

**LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY**

REGULAR MEETING AGENDA

**Wednesday, May 10, 2023
8:15 a.m.**

**County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W. Civic Center Drive, Santa Ana, CA 92701**

Any member of the public may request to speak on any agenda item at the time the Commission is considering the item.

- 1. CALL THE MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Communications received after agenda distribution for agendized items.)**
- 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 by the Commission on off-agenda items unless authorized by law.

6. CONSENT CALENDAR

a.) April 12, 2023 – Regular Commission Meeting Minutes

The Commission will consider approval of the April 12, 2023 meeting minutes.

b.) Proposed “Area Property Annexation to the City of Brea (CA22-07)”

The Commission will consider the proposed annexation of approximately 1.45 acres of unincorporated area to the City of Brea. As the responsible agency, the Commission will

also consider the Notice of Determination prepared in accordance with the California Environmental Quality Act (CEQA) for the proposed annexation.

c.) Amendments to the Local Guidelines for Implementing the California Environmental Quality Act (CEQA)

The Commission will consider amendments to the local guidelines for implementing CEQA.

7. PUBLIC HEARING

a.) Final OC LAFCO Fiscal Year 2023-24 Budget

The Commission will consider adoption of the final budget for Fiscal Year 2023-24.

8. COMMISSION DISCUSSION AND ACTION

a.) OC LAFCO Fiscal Indicators

The Commission will receive a report on the improvements to the OC LAFCO Fiscal Indicators and the web-based program.

b.) Legislative Report (May 2023)

The Commission will receive an update on current legislation of LAFCO interest and consider adoption of a position on AB 1637.

c.) Memorandum of Understanding with California State University, Fullerton Auxiliary Services Corporation

The Commission will consider the approval of a three-year (Fiscal Years 2023-2026) Memorandum of Understanding with California State University, Fullerton Auxiliary Services Corporation for services provided by the Center for Demographic Research.

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. No discussion or action may occur or be taken except to place the item on a future agenda if approved by the Commission majority.

10. EXECUTIVE OFFICER'S REPORT

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements scheduled.

12. CLOSED SESSION

Conference with Legal Counsel- Anticipated Litigation

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)

Number of potential cases: 1

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The Commission will adjourn to the next Regular Commission Meeting on Wednesday, June 14, 2023 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701.

PUBLIC PARTICIPATION:

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at ccarter-benjamin@oclafco.org. Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

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 made available to the public on the OC LAFCO website at www.oclafco.org.

State law requires that a participant in an OC 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.

AMERICANS WITH DISABILITIES ACT (ADA)

All regular meeting agendas and associated reports are available at www.oclafco.org. Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.

DRAFT MINUTES

OC LAFCO REGULAR MEETING

Wednesday, April 12, 2023
8:15 a.m.

County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W Civic Center Drive, Santa Ana, CA. 92701

1. CALL TO ORDER

Chair Davert called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:15 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Bucknum led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners were present:

City Members

Wendy Bucknum
Carol Moore **(Alt.)**

County Members

Donald Wagner **(Vice Chair)**
Andrew Do

Special District Members

Douglass Davert **(Chair)**
James Fisler
Kathryn Freshley **(Alt.)**

Public Members

Derek J. McGregor

The following staff members and general counsel were present:

- Executive Officer Carolyn Emery
- Assistant Executive Officer Luis Tapia
- Policy Analyst Gavin Centeno
- Policy Analyst Amanda Castro
- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Scott Smith

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Received After Agenda Distribution)**

Commission Clerk Cheryl Carter-Benjamin noted that supplemental communication was received for Agenda Item 8c. She noted that the communication was subsequently posted on the agency’s website, provided to the Commissioners, and copies made available to the public.

5. PUBLIC COMMENT

Chair Davert requested public comments on any non-agenda items. The Commission Clerk noted that there were no requests to speak from the public.

Chair Davert closed the hearing of public comments.

6. CONSENT CALENDAR

Chair Davert called for a motion on the consent calendar. There was no discussion from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the consent calendar. **Vice Chair Wagner** motioned for approval of the consent calendar, and **Commissioner McGregor** seconded the motion.

6a. – March 8, 2023 Regular Commission Meeting Minutes

6b. – Fiscal Year 2022-23 Quarterly Financial Report (Third Quarter)

6c. – Orange County Employees Retirement System (OCERS) Revised FY 2023-24 Contribution Rates

MOTION: Approve the Consent Calendar. (Donald Wagner)
SECOND: Derek McGregor
**FOR: Donald Wagner, Derek J. McGregor, Wendy Bucknum, Andrew Do,
James Fisler, Carol Moore, Douglass Davert**
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0.

7. PUBLIC HEARING

No public hearing items scheduled.

8. COMMISSION DISCUSSION AND ACTION

8a. – Changes to Retiree Medical Program

Executive Officer Carolyn Emery presented the staff report and recommended actions involving changes to the Retiree Medical Program currently available to Commission employees. She noted the impacts to the Commission and added that the Commission may want to explore alternative platforms to the current program.

Chair Davert called for Commission discussion and public comments. There were no comments from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** called for a motion on the item and noted that consideration of alternative platforms can be brought back to the Commission at a future meeting. **Commissioner Fisler** motioned to approve the staff recommended action, and **Vice Chair Wagner** seconded the motion.

MOTION: Confirm that OC LAFCO will mirror the HRA contribution amounts established by the County and provide appropriate notification to the County. (James Fisler)

SECOND: Donald Wagner

FOR: James Fisler, Donald Wagner, Wendy Bucknum, Andrew Do, Derek J. McGregor, Carol Moore, Douglass Davert

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

8b. – Legislative Report (April 2023)

Chair Davert referenced the staff report and recommended actions within the legislative report and asked if Commissioners desired to have a staff presentation or any requests from the public to speak on the item. There were no requests or comments from Commissioners, and the Commission Clerk noted no requests from the public to speak on the item.

Chair Davert commented on Assembly Bill 1637 and added that the bill proposes to require local government agencies to change website domains and other information to “.gov” or “.ca.gov.” He requested staff to review the bill and bring it back for discussion by the Commission. **Chair Davert** called for a motion on the item. **Vice Chair Wagner** motioned to approve the staff recommended actions, and **Commissioner Bucknum** seconded the motion.

MOTION: Adopt a “Support” position on AB 1753 and SB 360; Direct staff to send position letters to respective bill authors. (Donald Wagner)

SECOND: Wendy Bucknum

FOR: Donald Wagner, Wendy Bucknum, Andrew Do, James Fisler,

Derek J. McGregor, Carol Moore, Douglass Davert
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0.

8c. – Professional Consultant Services Agreements for the Orange County Water District Municipal Service Review

Assistant Executive Officer Luis Tapia gave the staff presentation on the competitive process and consultants selected by staff to conduct the MSR process for the Orange County Water District. He noted staff recommended actions and non-substantive revisions made to legal consultant's agreement after agenda publishing. Mr. Tapia closed with the acknowledgment of both consultants' presence at the meeting.

Chair Davert called for Commission discussion and public comments.

Commissioners made general comments and asked questions regarding OCWD's application, the Commission's requirements involving the MSR process, and additional information on the consultants' backgrounds and qualifications.

Staff and general counsel addressed Commissioners' questions.

Chair Davert emphasized that the application is a study and does not require the Commission to decide on a change in governance. The Chair invited the consultants to introduce their firms and address questions of the Commission.

Stephanie Standerfer (Vice President) and Autumn DeWoody (Project Manager) of Webb Associates and Attorney John Schatz addressed the Commission.

The Commission Clerk noted the public speakers requesting to address the Commission on the item.

Michael Van Dyke, Community Relations Manager, Irvine Ranch Water District commented that IRWD was a recipient of services provided by OWCD and MWDOC and would consider IRWD to be a resource as this project progresses.

Al Nederhood, Board Director, Municipal Water District of Orange County made general comments and expressed his concerns with the MSR being conducted.

Karl Seckel, Board Director, Municipal Water District of Orange County made general comments and noted issues involving the MSR scope of services.

Saundra Jacobs, Board Director, Santa Margarita Water District noted the history of past discussions on consolidation and that scope should include all alternatives.

Cathy Green, Board President, Orange County Water District made general comments and requested that the Commission approve staff's recommendations.

Mike Markus, General Manager, Orange County Water District made general comments and requested the Commission to approve staff's recommendations.

Chair Davert closed the public comments and called for any further discussion from the Commission.

Commissioners made general comments. **Commissioner Do** asked that it be included in the record that the scope of services for the MSR process does not require the Commission to reach a conclusion on the outcome of consolidation. **Chair Davert** added that the study is to look at the feasibility of consolidation, and the only action the Commission is being asked to consider today is to retain consultants to prepare the study.

Chair Davert called for a motion on the item. **Commissioner Bucknum** motioned to approve the staff recommended actions, and **Vice Chair Wagner** seconded the motion. **Commissioner Do** noted his abstention on the item.

- MOTION:** Approve the professional services agreement with Albert A. Webb Associates (WEBB) and authorize the Executive Officer to execute the agreement; Approve the professional services agreement with John J. Schatz and authorize the Executive Officer to execute the agreement. (Wendy Bucknum)
- SECOND:** Donald Wagner
- FOR:** Wendy Bucknum, Donald Wagner, James Fisler, Derek J. McGregor, Carol Moore, Douglass Davert
- AGAINST:** None
- ABSTAIN:** Andrew Do

MOTION PASSED: 6-0-1.

9. COMMISSIONER COMMENTS

Commissioners made general comments.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer noted that there were no items to report.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

11a. – Bi-Annual Ethics Training and Sexual Harassment Avoidance Training Requirements

The Commission Clerk Carter-Benjamin noted the deadline for completion of the bi-annual ethics and sexual harassment avoidance training and requested Commissioners send certifications directly to the Commission Clerk.

12. CLOSED SESSION

12a. – Closed Session

General Counsel Scott Smith noted that the Commission would not adjourn to closed session, and the item would be noted for closed session on May 10.

Conference with Legal Counsel- Anticipated Litigation

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)

Number of potential cases: 1

13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

Chair Davert adjourned the Regular Commission Meeting at 9:26 a.m. to May 10, 2023.

Douglas Davert, Chair
Orange County Local Agency Formation Commission

ATTEST:

By: _____
Cheryl Carter-Benjamin
Commission Clerk

May 10, 2023

6b | Consent
Calendar

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Wendy Bucknum
City Member

Andrew Do
County Member

James Fisler
Special District Member

VACANT
City Member

ALTERNATES

Katrina Foley
County Member

Kathryn Freshley
Special District Member

Carol Moore
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 II

SUBJECT: Proposed "Aera Property Annexation to the City of Brea
(CA 22-07)"

BACKGROUND

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider an application filed by a private landowner, Aera Energy LLC. (Aera), to annex approximately 1.45 acres of unincorporated territory to the City of Brea. The purpose of the annexation is to facilitate a more logical boundary and efficient delivery of municipal services to the subject area. The unincorporated area is within the City's sphere of influence, and staff recommends approval of the annexation.

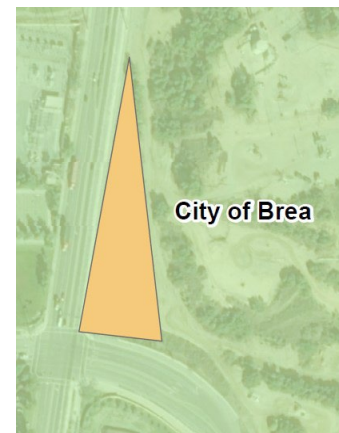
The following sections of this report provide additional background on the application and staff's analysis of the proposal.

PROJECT APPLICATION

A private landowner has filed an application and petition with OC LAFCO initiating the annexation of a 1.45-acre parcel to the City of Brea. The unincorporated area is completely surrounded by the City and is immediately adjacent to a development commonly known as Tonner Hills.

Location and Land Use

Located in the eastern portion of the City's sphere of influence, the unincorporated area is generally located east of Valencia Boulevard and north of Rose Drive. The subject area is currently designated as 1B Suburban Residential in the County of Orange General Plan. The City's land use designations for the subject territory are identified within the Brea 265 Specific Plan for open space and low-density residential uses.



DISCUSSION

Following the annexation of the remaining portion of the Tonner Hills development to the City of Brea in 2022, representatives from Aera and OC LAFCO staff met to discuss the potential annexation of a small unincorporated area, also owned by Aera Energy and immediately adjacent to the recently annexed Tonner Hills area. Subsequently, Aera filed an application with OC LAFCO on October 10, 2022, for the annexation of the parcel to the City of Brea. The parcel is part of the Brea 265 Project that is currently under development within the City of Brea. Annexation of the parcel would place the entire project under a single agency’s jurisdiction for more efficient processing of planning requirements and delivery of other municipal services.

Analysis

Currently, the Aera parcel is located in unincorporated Orange County, and the greater and remaining portion of the Brea 265 Project is located within the City of Brea. For the project, this creates many inefficiencies as the land use planning and delivery of other municipal services to the Brea 265 Project requires approvals, processing, and provision from the County and the City. Annexation of the Aera parcel to the City of Brea would facilitate the planning and development of the entire development under the jurisdiction of the City of Brea and in accordance with the City’s standards. Additionally, the annexation would create a more logical boundary and improve delivery and avoid duplication of municipal services. *Table 1* depicts the current and future municipal service providers if the annexation is approved by the Commission.

