

August 10, 2022

8a | 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**Peggy Huang**
City Member**ALTERNATES****Andrew Do**
County Member**Kathryn Freshley**
Special District Member**Lou Penrose**
Public Member**Vacant**
City Member**STAFF****Carolyn Emery**
Executive Officer**Scott Smith**
General Counsel**TO:** Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Assistant Executive Officer**SUBJECT:** Proposed "OCSD Annexation Areas (Anaheim/Yorba
Linda/Villa Park) (DA 21-05)"**BACKGROUND**

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider a change of organization application filed by the Orange County Sanitation District (OCSD) for the annexation of approximately 1,300 parcels located within the cities of Anaheim, Villa Park, and Yorba Linda. The purpose of the annexation is to include the parcels within OCSD's jurisdictional service boundary, allowing the District to collect appropriate fees to continue or begin providing regional wastewater services within the subject areas.

Staff recommends approval of the proposal, and the following sections of this staff report provide additional background on the application and staff's analysis of the proposal.

PROJECT APPLICATION

OCSD has operated as the successor agency to the former county sanitation districts since the consolidation of the districts in 1998. Formed under the County Sanitation District Act, OCSD was established to provide regional wastewater services within the boundaries of 20 cities and four special districts. On September 9, 2020, OC LAFCO adopted Municipal Service Review (MSR) and Sphere of Influence Review (SOI) determinations for OCSD that revealed several parcels within the cities of Anaheim, Villa Park, and Yorba Linda are receiving regional wastewater services from OCSD but are not within the District's jurisdictional boundary, preventing the District from collecting appropriate fees for this service. In part to the MSR, OC LAFCO recommended that the District initiate annexation of these areas to reconcile this issue.

Subsequently, OCSD filed an application by board resolution to annex approximately 1,300 parcels located within the Cities of Anaheim, Villa Park, and Yorba Linda. If approved, the parcels will be included within

OCSD's jurisdictional boundary and appropriate fees collected from the respective landowners.

Location and Land Use

The general locations and land use designations for the subject areas are referenced in the table below and depicted in the vicinity map (**Attachment 1**):

Area	City	General Location	Land Use Designation
1	Anaheim	Fairmont Blvd. & Santa Ana Canyon Rd.	Estate Density (RH-1 and RH-2)
2	Anaheim	Stage Coach Rd. & Nohl Ranch Rd.	Low Medium Hillside (RS-3, RS-4, and RM-S)
3	Villa Park	Adams Ranch Rd. & Center Dr.	Estate Low Density Residential (SFR)
4	Yorba Linda	Yorba Linda Blvd. & Yorba Ranch Road	Residential Medium (RM)
5	Yorba Linda	Esperanza Rd. & Yorba Linda Blvd.	Residential Medium High (RM) and Commercial (C)

ANALYSIS

The purpose of the proposed annexation is to align OCSD's service boundary to include the subject areas within the District's service boundary. A tool provided by State law to LAFCOs is the authority to establish SOIs for cities and special districts. An SOI identifies the probable jurisdictional boundary and service area for cities and special districts, indicating the most logical service providers. The District's SOI was most recently reconfirmed by the Commission on September 9, 2020, and the SOI determinations confirmed that the five areas noted above are within the District's SOI, indicating OCSD as the most logical provider of regional wastewater services to the residents within these areas.

Through the MSR process and discussions with staff from OCSD, it was noted that the District is currently providing regional wastewater services to the residents within the areas without collecting an assessment for the services. In order for OCSD to continue providing effective and efficient regional wastewater services within these areas, the District needs to collect the appropriate service fees that are assessed to all parcels within OCSD's boundary for the same service. The assessment would provide the necessary funding to support OCSD's maintenance of the wastewater infrastructure and treatment facilities that collect the wastewater flows from the subject areas. In addition to OCSD's continuing to serve the residents already receiving regional wastewater service, the annexation would allow the opportunity for residents who are not currently connected to the District's system to connect their properties in the future without paying required annexation fees. If approved, the proposed annexation will align OCSD's jurisdictional and service boundaries appropriately.

Additionally, State law requires the Commission to review and consider several factors related to the proposed annexation. The details of those factors are presented in **Attachment 2**.

Other Statutory Requirements

Exchange of Property Tax Revenues

On August 18, 1998, the County of Orange Board of Supervisors adopted a Master Property Tax Agreement (Resolution No. 98-484) for enterprise special district changes of organization and reorganization. Pursuant to the Master Tax Agreement, no property tax exchange will occur as a result of this proposal.

