically listed by these conditions.
- b) The "Pre-Annexation Agreement" entered into and executed by and

between the City of Placentia and the County of Orange, dated as of April 26, 2022 is incorporated herein and adopted by the Commission by this reference as though fully set forth in this Section 4, and is attached hereto as Exhibit C.

- c) Upon the effective date of this annexation, the owners, tenants, occupants of the territory, as applicable, shall be subject to any and all charges, fees, assessments, and taxes previously adopted and authorized by the City of Placentia that are generally applicable to other properties within the City of Placentia's territory.
- d) Payment by the City of Placentia of County Clerk-Recorder and State Board of Equalization fees is a condition of approval.
- e) The effective date shall be the date of recordation of the LAFCO Certificate of Completion.

Section 4. Notice of Exemption.

The Commission directs staff to file a Notice of Exemption with the Orange County Clerk-Recorder within five working days of the adoption of this Resolution.

Section 5. Conducting Authority Proceedings.

The Commission shall waive conducting authority proceedings in accordance with Government Code Section 56375.3.

Section 6. Custodian of Records.

The documents and materials that constitute the record of proceedings on which this Resolution and the above findings have been based are located at the offices of LAFCO. The custodian for these records is the Local Agency Formation Commission of Orange County, 2677 North Main Street, Suite 1050, Santa Ana, California 92705.

AYES:

NOES:

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF ORANGE )

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 8<sup>th</sup> day of June 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 8<sup>th</sup> day of June 2022.

DOUGLASS DAVERT  
Chair of the Local Agency Formation  
of Orange County

By: \_\_\_\_\_  
DOUGLASS DAVERT

**NOTICE OF EXEMPTION**

TO:	FROM:	Orange County Local Agency Formation Commission ( <b>Responsible Agency</b> )
<input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	(Public Agency)	
<input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 211 W. Santa Ana Blvd. Santa Ana, CA 92701	Address	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1.	Project Title:	“Hamer Island Annexation to the City of Placentia (IA 22-02)”
2.	Project Applicant:	City of Placentia 401 East Chapman Avenue Placentia, CA 92870
3.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	The project is generally located north of East Palm Drive and west of Rose Drive and within the City of Placentia’s sphere of influence. (Vicinity map attached.)
4.	(a) Project Location – District	
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	The project involves the annexation of approximately 76 acres of inhabited and unincorporated territory to the City of Placentia. The purpose of the proposal is to facilitate the effective and efficient delivery of municipal services to the residents of the subject territory.
6.	Name of Public Agency approving project:	Orange County Local Agency Formation Commission
7.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	City of Placentia
8.	Exempt status: (check one)	

**EXHIBIT A**

(a)	<input type="checkbox"/>	Ministerial project.	(Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b)	<input type="checkbox"/>	Not a project.	
(c)	<input type="checkbox"/>	Emergency Project.	(Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15269(b),(c))
(d)	<input checked="" type="checkbox"/>	Categorical Exemption. State type and section number:	Annexations of Existing Facilities and Lots for Exempt Facilities Class 19 § 15319
(e)	<input type="checkbox"/>	Declared Emergency.	(Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f)	<input type="checkbox"/>	Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g)	<input type="checkbox"/>	Other. Explanation:	
9.	Reason why project was exempt:		The change in the organization of a local governmental agency does not change the geographical area.
10.	Lead Agency Contact Person:		Joseph Lambert, Director of Development Services
	Telephone:		(714) 667-8870
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.		
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
13.	Was a public hearing held by the Lead Agency to consider the exemption? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, the date of the public hearing was: February 17, 2022		

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: Executive Officer

Name:

☒ Signed by Responsible Agency      ☐ Signed by Applicant

Date Received for Filing: \_\_\_\_\_

(Clerk Stamp Here)



Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.



**Hamer Island**

**Placentia**

**Legend**

-  PROPOSED ANNEXATION
-  PLACENTIA

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

**"Hamer Island Annexation to the City of Placentia (IA 22-02)"**

Vicinity Map

0 0.2 Miles





ORIGINAL  
CLERK OF THE BOARD  
ORANGE COUNTY

**PRE-ANNEXATION AGREEMENT BY AND BETWEEN  
COUNTY OF ORANGE AND CITY OF PLACENTIA**

The County of Orange, hereinafter referred to as "COUNTY", and the City of Placentia, hereinafter referred to as "CITY", with both parties collectively referred to hereinafter as "parties", enter into this pre-annexation agreement ("Agreement"), with reference to the annexation of a certain unincorporated island that falls within CITY'S sphere of influence;