Table 1- Proposed Aera Property Annexation to the City of Brea		
Service	Provider (current)	Provider (upon annexation)
Animal Control	County of Orange	City of Brea (through contractual agreement with County of Orange)
Fire Protection	County of Orange (OCFA)	City of Brea
Library Service	County of Orange	County of Orange
Parks & Recreation	County of Orange	City of Brea
Planning	County of Orange	City of Brea
Police Service	County of Orange (OCSD)	City of Brea
Retail Water/ Wastewater	Services not required as area is undeveloped.	City of Brea
<p><u>Regional Providers (No Change)</u> Municipal Water District of Orange County Orange County Cemetery District Orange County Sanitation District Orange County Mosquito and Vector Control Orange County Water District</p>		

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

California Revenue and Taxation Code Section 99 requires the City and County to adopt property tax resolutions for proposed changes of organization and reorganization. On March 21 and April 25, 2023, the City of Brea and the County of Orange, respectively, adopted property tax exchange resolutions for the proposed annexation. In accordance with the Master Property Tax Agreement (Resolution No. 80-1975), the City shall receive 30.25% and the County 69.75% of the one percent basic levy of property tax generated within the annexation area. Additionally, as the City provides fire protection and emergency services through its Fire Department, it shall receive 100% of the Structural Fire Fund revenue generated within the annexation area.

Environmental Review

On July 19, 2022, the City of Brea, as the lead agency under the California Environment Quality Act (CEQA) certified Environmental Impact Report No. 2018121035, indicating the environmental impacts within the subject territory. As a responsible agency, OC LAFCO reviews the environmental documentation prepared by the City in its consideration of the proposed annexation. A Notice of Determination concurring with the City's findings for the proposed annexation is included within this report for the Commission's consideration.

Protest Proceedings

In accordance with Government Code Section 56662, the Commission may waive the protest proceedings for the proposed annexation. The waiver of protest proceedings appropriately applies under this statute as the subject territory is uninhabited, no objections to the waiver of protest proceedings were filed by the subject agencies, and the landowner consented to the proposed annexation.

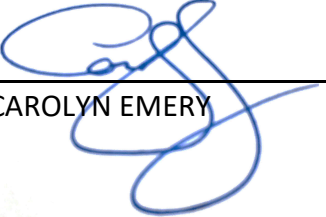
RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Confirm that OC LAFCO has reviewed the information contained within the Environmental Impact Report and other documents prepared by the City of Brea 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 Determination for the "Aera Property Annexation to the City of Brea (CA 22-07)" with the Orange County Clerk-Recorder. (*Attachment 2, Exhibit A*)
3. Adopt OC LAFCO Resolution No. CA 22-07 approving the "Aera Property Annexation to the City of Brea." (*Attachment 2*)

4. Waive protest proceedings for the "Aera Property Annexation to the City of Brea (CA 22-07)" in accordance with Government Code Section 56662.

Respectfully submitted,



CAROLYN EMERY



GAVIN CENTENO

Attachments:

1. 56668 Factors Considered by the Commission
2. OC LAFCO Resolution No. CA 22-07

**Factors Considered in Review of the
“Aera Property Annexation to the City of Brea (CA 22-07)”
(Government Code Section 56668)**

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

- The subject territory is currently uninhabited.
- The subject area is currently designated as 1B Suburban Residential in the County of Orange General Plan.
- The City’s land use designations for the subject territory are identified within the Brea 265 Specific Plan for open space and low-density residential uses.
- The subject territory is within Tax Rate Area 53-003.
- The total assessed valuation for the proposed annexation territory is \$125,000.

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

- The subject territory proposed for annexation is currently located within the County of Orange which is responsible for most of the municipal services within the territory.
- If the Commission approves the proposed annexation, the entire property will be placed under the City of Brea’s jurisdiction and will receive adequate municipal services from the City of Brea. See Table 1 below for the current and proposed service providers for the subject territory upon approval of the annexation.

Table 1- Proposed Aera Property Annexation to the City of Brea		
Service	Provider (<i>current</i>)	Provider (<i>upon annexation</i>)
Animal Control	County of Orange	City of Brea (through a contractual agreement with County of Orange)
Fire Protection	County of Orange (OCFA)	City of Brea
Library Service	County of Orange	County of Orange
Parks & Recreation	County of Orange	City of Brea
Planning	County of Orange	City of Brea
Police Service	County of Orange (OCSD)	City of Brea
Retail Water/ Wastewater	Services are not required as the area is undeveloped.	City of Brea
<u>Regional Providers (No Change)</u> Municipal Water District of Orange County Orange County Cemetery District Orange County Sanitation District Orange County Mosquito and Vector Control District Orange County Water District		

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

- Approval of the proposed annexation will not have an effect on adjacent areas, mutual social and economic interests, and the local government structure of the City. The proposed annexation will result in a more logical boundary and efficient delivery of municipal services.

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 Brea's 265 Specific 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 conforms with lines of assessment and ownership within the subject territory 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 Brea's 265 Specific Plan and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that was adopted for the region by the Southern California Association of Governments.

VIII. Spheres of Influence of Local Agencies.

- The subject territory is within the City of Brea's sphere of influence and is completely surrounded by the boundary of the City.
- The subject territory is also within the spheres of influence of the following regional agencies: Municipal Water District of Orange County, Orange County Cemetery District, Orange County Mosquito and Vector Control District, Orange County Sanitation District, and Orange County 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 Brea's 265 Specific Plan as Low-Density Residential and Open Space.

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

- The comment period for affected agencies to provide comments started on January 19, 2023, and ended on February 6, 2023. 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 Brea can feasibly provide adequate municipal services to the subject territory.
- XII. Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.**
- Annexation of the subject territory to the City of Brea will not interrupt or alter the current service provision and availability of water supplies as specified in Government Code Section 65352.5. Upon annexation, the City of Brea would provide retail water to the subject territory. Wholesale water through the Metropolitan Water District of Southern California is provided by the Municipal Water District of Orange County.
- 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 Brea 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.**
- The subject territory is uninhabited and contains less than 12 registered voters and a single landowner.
 - The annexation application was filed by the single landowner of the subject territory and included written consent from the same landowner.
- XV. Information relating to existing land use designations.**
- The existing land use designations for the subject territory within the City of Brea 265 Specific Plan are Open Space and Low-Density 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 Brea, the future residents of the area will receive the same level of municipal services currently provided by the City within its jurisdictional boundaries.
- 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 subject territory is considered to be within the "very high fire hazard severity zone." The City of Brea has also adopted a local plan, "Brea Very High Fire Hazard Severity Zone Requirements," which identifies the subject territory to be within the very high fire hazard zone, and development within this area must follow the City's requirements for technical design for new constructions and fuel modifications.

CA 22-07

**RESOLUTION OF THE LOCAL AGENCY
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA
MAKING RESPONSIBLE AGENCY FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT AND APPROVING THE “AERA PROPERTY ANNEXATION TO THE CITY OF BREA
(CA 22-07)”**

MAY 10, 2023

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

WHEREAS, the proposed annexation, designated as “Aera Property Annexation to the City of Brea (CA 22-07),” was hereto filed with and accepted for filing on May 2, 2023, 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 May 10, 2023, 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 1.45 acres of uninhabited territory to the City of Brea; and

WHEREAS, the City of Brea served as the lead agency for the environmental review and analysis and approval of the project, 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, the City of Brea as the lead agency, certified the Environmental Impact Report No. 2018121035 on July 19, 2022; and

Resolution No. CA 22-07

WHEREAS, OC LAFCO has been asked to approve the proposed “Aera Property Annexation to the City of Brea (CA 22-07)”; and

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

WHEREAS, OC LAFCO has independently reviewed and considered the Environmental Impact Report No. 2018121035 prepared by the City Brea and other related documents in the record before it; and

WHEREAS, all of the procedures of CEQA have been met, and the Environmental Impact Report No. 2018121035, prepared in connection with the proposed annexation, is sufficiently detailed so that all of the potential effects of the project on the environment and measures necessary to avoid or substantially lessen such effects have been evaluated in accordance with CEQA; and

WHEREAS, as contained herein, OC 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 meeting on the proposal on May 10, 2023, and 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. OC LAFCO Findings.

The subject territory is found to be uninhabited, located within the City of Brea’s Sphere of Influence, and assigned the following distinctive short-form designation, “Aera Property Annexation to the City of Brea (CA 22-07).” The proposal consists of the

annexation of approximately 1.45 acres, generally located east of Valencia Drive and north of Rose Drive, to the City of Brea. A vicinity map of the subject territory is attached to this Resolution as Exhibit B.

Section 2. Compliance with the Environmental Quality Act.

- a) 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 Environmental Impact Report No. 2018121035, prepared by the City of Brea as the lead agency, 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 finds that, as to those potential environmental impacts within the Commission's powers and authorities as the responsible agency, that the Environmental Impact Report No. 2018121035 and other supporting environmental documentation contain a complete, objective, and accurate reporting of those potential impacts, and that these findings reflect the independent judgment and analysis of the Commission.

Section 3. Findings on Environmental Impacts.

The Commission concurs with the City of Brea's environmental findings regarding the Project and adopts these findings, attached hereto as "Exhibit A," as though fully set forth herein.

Section 4. The proposal is approved subject to the following terms and conditions.

- a) Upon annexation of the territory to the City of Brea, 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 Brea, except for those properties to be retained by the County

and specifically listed by these conditions.

- b) Upon the effective date of this annexation, the owners, tenants, and 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 Brea that are generally applicable to other properties within the City of Brea's territory.
- c) Aera Energy LLC agrees to defend, hold harmless and indemnify OC LAFCO and/or its agents, officers, and employees from any claim, action, or proceeding 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.
- d) Payment by Aera Energy LLC of County Clerk-Recorder and State Board of Equalization fees prior to recordation of the OC LAFCO Certificate of Completion.
- e) The effective date shall be the date of recordation of the OC LAFCO Certificate of Completion.

Section 5. Notice of Determination.

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

Section 6. Conducting Authority Proceedings.

The Commission shall waive protest proceedings for the proposed annexation in accordance with Government Code Section 56662. The waiver of protest proceedings appropriately applies under this statute as the subject territory is uninhabited, the affected agencies have not filed objections to the waiver, and the landowners have consented to the proposed annexation.

Section 7. Mail Copy of Resolution

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

Section 8. 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:

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 10th day of May 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of May 2023.

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

By: _____
DOUGLASS DAVERT

NOTICE OF DETERMINATION

TO:	<input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk Address: County of Orange County Administration South 601 North Ross Street, Santa Ana, CA 92701	FROM:	Public Agency/Responsible Agency Name: Orange County Local Agency Formation Commission Address: 2677 North Main St., Suite 1050 Santa Ana, CA 92705 Contact: Carolyn Emery Phone: 714-640-5100
TO:	<input checked="" type="checkbox"/> Office of Planning and Research 1400 Tenth Street, Rm. 113 Sacramento, CA 95814	Lead Agency (if different from above) City of Brea Address: 1 Civic Center Circle Brea, CA 92821 Contact: Joanne Hwang Phone: (714) 990-7143	

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (If submitted to SCH): 2018121035
Project Title: "Aera Property Annexation to the City of Brea (CA 22-07)"
Project Applicant (include address and telephone number): City of Brea 1 Civic Center Circle Brea, CA 92821 (714) 667-2713
Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15' or 7 ½' topographical map identified by quadrangle name): See attached vicinity map.
General Project Location (City and/or County): The subject territory is generally located east of Valencia Boulevard and north of Rose Drive. The territory is surrounded by the City of Brea.
Project Description: The proposal consists of the annexation of approximately 1.45 acres of unincorporated territory to the City of Brea. The purpose of the annexation is to facilitate a more logical boundary and efficient delivery of municipal services involving a County unincorporated area completely surrounded by the boundaries of the City of Brea.

Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project.

The City of Brea, 1 Civic Center Circle, Brea, CA 92821

This is to advise that the (Lead Agency or Responsible Agency) has approved the above described project on and has made the following determinations regarding the above described project:

1.	The project [<input checked="" type="checkbox"/> will <input type="checkbox"/> will not] have a significant effect on the environment.	
2.	<input checked="" type="checkbox"/>	An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input type="checkbox"/>	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input type="checkbox"/>	A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
3.	<input checked="" type="checkbox"/>	Mitigation measures [<input checked="" type="checkbox"/> were <input type="checkbox"/> were not]made a condition of the approval of the project.
4.	<input checked="" type="checkbox"/>	A Mitigation Monitoring or Reporting Plan [<input checked="" type="checkbox"/> was <input type="checkbox"/> was not] adopted for this project.
5.	<input checked="" type="checkbox"/>	A Statement of Overriding Considerations [<input checked="" type="checkbox"/> was <input type="checkbox"/> was not] adopted for this project.
6.	<input checked="" type="checkbox"/>	Findings [<input checked="" type="checkbox"/> were <input type="checkbox"/> were not] made pursuant to the provisions of CEQA.
This is to certify that the Final Environmental Impact Report is available to General Public at:		
	Custodian: City of Brea Orange County Local Agency Formation Commission	Location: 1 Civic Center Circle Brea, CA 92821 (714) 667-2713 2677 North Main St., Suite 1050 Santa Ana, CA 92705

Date: May 10, 2023	Signature _____
	Name: Carolyn Emery
	Title: Executive Officer

Clerk's File Stamp:



Authority cited: Sections 21083, Public Resources Code.
Reference Section 21000-21174, Public Resources Code.