Environmental Review

On April 30, 2021, OCSD, as the lead agency under the California Environment Quality Act (CEQA) for the proposal, filed a Notice of Exemption with the Orange County Clerk-Recorder. As a responsible agency, OC LAFCO reviews the environmental documentation prepared by the District in its consideration of the proposed annexation. A Notice of Exemption concurring with the District's findings for the proposed annexation is included within this report for the Commission's consideration.

Protest Proceedings

An approval of the proposed annexation by OC LAFCO would require protest proceedings under Government Code Section 57000. In accordance with State law and following the closing of the required 30-day reconsideration period, the Commission shall set a protest period of no less than 21 days or more than 60 days, during which registered voters and landowners within the proposed annexation area may submit written protests against the proposed annexation. Staff is recommending the Commission set a 21-day protest period for the proposal. If the annexation is approved, the protest proceedings, including the hearing and receipt of written protests will be conducted by the OC LAFCO Executive Officer in accordance with the Commission's "Policy & Procedural Guidelines for Conducting Protest Hearings."

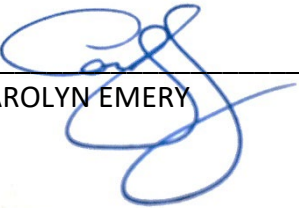
RECOMMENDED ACTIONS

Staff recommends that the Commission take the following actions:

1. Confirm that OC LAFCO has reviewed the information contained within the Notice of Exemption prepared by OCSD 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 "OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA 21-05)" with the Orange County Clerk-Recorder. (Attachment 3, **Exhibit A**)
3. Adopt OC LAFCO Resolution No. DA 21-05 approving the "OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA 21-05)." (**Attachment 3**)
4. Authorize and direct the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 et seq. and set a 21-day protest period following

the 30-day reconsideration period that is required pursuant to Government Code Section 56895.