WHEREAS, an unincorporated area of the COUNTY, known as the "Hamer Island," is located entirely within the CITY's geographic boundaries and sphere of influence, is comprised of approximately 76 acres of inhabited property depicted in Exhibit 1 hereto, and the COUNTY is proposing the annexation of "Hamer Island" into the CITY; and

WHEREAS, Revenue and Taxation Code section 99 provides that prior to the effective date of any jurisdictional change, the affected agencies of such change shall negotiate the amount of property tax revenues to be changed; and

WHEREAS, the CITY and COUNTY have met and negotiated both a property tax exchange and other consideration, all of which is conditional upon the annexation of the Hamer Island becoming final and effective; and

WHEREAS, upon recordation of the approved annexation and assumption of services by the CITY, the CITY shall receive a one-time compensation of \$1,500,000 to be used for public improvements and maintenance projects; and

NOW, THEREFORE, based on the foregoing recitals which are hereby incorporated into this agreement, and in consideration of the parties' mutual agreements

and promises hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Purpose.**

The parties have determined that annexation of Hamer Island would benefit both the COUNTY and CITY. Policies of the Orange County Local Agency Formation Commission ("LAFCO") favor the annexation of unincorporated areas so as to encourage the orderly and efficient provision of municipal services. The CITY has the capacity and authority to provide all required municipal services to Hamer Island, including but not limited to fire and safety services and reviews; waste and recycling services; land use reviews; acceptance of applications and processing, review, approval, conditional approval, modification, amendment and/or disapproval of any and all land use entitlements, building and grading permits and development approvals; inspection of any construction work and improvement as normally conducted by a city to determine compliance with any development approval, and issuance of final clearances or certificates of occupancy. The CITY shall assume and provide all such municipal services upon the effective date of annexation, unless otherwise provided herein.

**2. CITY'S Application.**

Within 90 days of the execution of this Agreement, the CITY will file an application for and diligently pursue annexation of the Hamer Island with LAFCO. The parties assert Hamer Island qualifies for the streamlined change of organization provisions of California Government Code Section 56375.3(a), LAFCO cannot deny a proper application for annexation submitted by the CITY, and protest proceedings would

be waived.

**3. Property Tax Exchange.**

Upon recordation of LAFCO's resolution approving the annexation of the Hamer Island and the assumption of services by the CITY, the COUNTY and CITY agree to exchange of property taxes generated within Hamer Island as follows:

- (a) The COUNTY shall receive 47.3376 percent and the CITY shall receive 52.6624 percent of the COUNTY's share of the 1 percent basic levy of property tax from the annexations, with the re-allocation taking effect after LAFCO approval of the annexation. These proportional shares shall remain as the allocation of tax revenues between the CITY and the COUNTY for the annexations for all future years unless the CITY and COUNTY agree by written resolution to adjust the allocation proportions.
- (b) The CITY shall receive a one-time compensation of \$1,500,000 to be used for public improvements and maintenance projects.
- (c) As the CITY provides its own fire protection services and does not contract with the Orange County Fire Authority, the CITY shall receive one hundred percent (100%) of the Structural Fire Fund generated from the annexed area and facilities for all future years.

**4. Open Code Enforcement Cases.**

The COUNTY commits to making its best effort to close out open code enforcement and building safety/planning cases prior to the date of annexation, with the understanding that CITY agrees that COUNTY shall be entitled to charge, receive and retain all code enforcement fine amounts, which shall be the

COUNTY's sole consideration for all services performed in closing such open cases. For code enforcement cases that still remain open on the date of annexation, the COUNTY shall administer the cases to completion, using COUNTY ordinances and code enforcement procedures. Otherwise, the CITY assumes these responsibilities upon the effective date of annexation.

**5. Permits and Plan Check Issues.**

CITY agrees that COUNTY shall be entitled to charge, receive and retain all customary fees for open cases that continue past the date of annexation, including planning application, building permit fees, grading fees, and inspection fees. The fees shall be the COUNTY's sole consideration for all services performed in closing such open cases. Otherwise, the City assumes these responsibilities upon the effective date of annexation.

**6. Fees.**

CITY will request that LAFCO allow this annexation to be processed under the former "small island annexation program" so that LAFCO fees and map and legal fees are waived for the CITY.

**7. Right, Title, Other Responsibilities and Deeds.**

COUNTY and CITY agree to execute, in recordable form, such documents as may be required to effectuate the annexation. All right, title and interest of the COUNTY, including but not limited to underlying fee title where owned by the COUNTY in any public places, infrastructure, roads, streets, bridges, storm drains, utilities, sidewalks, trails, bikeways, landscaped areas, street lights, traffic signals, signs, open space and parks shall vest in the CITY and the CITY shall assume all

ownership and maintenance responsibilities thereto upon the effective date of annexation. If any transfer of ownership of real property that would not automatically result from the annexation is necessary to carry out the objectives of this agreement, the COUNTY will execute, in recordable form, such deeds or other documents as may be required to accomplish those objectives.