EXHIBIT "A"

**"AERA PROPERTY ANNEXATION (CA 22-07)"
To the City of Brea**

1 In the Unincorporated Territory of the County of Orange, State of California, being those portions of
2 the South Half of Section 8 and the Northeast Quarter of Section 17 in Township 3 South, Range 9
3 West, San Bernardino Meridian, as shown on a Map filed in Book 51, Page 7 of Miscellaneous
4 Maps, in the Office of the County Recorder of said County, described as follows:

5
6 **Beginning** at the easterly terminus of that certain course shown as "N 89°46'05" W 2405.86' " along
7 the general westerly boundary line of the Tonner Hills Annexation Extension (CA 03-12A) re-
8 recorded November 10, 2022 as Instrument No. 2022000360363 of Official Records of said County;
9 thence westerly along said general westerly boundary line to the easterly boundary line of the Sports
10 Park Annexation to the City of Brea (CA 03-18), recorded November 14, 2003 as Instrument No.
11 2003001391723 of Official Records in said Office of the County Recorder; thence leaving said
12 general westerly boundary line of Tonner Hills Annexation Extension (CA 03-12A), along said
13 easterly boundary line of the Sports Park Annexation to the northerly boundary line of Annexation
14 No. 79-2 (Union Oil Research Center) to the City of Brea, recorded June 5, 1979 as Document No.
15 6889 of Official Records; thence leaving said easterly boundary line of the Sports Park Annexation,
16 along said northerly boundary line of Annexation No. 79-2 to said general westerly boundary line of
17 the Tonner Hills Annexation Extension (CA 03-12A); thence leaving said northerly boundary line of
18 Annexation No. 79-2, along said general westerly boundary line of the Tonner Hills Annexation
19 Extension North 03°25'42" West 800.59 feet, more or less, to the **Point of Beginning**.

20 Containing an Area of 1.457 acres, more or less.

21

22

23

24

25

Revised: January 23, 2023
November 9, 2022
W.O. No. 4213-3X
H&A No. 10311
By: C. Tripi
Checked by: R. Wheeler

EXHIBIT "A"

"AERA PROPERTY ANNEXATION (CA 22-07)"
To the City of Brea

1

2

3 As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

4

5 This description has been prepared by me or under my direction.

6

7 Dated this 31st day of January, 2023

8

9

10 
Robert L. Wheeler IV, LS 8639



11

12

13 This Description and Map of proposed Annexation does meet the approval of the Orange County
14 Surveyor's Office.

15 Dated this 31st day of JANUARY, 2023

16

17 Kevin R. Hills, County Surveyor

18

19

20

21 
BY: Lily M. N. Sandberg, Deputy County Surveyor



Revised: January 23, 2023

November 9, 2022

W.O. No. 4213-3X

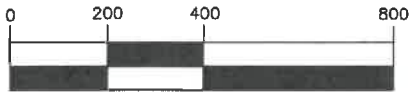
H&A No. 10311

By: C. Tripi

Checked by: R. Wheeler

EXHIBIT "B"

'AERA PROPERTY ANNEXATION (CA 22-07)
TO THE CITY OF BREA



GRAPHIC SCALE: 1"=400'

LEGEND:

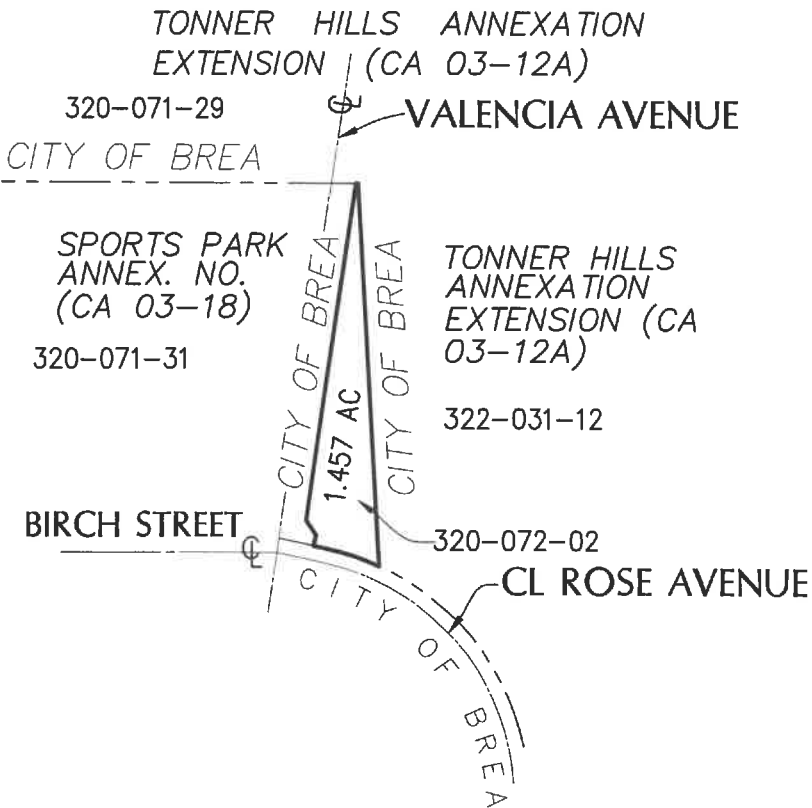
- PROPOSED ANNEXATION BOUNDARY
- - - - - EXISTING CITY BOUNDARY
- CENTERLINE

() RECORD DATA PER ADJOINING ANNEXATIONS

XXX-XXX-XX ASSESSOR PARCEL NUMBER

P.O.B. POINT OF BEGINNING

Ⓞ CENTERLINE



THIS DESCRIPTION AND MAP OF PROPOSED ANNEXATION DOES MEET THE APPROVAL OF THE ORANGE COUNTY SURVEYOR'S OFFICE.



THIS MAP HAS BEEN PREPARED BY ME OR UNDER MY DIRECTION.

DATED THIS 31ST DAY OF JANUARY, 2023

DATED THIS 31ST DAY OF JANUARY, 2023

KEVIN R. HILLS, COUNTY SURVEYOR

[Signature]
ROBERT L. WHEELER IV, LS 8639

[Signature]
BY: LILY M. N. SANDBERG, DEPUTY COUNTY SURVEYOR, L.S. 8402

HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes ■ Irvine, CA 92618 ■ PH: (949) 583-1010 ■ FX: (949) 583-0759

DATE: 11/09/2022	REV. DATE: 1/23/2023	.DWG By: C. TRIPI	CK'd By: R. WHEELER	SCALE: 1"= 400'	W.O. 4213-3X
FILE: I:\Aera Brea Central\ANNEXATIONS\LD\10311\SHT01.dwg				H&A LEGAL No. 10311	SHEET 1 OF 2

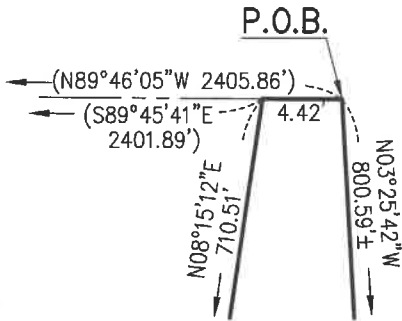
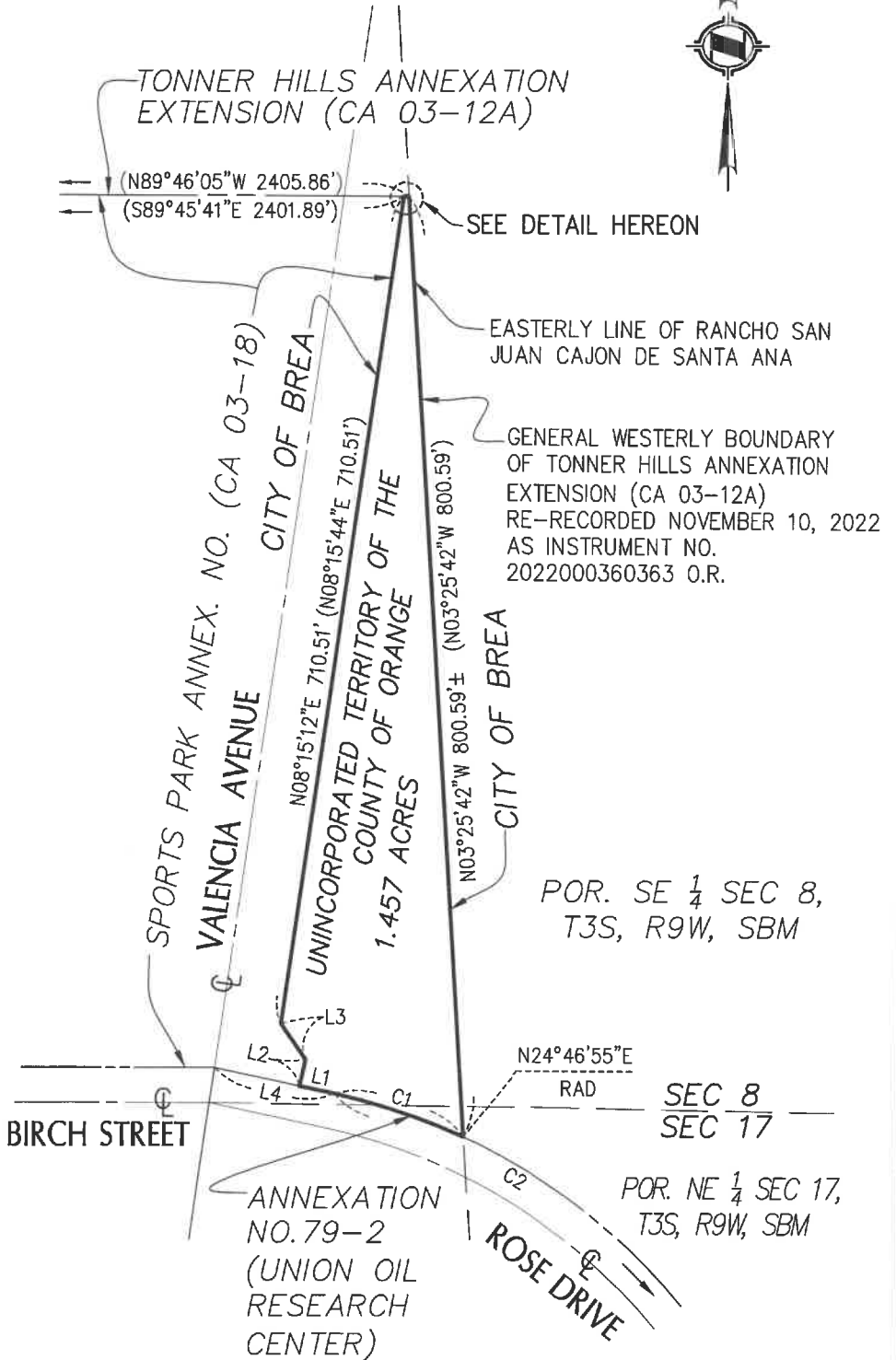
EXHIBIT "B"

"AERA PROPERTY ANNEXATION (CA 22-07)" TO THE CITY OF BREA

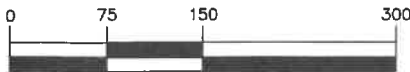


LINE TABLE		
LINE	BEARING	LENGTH
L1	N77°40'33"W	29.80'
L2	N12°19'30"E	23.17'
(L2)	(S12°20'04"W	23.87')
L3	N34°42'40"W	37.02'
(L3)	(S34°42'06"E	37.02')
L4	N77°40'33"W	103.77'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	12°27'29"	530.00'	115.24'
(C2)	(74°04'02"	530.00'	685.14')



DETAIL
NOT TO SCALE



GRAPHIC SCALE: 1"=150'

SEE LEGEND SHEET 1



HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes ■ Irvine, CA 92618 ■ PH: (949) 583-1010 ■ FX: (949) 583-0759

DATE: 11/09/2022	REV. DATE: 1/24/2023	.DWG By: C. TRIPI	OK'd By: R. WHEELER	SCALE: 1"= 150'	W.O. 4213-3X
FILE: I:\Aera Brea Central\ANNEXATIONS\LD\10311\SHT02.dwg				H&A LEGAL No. 10311	SHEET 2 OF 2




Valencia Ave

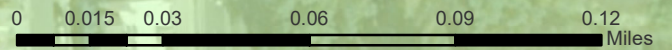
City of Brea

Rose Drive

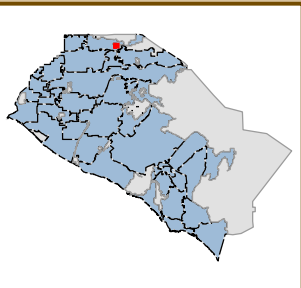
Legend

 PROPOSED ANNEXATION

 CITY OF BREA



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community



Proposed
"Aera Property Annexation to the City of
Brea (CA 22-07)"
Vicinity Map



May 10, 2023

6c | Consent
Calendar

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Wendy Bucknum
City Member

Andrew Do
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James Fisler
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Katrina Foley
County Member

Kathryn Freshley
Special District Member

Carol Moore
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 I

SUBJECT: Amendments to the Local Guidelines for Implementing the
California Environmental Quality Act (CEQA)

BACKGROUND

Pursuant to Section 21082 of the California Public Resources Code (Environmental Quality), the Commission adopted Local Guidelines for Implementing the California Environmental Quality Act (“Guidelines”). The Guidelines were developed by Best Best & Krieger to guide OC LAFCO on actions involving CEQA for projects or applications within the Commission’s purview. For most projects considered by the Commission, OC LAFCO is the responsible agency under CEQA. However, OC LAFCO may also serve as the lead agency for Commission-initiated projects or applications filed by landowners.