Respectfully submitted,

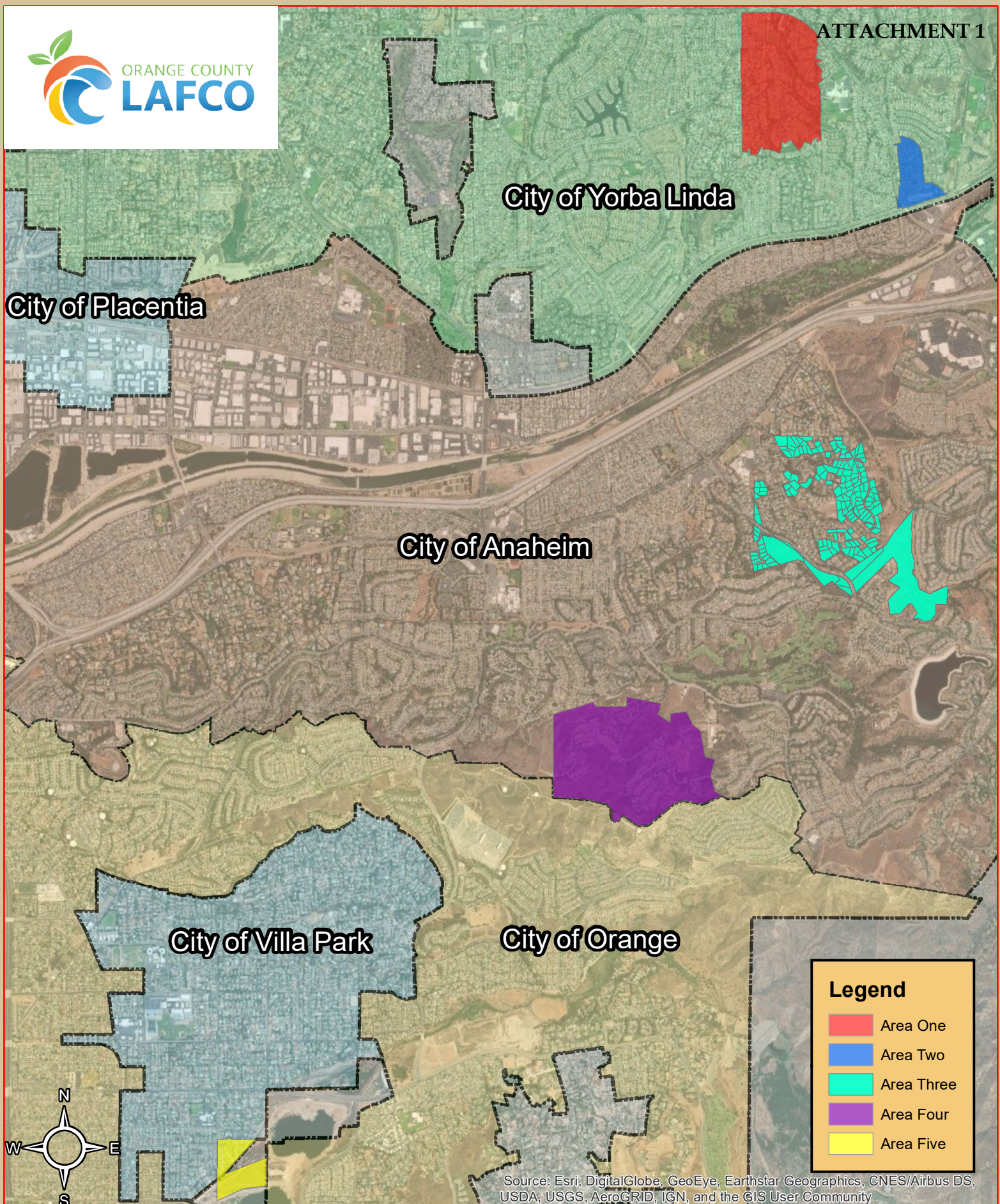


CAROLYN EMERY

LUIS TAPIA

Attachments:

1. Vicinity Map
2. 56663 Factors of Consideration
3. OC LAFCO Resolution No. DA 21-05



FACTORS CONSIDERED IN REVIEW OF PROPOSAL

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

- The general location and land use designations for the subject areas of the proposed annexation are referenced in the chart below:

Area	City	General Location	Land Use Designation
1	Yorba Linda	Yorba Linda Blvd. & Yorba Ranch Road	Residential Medium (RM)
2	Yorba Linda	Esperanza Rd. & Yorba Linda Blvd.	Residential Medium High (RM) and Commercial (C)
3	Anaheim	Fairmont Blvd. & Santa Ana Canyon Rd.	Estate Density (RH-1 and RH-2)
4	Anaheim	Stage Coach Rd. & Nohl Ranch Rd.	Low Medium Hillside (RS-3, RS-4, and RM-S)
5	Villa Park	Adams Ranch Rd. & Center Dr.	Estate Low Density Residential (SFR)

- The subject areas are within Tax Rate areas 0-011, 01-013, 01-014, 01-019, 01-058, 01-078, 01-100, 01-102, 01-103, 01-183, 01-205, 01-255, 24-002, 25-048, 25-067, 25-068, 25-075, 76-052.
- The total assessed valuation of the proposed annexation territory is \$809,632,009.

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

- The cities of Anaheim, Yorba Linda, and Villa Park provide most of the municipal services within the subject areas. Yorba Linda Water District provides retail water and wastewater services to the areas within the City of Yorba Linda. Serrano Water District provides retail water service to the area within the City of Villa Park.
- OCSD is the regional wastewater service provider to the subject areas.
- If the Commission approves the proposed annexation, it would align OCSD's service boundary to include the five areas and allow the District to collect an annual assessment for the regional wastewater services from property owners already receiving the services. The assessment provides the necessary funding to support OCSD's maintenance of the wastewater infrastructure and treatment facilities that collect the regional wastewater flows from the subject areas. Additionally, properties within the areas that are not currently connected to the regional wastewater system would have the ability to connect and receive regional wastewater services.

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

Government Code § 56375 (a)(1) Allows the Commission the authority to "review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission."

- Approval of the proposed annexation will not have an effect on adjacent areas.

- The proposed annexation will result in the alignment of OCSD's service boundary that will allow the District to collect a service fee from the properties receiving the services that is assessed to all parcels within OCSD for the same service.

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 open space lands.
- 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 land is contained within or adjacent to the subject areas.

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 boundary 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 of the territory is consistent with the Cities' General Plans and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that have been adopted for the region by the Southern California Association of Governments.

VIII. Sphere of Influence of Local Agencies

- The subject areas are located within the SOIs of the following agencies: OCSD, Yorba Linda Water District, Serrano Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Mosquito and Vector Control District, and Orange County Water District.

IX. The proposal's consistency with city or county general and specific plan.

- Land uses for the subject areas are designated within the cities of Anaheim, Villa Park, and Yorba Linda general plans.

X. Comments from affected agencies and/or other public agency

- In accordance with Government Code Section 56658(b), on April 12, 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

- OCSD can provide adequate regional wastewater services to the subject territory.

XII. Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5

- The proposed annexation to Orange County Sanitation District will not interrupt or alter current service provisions or the timely availability of water supplies adequate for the projected needs of the area. Upon annexation, the provision of retail water will continue to be adequately provided by the City of Anaheim, Yorba Linda Water District, and Serrano Water District.