**8. Remedies.**

In the event of a breach of this Agreement, the non-breaching party shall have the right to pursue against the breaching party, any and all remedies that are available at law or in equity for breach of a contractual agreement.

**9. Organization.**

The various headings and numbers herein, the grouping of provisions of this Agreement into separate clauses and paragraphs, and the organization thereof, are for the purpose of convenience only and shall not be considered otherwise.

**10. Amendments.**

Any changes to this Agreement shall be in writing and shall be properly executed by both parties.

**11. Partial Invalidity.**

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the reminder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

**12. Governing Law and Venue.**

This Agreement has been negotiated and executed in the County of Orange, State

of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394.

**13. Termination.**

This Agreement may terminate upon the failure of either party to fail to fulfill its obligations under Sections 1 through 4 as provided herein.

**14. No Third-Party Beneficiaries.**

The parties expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. No person or entity not a signatory to this Agreement will have any rights or causes of action against the CITY or COUNTY, or any combination thereof, arising out of or due to CITY'S or COUNTY'S entry into this Agreement.

**15. Notices.**

All notices or other communications required hereunder shall be in writing and shall be personally delivered (including by means of professional messenger service), or sent by registered or certified mail, postage prepaid, return receipt required, or by electronic facsimile transmission followed by delivery of a "hard" copy, and shall be deemed received on the date of receipt thereof. Unless otherwise indicated in writing, such notice shall be sent addressed as follows:

To CITY:

City of Placentia  
401 E. Chapman Avenue  
Placentia, CA 92870  
Attn: City Administrator  
Telephone: (714) 993-8118  
Facsimile: (714) 961-0283

To COUNTY:

County Executive Officer  
Attn. Frank Kim  
333 W. Santa Ana Blvd.  
Santa Ana, CA 92701

**16. Counterparts.**

This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

**17. Entire Agreement.**

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

**18. Further Acts.**

The parties agree to execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

**19. Indemnification.**

Each party agrees to indemnify, defend with counsel approved in writing by the

other party, and hold the other party, and their officials, officers, employees and agents free and harmless from any claim, loss, damage, or injury to property or persons, including wrongful death, in any manner arising out of or incident to any negligent act, omission or willful misconduct of the agreeing party, their respective officers, employees or agents, arising out of or in connection with the execution or performance of this Agreement, including without limitation the payment of attorney fees.

**20. Waiver.**

The failure of any party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any party's waiver of any breach hereunder, whether unless in writing, shall not relieve any other party of any obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving party's actions are intentional or unintentional.

**21. Authorization to Execute.**

The signatories to this Agreement warrant that they have been lawfully authorized by their respective parties to execute this Agreement on their behalf.

**22. Recordation.**

The CITY shall cause this Agreement to be recorded with the Orange County Recorder's Office within 60 days of the last signature required on this Agreement, or upon receipt of LAFCO's resolution approving this annexation, whichever occurs last.

**23. Severability.**



If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership, or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are declared to be severable.

**24. Prohibition Against Assignment.**

Neither CITY nor COUNTY may assign this Agreement or any interest in it without the prior written consent of the other.

**25. Exhibit.**

This Agreement incorporates by this reference, the following Exhibit, which is attached hereto:

Exhibit 1 – Hamer Island Description/Depiction

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below:

CITY OF PLACENTIA

By   
Damien R. Arrula  
City Administrator, City of Placentia

Date 03/29/22

APPROVED AS TO FORM:

By Christian Bettenhausen  
Christian L. Bettenhausen  
City Attorney

Date 3/29/2022

COUNTY OF ORANGE, a political  
subdivision of the State of California

By   
Chairman, Board of Supervisors

Date 4/20/22

APPROVED AS TO FORM:  
OFFICE OF COUNTY COUNSEL


By   
Deputy

Date 4.6.22



FACSIMILE SIGNATURE AUTHORIZED  
PER G.C. SEC. 25103, RESO 79-1535  
SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED  
TO THE CHAIR OF THE BOARD

ATTEST:

  
ROBIN STIELER-Valerie Sanchez  
CLERK OF THE BOARD OF SUPERVISORS  
ORANGE COUNTY, CALIFORNIA Chief Deputy

**EXHIBIT 1**

**Hamer Island Description/Depiction**

EXHIBIT 1

Map