The Guidelines are reviewed annually and updated, as necessary, by Best Best & Krieger to align with changes in State law. Staff is recommending the Commission adopt the amended local guidelines to incorporate the recent changes discussed in the next section of this report.

2023 LOCAL CEQA GUIDELINES

The attached memorandum provides a detailed summary of the revisions and additions to the current Guidelines. The key revisions for potential OC LAFCO actions are summarized as follows:

- **Water System Wells and Domestic Well Projects (Section 3.22):**
This section creates a new statutory exemption that applies to projects involving water systems and domestic wells that have been designated by the State as high or medium risk and other noted conditions, including water supply.
- **Affordable and Mixed-Income Housing Development Involving Commercial Zones and Corridors (Sections 9.08 & 9.09):**
These sections create new exemptions for the ministerial approval processing of multi-family housing developments meeting specific

criteria involving affordability, zoning standards and other conditions.


- **Updated References to the California Public Records Act (Various Sections):**
These sections have been updated to reflect the effort of the Legislature in reorganizing and recodifying the entirety of the California Public Records Act (“PRA”) to be consistent with previously enacted legislation. The PRA was formerly codified in Government Code Section 6250 et seq. and is now established in Government Code Section 79200 et seq. The Guidelines have been updated to reflect the respective changes in the code sections.
- **Department of Fish and Wildlife Fees:**
The Department of Fish and Wildlife has increased the fees for filing environmental documents effective January 1, 2023. The current fees are reflected in the OC LAFCO Fee Schedule.

RECOMMENDED ACTION

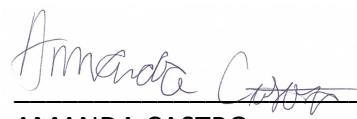
Staff recommends the Commission:

1. Adopt OC LAFCO Resolution No. CP 23-03 amending and approving the “Local Guidelines for Implementing the California Environmental Quality Act.” (*Attachment 2*)

Respectfully submitted,



CAROLYN EMERY



AMANDA CASTRO

Attachments:

1. 2023 Summary of Changes to Local CEQA Guidelines, prepared by Best Best & Krieger
2. OC LAFCO Resolution No. CP 23-03

Memorandum

TO: Orange County Local Agency Formation Commission
FROM: Best Best & Krieger LLP
DATE: April 17, 2023
RE: Summary of Changes to Local CEQA Guidelines

In 2022, the California Legislature took action to exempt certain transportation, water system, and housing projects from the California Environmental Quality Act (“CEQA”). We have revised the Commission’s Local Guidelines for Implementing CEQA (“Local Guidelines”) to account for these CEQA developments. This memorandum summarizes the substantive amendments to the Commission’s Local Guidelines.

The Local Guidelines and this memorandum are designed to help the Commission comply with CEQA when considering a project subject to CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial, or unusual projects or activities.

The Local Guidelines, the related CEQA forms, and other important legal alerts may be accessed via the Best Best & Krieger CEQA client portal at <http://clients.bbklaw.net/pfcc/>. For technical support, please contact Tammy Ingram at tammy.ingram@bbklaw.com.

REVISIONS TO LOCAL GUIDELINES

1. SECTION 3.20 TRANSIT PRIORITIZATION PROJECTS

With its adoption of Senate Bill (“SB”) 922, the California Legislature amended Public Resources Code section 21080.25 to exempt certain transit, bicycle, and pedestrian projects that meet specified criteria and do not induce single-occupancy vehicle trips.

Examples of projects exempt under SB 922 include, but are not limited to: (1) pedestrian and bicycle facilities; (2) transit prioritization projects, such as the installation of traffic signs or new signals; (3) a project for the institution or increase of bus rapid transit, bus, or light rail service; (4) a public project to construct or maintain infrastructure or facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries; and (5) a decision to reduce or eliminate minimum parking requirements or institute parking maximums.

We revised Section 3.20 of the Local Guidelines to account for this exemption and to set forth conditions that must be met for the exemption to apply.

2. SECTION 3.21 TRANSPORTATION PLANS, PEDESTRIAN PLANS, AND BICYCLE TRANSPORTATION PLANS

The California Legislature amended Public Resources Code section 21080.20 to exempt “active transportation plans” and “pedestrian plans” from CEQA. An “active transportation plan”

refers to a plan developed by a local jurisdiction that promotes and encourages people to choose walking, bicycling, or rolling through the creation of safe, comfortable, connected, and accessible walking, bicycling, or rolling networks, and encourages alternatives to single-occupancy vehicle trips. A “pedestrian plan” refers to a plan developed by a local jurisdiction that establishes a comprehensive, coordinated approach to improving pedestrian infrastructure and safety.

While a lead agency’s adoption of an active transportation plan or pedestrian plan is exempt from CEQA, specific projects identified within those plans remain subject to CEQA unless such projects are exempt under a separate provision of CEQA.

We revised Section 3.21 of the Local Guidelines to account for this exemption and to set forth procedural requirements that must be met when finding a project exempt under this provision.

3. SECTION 3.22 WATER SYSTEM WELLS AND DOMESTIC WELL PROJECTS

With the adoption of AB 1642 and its codification at Public Resources Code section 21080.31, the Legislature has enacted a new statutory exemption that applies to the construction, maintenance, repair, or replacement of wells where certain conditions are met. To qualify for the exemption, (1) the domestic well or water system to which the well project is connected must be designated by the State Water Resources Control Board (“State Board”) as high risk or medium risk in the State Board’s drinking water needs assessment; (2) the well project must be designed to mitigate or prevent a circumstance where residents that rely on the well or the water system to which the well is connected would be left without an adequate supply of safe drinking water; (3) the well project may not be designed primarily to serve irrigation or future growth; and (4) a series of other conditions must be met.

We added Section 3.22 to the Local CEQA Guidelines to provide for this statutory exemption and to set forth in greater detail the circumstances in which it may apply.

4. SECTION 9.08 AFFORDABLE HOUSING DEVELOPMENTS IN COMMERCIAL ZONES

The Legislature has created a new CEQA-exempt, ministerial approval process for multifamily housing developments meeting specified criteria, codified at Public Resources Code section 65912.110, et seq. For a proposed multifamily housing development project to qualify for this exemption, the project must (1) ensure that 100 percent of the project’s units, excluding managers’ units, be dedicated to lower income households at an affordable cost or affordable rent; (2) meet applicable objective zoning standards, objective subdivision standards, and objective design review standards, as defined; (3) be located in a zone where office, retail, or parking are a principally permitted use; (4) meet certain labor standards; and (5) meet a list of other conditions, specified in the Local Guidelines.

We have added Section 9.08 to the Local Guidelines to include this exemption and to set forth the various conditions a project must meet to qualify for the exemption.

**5. SECTION 9.09 MIXED-INCOME HOUSING DEVELOPMENTS ALONG
COMMERCIAL CORRIDORS**

The Legislature has additionally created another CEQA-exempt, ministerial approval process for proposed multifamily housing development projects that meet certain affordability criteria, set forth at Public Resources Code section 65912.120, et seq. In addition to meeting the specified affordability criteria, the proposed project must (1) abut a commercial corridor and have frontage along the commercial corridor of at least fifty feet; (2) not be located on a project site greater than 20 acres; (3) be located in a zone where office, retail, or parking is a principally permitted use; (4) meet certain labor standards; and (5) meet a list of over twenty other conditions, specified in the Local Guidelines.

We have added Section 9.09 to the Local Guidelines to include this exemption and to set forth the various conditions a project must meet to qualify for the exemption.

6. VARIOUS SECTIONS UPDATED REFERENCES TO CALIFORNIA PUBLIC RECORDS ACT

The Legislature has recodified and reorganized the entirety of the California Public Records Act (“PRA”) consistent with Assembly Bill (“AB”) 463. Whereas the PRA was previously codified at Government Code section 6250, et seq., the PRA is now codified at Government Code section 7920.000, et seq. We have updated all references to the PRA in the Local Guidelines consistent with AB 463. The reorganization makes no substantive changes to the PRA.

Other Changes

Effective January 1, 2023, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is \$2,764.00. For an EIR, the new filing fee is \$3,839.25. For an environmental document prepared pursuant to a Certified Regulatory Program, the filing fee has been increased to \$1,305.25.

Conclusion

As always, CEQA remains complicated and, at times, challenging to apply. The only constant in this area of law is how quickly the rules change. Should you have questions about any of the provisions discussed above, please contact a BB&K attorney for assistance.

BEST BEST & KRIEGER LLP

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY AMENDING AND ADOPTING LOCAL GUIDELINES FOR
IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(PUB. RESOURCES CODE §§ 21000 ET SEQ.)**

(CP 23-03)

May 10, 2023

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

WHEREAS, the California Legislature has amended the California Environmental Quality Act (“CEQA”) (Pub. Resources Code §§ 21000 et seq.), the Natural Resources Agency has amended portions of the State CEQA Guidelines (Cal. Code Regs, tit. 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA and the State CEQA Guidelines; and

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria, and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the Local Agency Formation Commission of Orange County (“OC LAFCO”) must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, the OC LAFCO hereby resolves as follows:

SECTION 1. The OC LAFCO hereby adopts the “2023 Local Guidelines for Implementing the California Environmental Quality Act,” a copy of which is on file at the offices of the OC LAFCO and is available for inspection by the public.

SECTION 2. All prior actions of the OC LAFCO enacting earlier guidelines are hereby repealed.

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 10th day of May 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of May 2023.

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

By: _____
DOUGLASS DAVERT
OC LAFCO

ATTEST:

Cheryl Carter-Benjamin, Commission Clerk
OC LAFCO

May 10, 2023

7a | Public
Hearing

REGULAR MEMBERS

CHAIR
Douglas Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Wendy Bucknum
City Member

Andrew Do
County Member

James Fidler
Special District Member

Vacant
City Member

ALTERNATES

Katrina Foley
County Member

Kathryn Freshley
Special District Member

Carol Moore
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
Assistant Executive Officer

SUBJECT: Final OC LAFCO Fiscal Year 2023-2024 Budget

BACKGROUND

On March 8, 2023, the Commission adopted the proposed FY 2023-24 budget. Subsequently, the documents were distributed to each of the funding agencies for review and comment. State law requires that the Commission also adopt a final budget at a public hearing.

The final OC LAFCO budget for FY 2023-2024 (*Attachment 1*) totals \$1,744,480, which reflects an adjustment in the *Rents/Maintenance* line item since approval of the proposed budget in March. The item includes the agency's office lease and maintenance costs and was updated to more accurately reflect the projected costs for the next fiscal cycle. The final budget revenues include a total apportionment of \$1,411,890, which is equally divided amongst the County, cities and special districts. The proposed apportionment for the County is \$581,210. Upon approval of the final budget by the Commission, the County Auditor-Controller will request remittance of the respective payment from each of the funding agencies. The FY 2023-2024 apportionments for each city and special district are reflected in *Attachments 1a* and *1b* for reference.

AGENCY COMMENTS

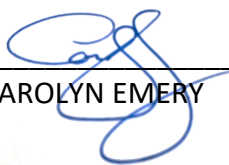
On March 8, 2023, the proposed FY 2023-2024 OC LAFCO Budget was distributed to the Board of Supervisors, County Executive Office, and each city and independent special district for review and comment. Additionally, in accordance with State law, a notice of public hearing of the final budget was published in the Orange County Register on April 18, 2023. At the time of the agenda posting on May 3, OC LAFCO had not received any written comments.

RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Adopt the final OC LAFCO Fiscal Year 2023-2024 Budget.
2. Direct the Executive Officer to transmit the final budget to the Board of Supervisors, cities, special districts and the County Auditor-Controller.