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

- Approval of the proposed annexation will not affect the cities of Anaheim, Villa Park, and Yorba Linda ability in achieving their respective fair shares 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 public hearing was published in the Orange County Register on Wednesday, July 19, 2022. At the date of the agenda distribution on August 2, 2022, no written comments had been received.

XV. Information relating to existing land use designation

- The existing land use designation for the subject areas are: City of Anaheim (Estate Density and Low Medium Hillside), City of Villa Park (Estate Low Density Residential), and City of Yorba Linda (Residential Medium, Residential Medium High and Commercial).

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, residents of the subject areas will receive the same wastewater services as other properties located within OCSD's service boundary.

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

- The cities of Anaheim, Villa Park, and Yorba Linda have adopted Fire Severity Zone maps and included them within their respective hazard mitigation plans.

DA 21-05

**RESOLUTION OF THE LOCAL AGENCY
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND APPROVING THE “OCSD ANNEXATION
AREAS (ANAHEIM/YORBA LINDA/VILLA PARK) (DA 21-05)”**

August 10, 2022

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

WHEREAS, the proposed annexation, designated as “OCSD Annexation Areas (Anaheim/Yorba Linda/ Villa Park) (DA 21-05)” was hereto filed with and accepted for filing on July 29, 2022 by the Executive Officer of the Local Agency Formation Commission of Orange County (OC 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 August 10, 2022 as the hearing date for 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 652 acres of inhabited territory to the Orange County Sanitation District (OCSD); and

WHEREAS, OCSD served as 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 April 30, 2021, the OCSD adopted a Notice of Exemption (“NOE”) for the proposal; and

WHEREAS, OC LAFCO has been asked to approve the proposed “OCSD Annexation Areas (Anaheim, Yorba Linda, Villa Park) (DA 21-05)”; and

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

WHEREAS, OC LAFCO, at its agendized public hearing on August 10, 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 August 10, 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 OC 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, OC LAFCO does hereby resolve as follows:

Section 1. LAFCO FINDINGS

The subject territory is found to be inhabited, is within the cities of Anaheim, Villa Park, and Yorba Linda, and is assigned the following distinctive short-form designation, “OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA

Resolution (DA 21-05)

21-05).” The proposal consists of the annexation of approximately 652 acres generally located within the cities of Anaheim, Villa Park, and Yorba Linda (Exhibit B).

Section 2. Compliance with the Environmental Quality Act.

As the decision-making body for OC LAFCO, and in OC 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 OC LAFCO’s office and are incorporated by reference as though set forth fully herein. Based on this review, the Commission concurs with OCSD’s conclusion that the proposal is exempt from CEQA, as set forth in greater detail in the District’s NOE, which was filed with the Orange County Clerk-Recorder on April 28, 2021. Specifically, the Commission finds that each of the following grounds is independently and sufficient to exempt the whole of the action from CEQA: Code Section 15320, Class 20, Changes in Organization of Local Agencies.

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

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

Section 4. Notice of Exemption.

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

Section 5. Conducting Authority Proceedings.

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 to begin after the 30-day reconsideration period required by Government Code Section 56895.

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 OC 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:

[illegible]

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above forgoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 10th day of August, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th of August, 2022.

DOUGLASS DAVERT
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Douglass Davert

NOTICE OF EXEMPTION

TO:	FROM:	Local Agency Formation Commission of Orange County (Responsible Agency)
<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: 601 N Ross St Santa Ana, CA 92701	Address:	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1.	Project Title:	“OCSD Annexation Areas (Anaheim/Yorba Lind/Villa Park) (DA 21-05)”
2.	Project Applicant:	Orange County Sanitation District 10844 Ellis Avenue Fountain Valley, CA 92708 (714) 962-2411
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 proposed annexation areas are generally located within the cities of Anaheim, Villa Park, and Yorba Linda. (see map attached)
4.	(a) Project Location – City	Anaheim, Villa Park, and Yorba Linda.
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	This project consists of the annexation of five areas located within the cities of Anaheim, Villa Park, and Yorba Linda, to the Orange County Sanitation District (OCSD). The purpose of the annexation is to include the areas within OCSD’s jurisdictional boundary to allow the District to collect the appropriate fees to continue providing regional wastewater services within the subject areas.
6.	Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
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:	Orange County Sanitation District

EXHIBIT A

8. Exempt status: (check one)	
(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: Change of Organization of Local Agencies Class 20 § 15320
(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 agency does not change the geographical area.
10. Lead Agency Contact Person:	
Telephone:	
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: April 28, 2021	

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Responsible Agency ☐ Signed by Applicant

Date Received for Filing: _____

(Clerk Stamp Here)