Respectfully submitted,



CAROLYN EMERY



LUIS TAPIA

Attachments:

1. Final OC LAFCO FY 2023-2024 Budget
 - a. OC LAFCO City Apportionments for FY 2023-2024 (prepared by the Auditor-Controller)
 - b. OC LAFCO Special District Apportionments for FY 2023-2024 (prepared by the Auditor-Controller)



Orange County Local Agency Formation Commission
Final Budget
 Fiscal Year 2023/24

	FY 22/23 Adopted Budget	FY 23/24 Final Budget	\$ Budget Variance	% Budget Variance
Apportionment Increase Factor (%)				
	6.0%	15.0%		
1 Revenue & Cash Reserves Use / (Addition)				
2 Cash Reserves Use / (Addition)	\$ 322,090	\$ 318,390	\$ (3,700)	-1.1%
3 4000 LAFCO Apportionment	1,227,730	1,411,890	184,160	15.0%
4 4200 Interest	6,300	14,200	7,900	125.4%
5 Total Revenue & Cash Reserves Use / (Addition)	1,556,120	1,744,480	188,360	12.1%
6 Expense				
7 Salaries & Benefits				
8 5000 Salaries	574,500	621,200	46,700	8.1%
9 5010 Hourly Employees	20,800	20,800	-	0.0%
10 5106 Retirement	250,300	247,700	(2,600)	-1.0%
11 5109 Retiree Health Benefits	19,300	22,000	2,700	14.0%
12 5108 Health Insurance	65,600	68,500	2,900	4.4%
13 5110 Dental Insurance	2,700	6,900	4,200	155.6%
14 5112 Life Insurance	460	420	(40)	-8.7%
15 5118 Unemployment Insurance	-	620	620	0.0%
16 5102 Optional Benefit Plan	18,500	18,500	-	0.0%
17 5104 Deferred Compensation	17,500	17,900	400	2.3%
18 5116 Medicare	8,900	9,400	500	5.6%
19 5114 Worker's Compensation	3,520	2,550	(970)	-27.6%
20 5120 Salary Continuance	1,510	1,560	50	3.3%
21 5122 Accidental Death Insurance	170	120	(50)	-29.4%
22 5125 Executive Car Allowance	7,200	7,200	-	0.0%
23 Salaries & Benefits Total	990,960	1,045,370	54,410	5.5%
24 Operations, Prof. Services & Other				
25 Office Operations				
26 5150 Information Technology	12,800	32,850	20,050	156.6%
27 5151 Internet & Telephone	14,500	16,480	1,980	13.7%
28 5200 County Charges	8,200	10,300	2,100	25.6%
29 5250 Insurance	7,600	14,030	6,430	84.6%
30 5350 Membership/Subscriptions	36,400	39,900	3,500	9.6%
31 5450 Office Equipment/Supplies	22,500	24,100	1,600	7.1%
32 Professional Services				
33 5510 Legal	60,000	60,000	-	0.0%
34 5520 Audit/Accounting	49,700	53,000	3,300	6.6%
35 5530 Human Resources	10,000	20,000	10,000	100.0%
36 5540 Other Professional	150,000	180,000	30,000	20.0%
37 Other Expense				
38 5535 Mapping	9,300	13,900	4,600	49.5%
39 5550 Investment Admin Fees	660	850	190	28.8%
40 5600 Public Noticing / Communications	11,650	14,800	3,150	27.0%
41 5610 Unincorporated Areas Program	8,000	18,000	10,000	125.0%
42 5650 Rents/Maintenance	104,100	111,600	7,500	7.2%
43 5675 Equipment Leases & Maintenance	8,700	7,700	(1,000)	-11.5%
44 5700 Commissioner/Staff Expenses	7,000	7,000	-	0.0%
45 5710 Commission Stipends & Taxes/Fees	15,950	16,000	50	0.3%
46 5750 Professional Development	5,000	25,000	20,000	400.0%
47 5800 Registration/Travel	13,600	21,300	7,700	56.6%
48 5850 Commission Meeting Expenses	9,500	12,300	2,800	29.5%
49 Operations, Prof. Services & Other Total	565,160	699,110	133,950	23.7%
50 Total Expense	1,556,120	1,744,480	188,360	12.1%
51 Net Budget	\$ -	\$ -	\$ -	0%



Orange County Local Agency Formation Commission
Final Budget
 Fiscal Year 2023/24

	FY 22/23 Adopted Budget	FY 23/24 Final Budget	\$ Budget Variance	% Budget Variance
Projected Cash Reserves				
Reserved Cash				
Contingency Reserve	100,000	\$ 100,000		
Litigation Reserve	75,000	75,000		
Unfunded Liability Reserve	30,000	30,000		
Operating Reserve (25% Budgeted Expenses)	389,030	436,120		
Total Reserved Cash	594,030	641,120		
Unreserved Cash				
Balance at the Beginning of FY	825,635	540,871		
Addition / (Drawdown) to Unreserved Cash	(322,090)	(318,390)		
Total Unreserved Cash	503,545	222,481		
Total Projected Cash Reserves	\$ 1,097,575	\$ 863,601		

OC LAFCO FY 2023-24 BUDGET CATEGORIES

REVENUES

The following summarizes the revenue categories of the OC LAFCO Budget:

4000 OC LAFCO Apportionment

These funds are provided by the County, independent special districts and cities. The County pays 1/3 of the total apportionment cost. The cost allocation formulas for the cities and special districts are in accordance with the alternative formulas adopted by the City Selection Committee and the Independent Special Districts Selection Committee respectively.

4050 Filing Fees

These funds are provided by incoming project applications, including but not limited to annexations, reorganizations, incorporations, dissolutions, and consolidations. Filing fees vary with each project received and are not budgeted as revenue due to the uncertainty of when applications will be filed. Filing fees are collected to offset OC LAFCO salaries, benefits and other expenditures associated with applications.

4150 Miscellaneous Revenue

These funds are incurred by nonoperational income including but not limited to reimbursements.

4200 Interest

These funds are the interest earned from the agency's bank and County payroll accounts and investment portfolio, including the Local Agency Investment Fund (LAIF) and Orange County Fund (OC Fund).

EXPENDITURES

The following summarizes the expenditure categories of the OC LAFCO Budget:

5000-5125 Salaries and Benefits

These categories include costs incurred for OC LAFCO employee salaries and benefits, including retirement, life, accidental and disability insurance, health and dental insurance, workers' compensation, and Medicare. OC LAFCO contracts with the County of Orange for payroll and benefit services.

5150 Information Technology

This category includes costs incurred for the technical support for regular maintenance and upgrades to the OC LAFCO computer systems and website. OC LAFCO contracts with independent consultants for IT and website services.

5151 Internet and Telephone

This category includes costs for the usage, technical support, equipment purchasing, leasing and maintenance for office and mobile telephones and internet service.

OC LAFCO FY 2023-24 BUDGET CATEGORIES

5200 County Charges

This category includes costs incurred for payroll processing, records archiving and storage, and billing, collection and intranet services provided by the County of Orange.

5250 Insurance

This category includes costs incurred for insurance coverage. OC LAFCO contracts with the County and a joint powers authority for the following coverages for instances that occur during the general operation of the agency.

- General Liability– Includes coverage for personal injury (including bodily injury and property damage), non-owned auto liability, public officials’ errors and omissions and employment practices liability.
- Crime – Includes coverage for employee or non-employee theft, burglary, forgery or alteration, computer fraud, funds transfer fraud.
- Property - Includes per occurrence, all perils coverage for damage to property including personal property and business interruption coverage.
- Workers’ Compensation – Includes coverage for employees involving work-related injuries.

5350 Membership/Subscriptions

This category includes memberships and subscriptions fees to CALAFCO, CSDA, OCBC, CDR and other applicable memberships.

5450 Office Equipment and Supplies

This category includes costs incurred for the purchase of office supplies and equipment, computers, and software that support the efficient operations of the agency.

5500 Professional Services

This category includes costs incurred for professional services provided to OC LAFCO. The following are subcategories for professional services:

- ✓ **5510 Legal** – OC LAFCO general counsel services.
- ✓ **5520 Auditing/Accounting** – Bookkeeping, accounting and auditing services. OC LAFCO audited financial statements are prepared by an independent auditor.
- ✓ **5530 Human Resources** – Personnel services that may be provided by an independent consultant for assistance with recruitment, professional development and other human resource areas.
- ✓ **5535 Mapping** – OC LAFCO’s Geographic Information System (GIS) and other mapping programs.

OC LAFCO FY 2023-24 BUDGET CATEGORIES

- ✓ **5540 Other Professional Services** – Consulting and professional services for meeting facilitation, peer reviews, and preparation of Municipal Service Reviews, fiscal studies and other reports and projects.

5550 Investment Admin Fees

This category includes costs incurred for administrative fees charged by the County of Orange for financial services related to the investment and payroll accounts.

5600 Public Noticing/Communications

This category includes costs incurred for required legal notices and other communications for Commission-initiated and other projects (e.g., spheres of influence reviews and updates, municipal service reviews, and annual budget adoption) that are not reimbursable through application fees.

5610 Unincorporated Areas Program

This category includes costs incurred for the processing of applications under the Commission's Unincorporated Areas Program.

5650 Rents/Maintenance

This category includes costs for leasing and maintenance of OC LAFCO office space.

5675 Equipment Leases/Maintenance

This category includes costs for leasing and maintenance of the OC LAFCO copier and printers.

5700 Commissioner/Staff Expenses

This category includes costs incurred by Commissioners and staff to attend OC LAFCO and other related business meetings and activities.

5710 Commissioner Stipends & Taxes/Fees

This category includes Commissioner meeting stipends and related employment taxes and fees.

5750 Professional Development

This category includes costs related to employee professional development (e.g., college/university degree programs and courses, certificate programs, leadership seminars).

5800 Transportation/Travel/Registration

This category includes costs incurred for registration and travel expenses for commissioners and staff to attend the CALAFCO annual conference, staff workshop, board meetings and other educational activities.

5850 Commission Meeting Expenses

This category includes costs incurred for communications, room rental, parking and miscellaneous expenses for Commission meetings.

OC LAFCO FY 2023-24 BUDGET CATEGORIES

RESERVES**Contingency Reserve**

Restricted funds used to cover any unforeseen future agency loss and/or urgency (i.e., property or equipment damage, loss or theft).

Reserve for Litigation

Restricted funds used for costs related to agency litigation not covered by application fees and deposits.

Unfunded Liability Reserve

Restricted funds used to offset anticipated agency liabilities (i.e., employee compensated absences).

OC LAFCO FY 2023-24 City Allocations

City	FY 2023-24 City Allocation
Aliso Viejo	\$ 7,341.83
Anaheim	50,561.35
Brea	8,659.60
Buena Park	11,781.44
Costa Mesa	16,283.80
Cypress	7,122.20
Dana Point	5,396.56
Fountain Valley	8,581.16
Fullerton	21,492.10
Garden Grove	23,013.80
Huntington Beach	28,551.55
Irvine	51,847.76
Laguna Beach	5,020.05
Laguna Hills	5,161.24
Laguna Niguel	11,075.49
Laguna Woods	2,808.09
La Habra	8,659.59
Lake Forest	13,993.40
La Palma	2,133.52
Los Alamitos	2,447.28
Mission Viejo	14,950.35
Newport Beach	16,424.99
Orange	21,947.04
Placentia	7,310.45
Rancho Santa Margarita	8,753.72
San Clemente	12,048.12
San Juan Capistrano	7,906.58
Santa Ana	40,129.05
Seal Beach	6,118.19
Stanton	5,004.36
Tustin	11,577.50
Villa Park	1,223.64
Westminster	12,361.88
Yorba Linda	12,942.32
TOTAL	\$ 470,630.00

OC LAFCO FY 2023-24 Special District Allocations

District	ISDOC Formula Calculation FY 2023-24
Silverado-Modjeska Rec. & Park	\$ 517.69
Surfside Colony Stormwater	517.69
Surfside Colony CSD	517.69
Rossmoor/Los Alamitos Area Sewer District	2,682.59
Capistrano Bay CSD	2,682.59
Rossmoor CSD	2,682.59
Three Arch Bay CSD	2,682.59
Emerald Bay CSD	2,682.59
Buena Park Library District	2,682.59
Placentia Library District	2,682.59
Orange County Cemetery District	4,047.42
Orange County Vector Control District	5,365.18
Total Non-Enterprise Districts	\$ 29,743.80
Sunset Beach Sanitary District	5,365.18
Serrano Water District	16,142.61
East Orange Co. Water District	21,507.79
Midway City Sanitary District	21,507.79
Trabuco Canyon Water District	21,507.79
Costa Mesa Sanitary District	21,507.79
El Toro Water District	26,872.97
Mesa Water District	32,238.16
Yorba Linda Water District	32,238.16
South Coast Water District	32,238.16
Moulton Niguel Water District	37,650.40
Santa Margarita Water District	37,650.40
Municipal Water District of O.C.	43,015.58
Orange County Water District	43,015.58
Irvine Ranch Water District	48,427.84
Total Enterprise Districts	\$ 440,886.20
Total Special Districts	\$ 470,630.00

May 10, 2023

8a | Commission
Discussion

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Wendy Bucknum
City Member

Andrew Do
County Member

James Fisler
Special District Member

Vacant
City Member

ALTERNATES

Katrina Foley
County Member

Kathryn Freshley
Special District Member

Carol Moore
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 II

SUBJECT: OC LAFCO Fiscal Indicators

BACKGROUND

The OC LAFCO fiscal indicators and the web-based program were developed to assist the Commission in responding to its legislative mandate to conduct ongoing municipal service reviews (MSRs). The initial effort involved input from the cities, special districts, and members of the California Society of Municipal Finance Officers and resulted in general indicators involving agency revenues, expenditures, and reserves and a user-friendly dashboard that displayed the respective data. Since the beginning of this effort in 2008, additional activities involving the agency's fiscal indicators have occurred in an effort to improve the program as a key resource to the Commission and our local agencies. Key milestones for the indicators include:

- **2008-2011:** Development of Fiscal Indicators and Web-based Program.
- **2011-2015:** Web-based Program launched.
- **2020:** Improvement of indicators included in Commission's Work Plan.
- **2022-2023:** Improvements to indicators and web-based program completed by consultants and staff.
- **2023:** Began implementation of indicators (Southwest and West MSRs).
- **2023 (to be completed):** Data and Web-based Program migration to agency website.

The next section of this report provides additional details on the improved fiscal indicators and web-based program.

2023 OC LAFCO Fiscal Indicators

The OC LAFCO fiscal indicators were most recently enhanced to include quantitative and benchmark metrics and improve the web-based structure to facilitate the ongoing maintenance and updating of the fiscal data more efficiently. In addition to a new look, the fiscal indicators are

now aligned with the indicators established by the California State Auditor to assess the fiscal risks for cities. The OC LAFCO indicators, however, go beyond the State’s approach by applying the indicators also to special districts. Overall, the intent of the improved indicators is to provide a general indication of an agency’s fiscal health and to flag, where appropriate, any trends that may warrant further evaluation and planning. A description of the indicators and what each denotes are described in the table below.

OC LAFCO Fiscal Indicators	
INDICATOR	DESCRIPTION
<i>Annual Change in Revenues</i>	Compares revenue growth to long-term inflation (historically about 2-3%). Weak or declining revenues are an indication of potential fiscal issues.
<i>Annual Change in Expenditures</i>	Compares expenditure growth to long-term inflation. High expenditure growth exceeding inflation and revenue growth indicates current or potential fiscal concerns.
<i>Adequate Operating Reserves</i>	Compares operating reserves typically providing at least two months of operating funds (i.e., 16.7% of annual expenditures). Total reserves may be greater and may include funds available for capital or other uses. Inadequate operating reserves indicate poor fiscal health.

NOTE: *OC LAFCO Fiscal Indicators for each agency are derived from the respective agency’s financial data and sources (i.e., audited financial reports).*

The first use of the improved fiscal indicators is underway in part to the MSR process for the Southwest and West regions. During the process, OC LAFCO consultants have engaged the respective agencies in discussions on their respective indicators, and the agencies will have additional opportunities to provide feedback during the review of the administrative draft MSRs. Once the Southwest and West MSRs are received and filed by the Commission, the fiscal data for these agencies will be migrated to the improved OC LAFCO Fiscal Indicators web-based program. The program will be housed on the agency’s website, updated annually, and expanded to include more agencies concurrent with the completion of their MSR.

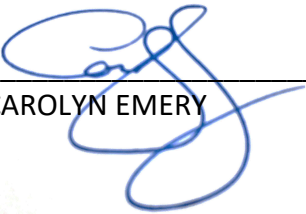
At the May 10 meeting, OC LAFCO Consultant, Richard Berkson, will provide a presentation on the indicators and address questions of the Commission. In addition to the fiscal indicators, Mr. Berkson has provided his 30 years of experience in financial analysis to OC LAFCO through the evaluation and preparation of multiple fiscal studies involving MSRs, annexations and city incorporations. In part to the presentation, Commission staff will also preview the web-based program.

RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Receive and file the OC LAFCO Fiscal Indicators report.
2. Provide additional direction, if warranted.

Respectfully submitted,



CAROLYN EMERY



GAVIN CENTENO

May 10, 2023

8b | Commission
Discussion

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

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Carol Moore
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
Assistant Executive Officer

SUBJECT: Legislative Report (May 2023)

BACKGROUND

This report provides a brief status update on bills previously reviewed by the Commission during this legislative session. Additionally, as requested by the OC LAFCO Chair, the report includes a summary of Assembly Bill 1637, a bill recently introduced in the Legislature, and recommended action for Commission consideration.

UPDATE TO PREVIOUSLY REVIEWED LEGISLATION

The table below provides the status of each bill reviewed by the Commission during the current legislative session.

Bill	Description	Commission's Adopted Position	Status
AB 557	Proposes to remove the sunset date of January 1, 2024, which would terminate the ability for local agencies to hold meetings by teleconference during a state of emergency previously established through the signing of AB 361 by the Governor.	Watch	AB 557 is currently in the Assembly. The next hearing date has not been identified, as of May 3.
AB 1753	Makes minor and/or non-substantive changes to the CKH Act and provides consistency in how the Act is applied throughout the State.	Support	AB 1753 is currently under review in the Senate. The next hearing date had not been identified, as of May 3.

Bill	Description	Commission's Adopted Position	Status
SB 360	Proposes to further support opportunities for locally elected officials to effectively serve their communities by expanding the list of offices that a locally elected official may be seated on concurrently involving the Coastal Commission, LAFCOs and Joint Powers Authority.	Support	SB 360 is currently under review in the Senate. The next hearing date has not been identified, as of May 3.
SB 878 SB 879 SB 880	Yearly Validating Acts are meant to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues.	Support	SB 878, SB 879, and SB 880 are currently with the Senate Governance and Finance Committee. The next hearing date has not been identified, as of May 3.

NEW LEGISLATION

AB 1637 (Irwin) Local Government: Internet Websites and Email Addresses

The California Public Records Act requires a local agency to make public records available for inspection to the public and allows local agencies to post records on their website for public review. This bill proposes that by January 1, 2026, local agencies that maintain an internet website for the use of the public must ensure that the website link utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain. Additionally, the bill proposes to require local agencies that maintain public email addresses for employees to ensure each email address utilizes a “.gov” or a “.ca.gov” domain name.

If passed, AB 1637 will impact all state and local agencies, including LAFCOs. On April 4, 2023, a coalition of agencies including the Association of California School Administrators, League of California Cities, California Special Districts Association, California State Association of Counties, and the Urban Counties of California submitted a letter to the legislature stating they are opposed to AB 1637 unless it is amended. The letter outlines the agencies' concerns, which include that the domains do not provide a higher level of security, the process to obtain the new domains can be rigorous, and a switch to the domains will have a fiscal impact on agencies. The agencies suggested that the bill be amended to narrow the scope to encourage agencies to use the new domains, provide funding resources to agencies that initiate the transition, and establish technical support for agencies.

If enacted, in addition to the technical costs associated with the change in OC LAFCO’s domain and email addresses, respective hard copy materials would also need to be updated, including

agency brochures, business cards, and other electronic and hard copy media items, resulting in some fiscal impact to the agency and no expected benefits resulting from these changes. Because of these reasons, as well as the others noted by the coalition of agencies, staff recommends the Commission consider adopting an **Oppose or Oppose Unless Amended** position. Draft letters for both positions are attached to this report for Commission review.

RECOMMENDED ACTION: Adopt **OPPOSE or OPPOSE UNLESS AMENDED** position on AB 1637.

SUPPORT: None on record.

OPPOSE UNLESS AMENDED: Association of California School Administrators, League of California Cities, California Special Districts Association, California State Association of Counties, Urban Counties of California.

OPPOSE: City Clerks Association of California, City of Redwood, City of San Marcos.

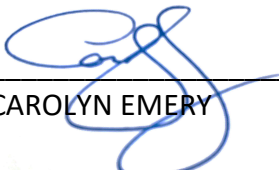
BILL LOCATION/STATUS: Senate. No hearing date scheduled at the time of agenda distribution.

RECOMMENDED ACTIONS


Staff recommends the Commission:

1. Adopt an **Oppose or Oppose Unless Amended** position on AB 1637.
2. Direct staff to send respective position letter to the bill author.

Respectfully submitted,



CAROLYN EMERY



LUIS TAPIA

Attachment:

1. Assembly Bill AB 1637 (Irwin)

Exhibits:

- A. Letter of Opposition – AB 1637
- B. Letter of Oppose Unless Amended – AB 1637


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AB-1637 Local government: internet websites and email addresses. (2023-2024)

SHARE THIS:



Date Published: 04/27/2023 09:00 PM

AMENDED IN ASSEMBLY APRIL 27, 2023

AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 1637

Introduced by Assembly Member Irwin

February 17, 2023

An act to add Section 50034 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1637, as amended, Irwin. Local government: internet websites and email addresses.

(1) The California Constitution authorizes cities and counties to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general ~~laws,~~ laws and further authorizes cities organized under a charter to make and enforce all ordinances and regulations in respect to municipal affairs, which supersede inconsistent general laws.

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its internet website and directing a member of the public to the internet website, as specified.

This bill, no later than January 1, ~~2025,~~ 2026, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level ~~domain,~~ domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, ~~2025,~~ 2026, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

(2) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) The Cybersecurity and Infrastructure Security Agency (CISA), within the Department of Homeland Security, sponsors the “.gov” top-level domain and makes it available solely to United States-based government organizations and publicly controlled entities, including California’s local agencies.

(b) California’s local agencies qualify for a “.gov” domain without paying any fee.

(c) Using “.gov” increases security by enforcing multifactor authentication on all accounts in the “.gov” registrar, requiring browsers to only use a Hypertext Transfer Protocol Secure (HTTPS) connection with “.gov” domains, and enabling the addition of a security contact, making it easier for the public to alert the agency about potential security issues with the agency’s online services.

(d) The Government Operations Agency oversees the “.ca.gov” domain name program, and the Department of Technology manages the registration, change, and renewal process for “.ca.gov” domains. Agencies are not required to pay any fee for a “.ca.gov” domain.

(e) To administer the “.ca.gov” second-level domain, the Department of Technology has established policies and protocols consistent with federal ~~policy~~ *policy*, including, but not limited to, the federal Interagency Committee on Government Information’s Recommended Policies and Guidelines for Federal Public Websites and the federal .gov Registrar administered by CISA.

(f) Users of websites or other internet services with a “.ca.gov” domain can be assured they are accessing an official California governmental resource.

SEC. 2. Section 50034 is added to the Government Code, to read:

50034. (a) (1) No later than January 1, ~~2025~~, *2026*, a local agency that maintains an internet website for use by the public shall ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain.

(2) If *a* local agency that is subject to paragraph (1) maintains an internet website for use by the public that is noncompliant with paragraph (1) by January 1, ~~2025~~, *2026*, that local agency shall redirect that internet website to a domain name that does comply with paragraph (1).

(b) No later than January 1, ~~2025~~, *2026*, a local agency that maintains public email addresses for its employees shall ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name.

(c) For purposes of this section, “local agency” has the same meaning as that term is defined in Section 54951.

SEC. 3. The Legislature finds and declares that Section 2 of this act adding Section 50034 to the Government Code addresses a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 1 of this act adding Section 50034 to the Government Code applies to all cities, including charter cities.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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Special District Member

Carol Moore

City Member

Lou Penrose

Public Member

STAFF

Carolyn Emery

Executive Officer

Scott Smith

General Counsel

May 10, 2023

Assembly Member Jacqui Irwin

California State Assembly

1020 N Street, Room 6011

Sacramento, CA 95814

RE: **Oppose** – AB 1637 (Irwin): Local Government: Internet Websites and Email Addresses

Dear Assembly Member Irwin:

The Local Agency Formation Commission of Orange County (OC LAFCO), respectfully, opposes AB 1637, which proposes to require all local agencies' use of the ".gov" or ".ca.gov" domains for email addresses and internet websites.

While OC LAFCO appreciates the intent of AB 1637, as currently written, the language creates many challenges for local governments, including a new unfunded mandate and the rigorous processes associated with meeting the requirements of the bill. For many agencies, particularly ones with smaller or already constrained budgets and other resources, this undertaking would present negative fiscal impacts. Additionally, without supporting and contrary information, OC LAFCO anticipates that the change in the Commission's domain would not yield any benefits, such as enhanced security or improved public accessibility to our agency through the electronic means discussed in AB 1637.

For these reasons, OC LAFCO opposes AB 1637. If you or your staff have any questions, you may contact Executive Officer, Carolyn Emery at (714) 640-5100.

Respectfully,

Douglass Davert

Chair

cc: René LaRoche, Executive Director, CALAFCO

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May 10, 2023

Assembly Member Jacqui Irwin
California State Assembly
1020 N Street, Room 6011
Sacramento, CA 95814

RE: **Oppose Unless Amended** – AB 1637 (Irwin): Local Government: Internet Websites and Email Addresses

Dear Assembly Member Irwin:

The Local Agency Formation Commission of Orange County (OC LAFCO), respectfully, opposes AB 1637, which proposes to require all local agencies' use of the ".gov" or ".ca.gov" domains for email addresses and internet websites.

While OC LAFCO appreciates the intent of AB 1637, as currently written, the language creates many challenges for local governments, including a new unfunded mandate and the rigorous processes associated with meeting the requirements of the bill. For many agencies, particularly ones with smaller or already constrained budgets and other resources, this undertaking would present negative fiscal impacts. Additionally, without supporting and contrary information, OC LAFCO anticipates that the change in the Commission's domain would not yield any benefits, such as enhanced security or improved public accessibility to our agency through the electronic means discussed in AB 1637.

To minimize the fiscal impacts for local agencies, OC LAFCO requests consideration of narrowing the scope of AB 1637 to allowing local agencies to self-select the use of ".ca" and ".ca.gov" domains and funding provided by the State for those that chose this option. The potential amendments would provide support to those agencies interested in making the transition while allowing for other agencies to keep the domain historically attached to their agency for internal or other reasons.

We appreciate your consideration of OC LAFCO's concerns, and you may contact our Executive Officer, Carolyn Emery if you have any questions.

Respectfully,

Douglass Davert
Chair

cc: René LaRoche, Executive Director, CALAFCO

May 10, 2023

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Assistant Executive Officer

SUBJECT: Memorandum of Understanding with California State
University, Fullerton Auxiliary Services Corporation for
Fiscal Years 2023-26

DISCUSSION

The Center for Demographic Research (CDR), which was established in 1996, develops Orange County population, employment, housing and other demographic estimates and projections that are used by a variety of agencies for transportation and other planning activities. CDR is operated through the California State University, Fullerton (CSUF) Auxiliary Services Corporation, a 501(c)(3) public benefit, nonprofit corporation.

Since 2010, OC LAFCO has participated with several other regional agencies and organizations to receive services from CDR through a multi-year Memorandum of Understanding (MOU). The current three-year MOU (FYs 2020-23) will terminate at the end of this fiscal year. The new MOU will include the following regional agencies as sponsors: County of Orange, Municipal Water District of Orange County (MWDOC), Orange County Council of Governments, Orange County Sanitation District (OC SAN), Orange County Transportation Authority, Orange County Water District (OCWD), Southern California Association of Governments, and Transportation Corridor Agencies.

If the MOU is approved by the Commission, OC LAFCO would continue its participation as a “contributing partner.” For OC LAFCO, the distinction is made in recognition that staff regularly contributes data and information to CDR about annexations and spheres of influence in exchange for a specified range of CDR products and services and participation on CDR’s technical and management committees. These specific services include: 1) preparation of an annual boundary change report that includes maps and data for year-to-year jurisdictional changes approved by the Commission, 2) CDR quarterly and annual reports (e.g., Orange County Projections) and access to information services and databases (e.g., Housing Inventory System and custom demographics estimates), and 3) GIS data and mapping involving Orange County’s disadvantaged

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General Counsel

unincorporated communities. The boundary change report serves as an additional resource to cities, special districts, the County, and the public. OC LAFCO utilizes other services provided by CDR to assist in multiple projects and efforts, including sphere of influence reviews and updates, Municipal Service Reviews, and the unincorporated areas program.

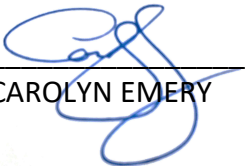
The new three-year MOU will include fiscal years 2023 through 2026. The cost to OC LAFCO for the initial year of the MOU will be \$19,500, with minimal increases of \$500 during each subsequent fiscal year of the MOU period. The MOU total cost for the three-year period is \$60,000 and will be incorporated in the agency's respective annual budgets.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Approve the three-year (Fiscal Years 2023-26) Memorandum of Understanding with CSU Fullerton Auxiliary Services Corporation for the Continued Operation of the Center for Demographic Research at California State University, Fullerton and direct the Executive Officer to execute the MOU.

Respectfully submitted,



CAROLYN EMERY



LUIS TAPIA

Attachment:

1. Memorandum of Understanding with the Center for Demographic Research for Fiscal Years 2023-2026

AGREEMENT NO.

MEMORANDUM OF UNDERSTANDING
by and between
ORANGE COUNTY INTERESTS
and
CSU FULLERTON AUXILIARY SERVICES CORPORATION
for the
CONTINUED OPERATION OF THE CENTER FOR DEMOGRAPHIC RESEARCH
AT CALIFORNIA STATE UNIVERSITY, FULLERTON

This Memorandum of Understanding (“MOU”) is entered into between the County of Orange, Transportation Corridor Agencies, Orange County Transportation Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Council of Governments, Southern California Association of Governments (“SPONSORS”); the Orange County Local Agency Formation Commission and Orange County Sanitation District (“CONTRIBUTING PARTNERS”) and the CSU Fullerton Auxiliary Services Corporation, (“ASC”), which is a 501 (c)3 California corporation organized under California law as an auxiliary organization of California State University, Fullerton (“CSUF”). This MOU is for the development of demographic data and related support products. Obligations and rights specified for CSUF in the MOU shall be exercised by the ASC.

WHEREAS, the development of demographic and related information for Orange County is a vital data source used for a wide range of local, subregional and regional applications, including, transportation infrastructure planning, facilities planning and timing, development of fee programs, bond revenue stream analysis, general planning and other applications; and

WHEREAS, a number of primary users of data in Orange County have recognized the benefit of having a local area expertise in developing demographic projections and associated products; and

WHEREAS, these SPONSORS, CONTRIBUTING PARTNERS, and CSUF agree on the importance of having a single entity in Orange County developing demographic products and providing such products to data users; and

WHEREAS, these agencies also desire to establish a long-term process which allows each individual agency participation in the development and review of demographic products; and

WHEREAS, the Center for Demographic Research (“CDR”) located at CSUF provides an opportunity to place demographic activities in a setting that accomplishes SPONSORS’ and CONTRIBUTING PARTNERS’ objectives and provides augmented educational opportunities for CSUF; and

WHEREAS, CSUF will be listed as a “SPONSOR” based upon their financial contribution as outlined in the budget in Attachment 1 and in-kind contributions for the balance of the remaining Sponsor seat; and

WHEREAS, the SPONSORS have worked cooperatively in supporting and organizing the Center for Demographic Research for 27 years and wish to continue their cooperation; and

WHEREAS, the CONTRIBUTING PARTNERS wish to participate in supporting the Center for Demographic Research beginning in Fiscal Year 2010/2011; and

NOW, THEREFORE, IT IS RESOLVED that the **SPONSORS, CONTRIBUTING PARTNERS**, and the ASC agree as follows:

1. The SPONSORS and CONTRIBUTING PARTNERS will fund the CDR for the next three years for an annual total fee as set forth in Item IV below and Attachment 1.
2. Process and Structure
 - A. Orange County Projections

The Orange County Council of Governments (“OCCOG”) will be responsible for the approval of the Orange County Projections at the Regional Statistical Area level and subsequent to that action the County of Orange will approve the Orange County Projections. The OCCOG will work with CDR staff to integrate the Orange County Projections as approved into the Southern California Association of Governments (“SCAG”) Regional Growth Forecast. Sponsors will make good faith efforts to use the Orange County Projections data in all future forecasting and planning efforts.

B. Management Oversight

The Management Oversight Committee (“MOC”) shall meet at least four (4) times each year to (1) consider policy matters associated with the operations of the Center for Demographic Research, (2) review products status and activities which are part of the core Work Program, (3) review the Center for Demographic Research’s financial status and status of MOU signatures, (4) set CDR budget and modify staff salaries funded by this MOU (5) consider requests from additional agencies wishing to become sponsors or contributing partners, (6) modify budget and work program upon addition or termination of a sponsor or contributing partner, (7) address other matters vital to the function of the Center for Demographic Research, and (8) undertake additional tasks as requested by the SPONSORS.

The Management Oversight Committee will be comprised of staff representing the SPONSORS, CONTRIBUTING PARTNERS and CSUF. Each SPONSOR will have one voting member of equal standing on the Management Oversight Committee including one member jointly representing the Municipal Water District of Orange County and the Orange County Water District; each CONTRIBUTING PARTNER will have one non-voting Ex-Officio member. The designees from each SPONSOR, CONTRIBUTING PARTNER, and the university shall be named by July 1 of each year. An organization may also designate an individual(s) to serve as an alternate

member of the Management Oversight Committee. The committee chair and vice-chair will be elected for a three-year term from voting members.

C. Technical Oversight:

The Technical Advisory Committee (“TAC”) provides technical guidance and input into the development of each product produced under this MOU before they are reviewed by the Management Oversight Committee. The Technical Advisory Committee advises the Director of the Center for Demographic Research, as well as reports to the Management Oversight Committee. The Committee will include one voting representative from each SPONSOR including a member representing the Municipal Water District of Orange County and the Orange County Water District; each CONTRIBUTING PARTNER will have one non-voting Ex-Officio member. University participation on the Technical Advisory Committee will include at least one voting member from CSUF, and one voting member each from the University of California, Irvine and Chapman University. The Director of the Center for Demographic Research will coordinate with research centers at these universities to ensure data consistency. The designees from each SPONSOR, CONTRIBUTING PARTNER, and agency shall be named by July 1 of each year. The committee chair and vice-chair will be elected for a three-year term from voting members.

The Technical Advisory Committee shall schedule at least four (4) meetings each year. It will (1) provide a report to the Management Oversight Committee summarizing its meetings, (2) provide advice on the approach, techniques, data sources and methods used to develop new products, (3) facilitate the acquisition of data necessary to produce products, (4) provide suggestions on the interpretation and analysis incorporated into deliverables, (5) provide input on assumptions for the development of the growth projections, (6) provide review of deliverables prior to approval by the Management Oversight Committee and (7) undertake other tasks as identified by the Management Oversight Committee.

D. Transportation Modeling Data

The Orange County Transportation Authority (“OCTA”) will be responsible for the approval of all transportation modeling variables used in the Orange County Transportation Analysis Model (“OCTAM”) at the Traffic Analysis Zone level. The transportation modeling variables shall be consistent with the Orange County Projections, as approved by the Orange County Council of Governments and the County of Orange at the Regional Statistical Area Level. The OCTA and SCAG will exercise user agreements for their consultants to access the transportation modeling variables.

3. Duration and Terminations

This agreement will become effective upon execution and ends on June 30, 2026. A review of the performance of the Center for Demographic Research in meeting its obligations under this MOU will be conducted by the Management Oversight Committee throughout the term July 2023 through June 2026. This MOU may be extended and/or amended by mutual agreement of all signatories.

A party may terminate its participation under this MOU by giving each of the other parties sixty (60) days written notice thereof. Upon said notice of termination, the SPONSOR or CONTRIBUTING PARTNER terminating its participation shall pay the balance of fees owed by the SPONSOR or CONTRIBUTING PARTNER for that given fiscal year. Each fiscal year, the SPONSORS and CONTRIBUTING PARTNERS shall review and approve in writing the MOU, work program, and funding arrangement. Such written approval shall constitute a SPONSOR'S or CONTRIBUTING PARTNER'S agreement to participate in this Agreement. In the event that ASC wishes to terminate its participation, it shall reimburse the SPONSORS and CONTRIBUTING PARTNERS any advance payments, less an amount to cover expenses related to work in progress and less costs reasonably necessary to effect such termination. If a party wishes to withdraw from the agreement, said notice shall be affected by delivery of such notice in person or by depositing said notice in the United States mail, registered or certified mail, return receipt required, postage prepaid.

4. Funding and Schedule

Respective fees shall be as follows for the following fiscal year:

Payment Schedule for 2023-2026	2023-2024	2024-2025	2025-2026	Three-Year Total
County of Orange	\$124,866.28	\$135,578.86	\$145,297.07	\$405,742.21
Orange County Council of Governments	\$124,866.28	\$135,578.86	\$145,297.07	\$405,742.21
Orange County Transportation Authority	\$124,866.28	\$135,578.86	\$145,297.07	\$405,742.21
Transportation Corridor Agencies	\$124,866.28	\$135,578.86	\$145,297.07	\$405,742.21
Southern California Association of Governments	\$124,866.28	\$135,578.86	\$145,297.07	\$405,742.21
Municipal Water District of Orange County	\$62,433.14	\$67,789.43	\$72,648.54	\$202,871.11
Orange County Water District	\$62,433.14	\$67,789.43	\$72,648.54	\$202,871.11
Orange County Local Agency Formation Commission	\$19,500.00	\$20,000.00	\$20,500.00	\$60,000.00
Orange County Sanitation District	\$65,433.14	\$69,789.43	\$72,648.54	\$207,871.11
NON-CSUF TOTAL	\$834,130.82	\$903,262.59	\$964,930.96	\$2,702,324.37
California State University, Fullerton	\$198,533.03	\$204,854.98	\$210,701.64	\$614,089.65
TOTAL	\$1,068,663.83	\$1,132,117.57	\$1,175,632.57	\$3,376,413.98

Payments shall be made in accordance with invoicing policies of the ASC according to the schedule below. SPONSORS and CONTRIBUTING PARTNERS will be invoiced at the beginning of each quarter. Quarterly payments equal to 25% of the annual fees shall follow invoices submitted according to the calendar below:

Fiscal Year 2023/2024: July 2023, October 2023, January 2024, April 2024
 Fiscal Year 2024/2025: July 2024, October 2024, January 2025, April 2025
 Fiscal Year 2025/2026: July 2025, October 2025, January 2026, April 2026

SPONSORS and CONTRIBUTING PARTNERS shall pay one-quarter of their annual fees upon receipt of said invoices or may prepay for an entire fiscal year. Prepayment does not imply a discounted rate.

5. Administrative Representatives

- A. The Principal Investigator for the operations and management of the Center for Demographic Research and the conduct of this MOU is Deborah Diep, Director. The Assistant Director, Rubaiya Zaman, will serve as the Principal Investigator in the Director's absence. They are authorized to negotiate supplemental services with the SPONSORS, CONTRIBUTING PARTNERS, and Non-sponsors as noted in Section VII. Sydney Dawes, Director, ASC Office of Sponsored Programs is designated as the administrative representative for the ASC. Should the Principal Investigators become unavailable for any reason, no other Principal Investigator shall be chosen by CSUF or the ASC without the approval of the SPONSORS. Furthermore, the ASC agrees that the Management Oversight Committee shall make the recommendation on the selection of the Director or interim Director of the Center for Demographic Research and no Director or interim Director shall be appointed without approval of the Management Oversight Committee. The Management Oversight Committee will serve as the search committee if a search committee for the Director is required by the ASC.
- B. Equipment and furniture purchased by ASC under the terms of this MOU shall remain the property of the SPONSORS. In the event that the Center for Demographic Research is disbanded, the equipment remains the property of the SPONSORS and the Management Oversight Committee shall determine its disposition.
- C. Databases and applications developed and maintained for the Center for Demographic Research purposes shall remain under control of the SPONSORS. In the event that Center for Demographic Research is relocated from CSUF, all Center for Demographic Research functions and designations shall accompany the Center for Demographic Research.

6. Additional Sponsorships and Revenues

Other agencies and entities can become sponsors or contributing partners of the Center for Demographic Research with unanimous agreement among the SPONSORS as determined by a vote of the Management Oversight Committee. Adjustments in sponsor fees found necessary resulting from the addition of sponsors shall be determined by the Management Oversight Committee with consultation from the Center for Demographic Research Principal Investigators.

The disposition of additional revenues generated through additional sponsors, and the sale of products and services to non-sponsors shall be determined by the Management Oversight Committee. The additional funds shall be prorated according to the respective sponsor fee. SPONSORS shall have the option of expending their share of the additional funds on CDR activities, products or equipment or having the funds returned to the SPONSORS at the end of the fiscal year.

7. Products and Deliverables

- A. The Center for Demographic Research will produce the identified core Demographic Products and Services as described in Attachment 2 and listed in Attachment 3. Each SPONSOR will receive ten (10) copies in printed form and one (1) copy of estimates and projections in electronic form.
- B. The SPONSORS and CONTRIBUTING PARTNERS have the right to request supplemental products and support services from the Center for Demographic Research through a purchase order. Projects above the amount of \$35,000 shall be approved by the ASC. Such purchases may be entered into if the SPONSOR or CONTRIBUTING PARTNER agrees to pay ASC all additional costs resulting from the additional products or services, including an indirect cost of 22%, and if the activities do not interfere with the normal functioning of the CDR. If requests for additional products or services require interference with the normal functioning of the CDR as determined by the Management Oversight Committee or additional resources from the CDR's basic budget the proposal for such products and services will be forwarded to the Management Oversight Committee for their advice and consent prior to finalization of the agreement. In all cases, supplemental work for SPONSORS and CONTRIBUTING PARTNERS shall be assessed indirect costs of 22%.
- C. Non-sponsors can contract with the Center for Demographic Research through the ASC for its services or obtain supplemental products and support services from the Center for Demographic Research through a Non-sponsor purchase order. A list of these projects will be submitted to the MOC on a quarterly basis. If the Director assesses a proposed project contains a conflict of interest, conflict of time commitment, or interference with the normal functioning of CDR, the Management Oversight Committee will be informed of the request for services and will review it for any potential conflicts. The Director shall notify the Management Oversight Committee of any such proposed agreement and provide the committee with draft text and budget, before the intended start of work. The Management Oversight Committee shall review the proposed project for possible conflicts of interests, conflicts of time commitment, and budgetary adequacy. The Management Oversight Committee may at its discretion impose a surcharge of funds to be used at its discretion. Action on these matters may be taken only with the concurrence of a majority of the members of the Management Oversight Committee and all such supplemental work for Non-sponsors shall be assessed normal indirect costs of 35.5% unless negotiated otherwise.

- D. Use of revenues generated by the sale of products produced by the Center for Demographic Research shall be determined by the Management Oversight Committee. A quarterly report on product sales will be presented to the Management Oversight Committee.
- E. Additional projects should not adversely affect the schedule of deliverables unless otherwise agreed to by the Management Oversight Committee.

8. Sponsorship

This Agreement shall be signed by all SPONSORS and CONTRIBUTING PARTNERS by June 30, 2023 with the exception of the Southern California Association of Governments. The Southern California Association of Governments shall sign this Agreement by September 30, 2023. If all SPONSORS and CONTRIBUTING PARTNERS listed in Section XVIII do not sign by September 30, 2023, the work program and budget will be modified to reflect the committed funding. If any SPONSOR or CONTRIBUTING PARTNER does not sign this Agreement, the funding amounts of the remaining SPONSORS and CONTRIBUTING PARTNERS will not change. The remaining SPONSORS and CONTRIBUTING PARTNERS are not required to make up the difference in the reduced budget. Any SPONSOR or CONTRIBUTING PARTNER listed as an ORANGE COUNTY INTEREST that does not sign this Agreement forfeits all rights, services, and privileges as a CDR SPONSOR or CONTRIBUTING PARTNER unless otherwise negotiated. A formal status report on execution will be delivered at each Management Oversight Committee meeting until all SPONSORS and CONTRIBUTING PARTNERS sign this Agreement.

9. Liability and Insurance

Each party to this MOU hereby assumes any and all risks for personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees, and agents thereof. ASC warrants that it has adequate Worker's Compensation Insurance and liability insurance for its own employees. The ASC, the SPONSORS (the County of Orange, Transportation Corridor Agencies, Orange County Transportation Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Council of Governments, and Southern California Association of Governments), and the CONTRIBUTING PARTNERS (the Orange County Local Agency Formation Commission and Orange County Sanitation District) agree to indemnify and hold each other, their respective officers, employees, students, agents, harmless from and against all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from negligent or intentional acts or omissions of the indemnifying party, its officers, employees, students or agents.

10. Independent Contractor

In the performance of all services and obligations under this agreement, SPONSORS, CONTRIBUTING PARTNERS, and ASC shall act as independent contractors. None shall be considered an employee or agent of the other.

11. Use of Names

SPONSORS and CONTRIBUTING PARTNERS agree not to use the names of the ASC or CSUF in any commercial connection with work performed under this Agreement without prior written permission from the ASC. SPONSORS and CONTRIBUTING PARTNERS may use said names in ordinary internal business reports concerning this Agreement and may use the names of the Center for Demographic Research and the Principal Investigators in non-commercial publicity announcing the results of the project.

ASC agrees not to use the names of SPONSORS and/or CONTRIBUTING PARTNERS in any commercial connection with this work without prior written permission from SPONSORS and/or CONTRIBUTING PARTNERS. ASC may use SPONSORS' and/or CONTRIBUTING PARTNERS' name in ordinary internal business reports concerning this agreement and in non-commercial publicity announcing the awarding of the contract.

The provisions of this Section of the Agreement shall survive for two (2) years beyond any termination date specified in Section III or any extension thereof.

12. Force Majeure

SPONSORS, CONTRIBUTING PARTNERS, and ASC shall not be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, strikes, labor disputes, or any similar cause beyond the reasonable control of SPONSORS, CONTRIBUTING PARTNERS, or ASC, provided the affected party notifies the other party of the delay in writing within ten days of the onset of the delay.

13. Assignment

This Agreement shall inure to the benefit of and be binding upon and enforceable by the parties and their successors and permitted assigns. However, neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other.

14. Modification and Waiver

None of the terms of the Agreement may be waived or modified except by an express agreement in writing signed by SPONSORS, CONTRIBUTING PARTNERS, and ASC. Modifications not documented in writing cannot be enforced. The failure or delay of

either party in enforcing any of its rights under this Agreement shall not be deemed a continuing waiver or a modification by such party of such right.

15. Governing Law

The validity and interpretation of this Agreement shall be governed by the laws of the State of California.

16. Federal Statutes Relating to Nondiscrimination

ASC will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S. C. sections 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S. C. section 794), which prohibits discrimination on the basis of handicaps; (d) Age discrimination Act of 1975, as amended (42 U.S.C. sections 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (P.O. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-d and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. section 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (I) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirement of any other federal nondiscrimination statute(s) which may apply to the application.

17. Execution of MOU

This MOU, or any amendment related thereto, may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. The signature page of this MOU or any amendment may be executed by way of a manual or authorized digital signature. Delivery of an executed counterpart of a signature page to this MOU or an amendment by electronic transmission scanned pages shall be deemed effective as a delivery of a manually or digitally executed counterpart to this MOU or any amendment.

18. Special Terms and Conditions

ASC, SPONSORS, and CONTRIBUTING PARTNERS agree to comply with other Special Provisions as outlined in Attachment 4 if applicable and where a Subconsultant shall provide engineering and design related or other work that are part of services provided by ASC, SPONSOR or CONTRIBUTING PARTNER, serving as recipient (as

defined in Uniform Guidance 2 CFR § 200.1) or subrecipient (as defined in Uniform Guidance 2 CFR § 200.1) of Federal assistance.

19. Notices

Notices under this agreement shall be provided via email to the individuals listed below:

For SPONSORS:

Linh Ly
County of Orange
400 W. Civic Center Drive, Fifth Floor
Santa Ana, CA 92701
linh.ly@ocgov.com

Marnie O'Brien Primmer
Orange County Council of Governments
3972 Barranca Pkwy, Suite J-127
Irvine, CA 92606
marnie@occog.com

Kurt Brotcke
Orange County Transportation Authority
550 S. Main Street
2nd Floor
Orange, CA 92868
kbrotcke@octa.net

Kome Ajise
Southern California Association of Governments
c/o Michael Houston, SCAG Chief Counsel
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017
houston@scag.ca.gov

Valarie McFall
Transportation Corridor Agencies
125 Pacifica, Suite 100
Irvine, CA 92618-3304
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Harvey De La Torre
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For CSU FULLERTON AUXILIARY SERVICES CORPORATION

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For the Municipal Water District of Orange County:

Megan Yoo Schneider, President of the Board

Date

Harvey De La Torre, Interim General Manager

Date

For the Orange County Water District:

Cathy Green, President

Date

Michael R. Markus, General Manager

Date

For the Orange County Local Agency Formation Commission:

Carolyn Emery, Executive Officer

Date

For the Orange County Sanitation District:

Robert Thompson, General Manager

Date

For California State University, Fullerton:

Alexander Porter, Vice President for
Administration & Finance/CFO

Date

**Attachment 1: Center for Demographic Research
DRAFT Annual Budget: July 1, 2023 through June 30, 2026**

		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	
1	Salaries	\$506,994.46	\$538,091.84	\$555,010.54	
2	Benefits	\$197,002.10	\$212,734.05	\$226,691.04	
3	Supplies	\$5,500.00	\$5,500.00	\$5,500.00	
4	Printing & Publications	\$11,000.00	\$11,000.00	\$11,000.00	
5	Meetings, Mileage, & Training	\$1,950.00	\$1,950.00	\$1,950.00	
6	Equipment & Virtual Data Server	\$4,300.00	\$4,300.00	\$4,300.00	
7	Expenses	\$726,746.56	\$773,575.89	\$804,451.58	
8	Federally-negotiated Indirect Cost (IDC) / Overhead: 35.5%	\$257,995.03	\$274,619.44	\$285,580.31	
9	Office space rent (not subject to IDC)	\$83,922.24	\$83,922.24	\$85,600.68	
10	(A) Gross Total Program Costs	\$1,068,663.83	\$1,132,117.57	\$1,175,632.57	
11	Contributions toward IDC				
12	Non-CSUF SPONSORS/Contributing Partner (22.0%)	\$159,884.24	\$170,186.70	\$176,979.35	
13	CSUF contribution (IDC reduction from 35.5% to 22%)	\$98,110.79	\$104,432.74	\$108,600.96	
14	Total Indirect Cost (IDC) / Overhead	\$257,995.03	\$274,619.44	\$285,580.31	
15	CSUF Contribution Summary				
16	Office space rent: 100% ¹	\$83,922.24	\$83,922.24	\$85,600.68	
17	Administrative Asst. salary support from HSS Dean ¹	\$16,500.00	\$16,500.00	\$16,500.00	
18	Subtotal of CSUF Monetary Contributions	\$100,422.24	\$100,422.24	\$102,100.68	
19	IDC / Overhead (Rate reduction from 35.5% to 22%) ²	\$98,110.79	\$104,432.74	\$108,600.96	
20	(B) Total CSUF Contribution	\$198,533.03	\$204,854.98	\$210,701.64	
21	NET CDR BUDGET TOTAL: (A) - (B) {Also (C) + (D)}	\$870,130.80	\$927,262.59	\$964,930.93	
22	Contributing Partner (no seat): LAFCO	\$19,500.00	\$20,000.00	\$20,500.00	
23	Contributing Partner (no seat, equiv. to 1/2 seat): OC San	\$65,433.14	\$69,789.43	\$72,648.54	
24	Cost per full Sponsorship Seat to cover full budget= (Net Budget - LAFCO)/ 6.5 seat equivalent	\$130,866.28	\$139,578.86	\$145,297.07	
25	(C) 2020-2023 MOU carryover to apply to remaining 6 full seats³	\$36,000.00	\$24,000.00	\$0.00	
26	Cost per Sponsorship Seat= (Net Budget - LAFCO - OC San - carryover ³) / 6 remaining seats	\$124,866.28	\$135,578.86	\$145,297.07	
	Number of Seats				
27	COUNTY	1	\$124,866.28	\$135,578.86	\$145,297.07
28	OCCOG	1	\$124,866.28	\$135,578.86	\$145,297.07
29	OCTA	1	\$124,866.28	\$135,578.86	\$145,297.07
30	TCA	1	\$124,866.28	\$135,578.86	\$145,297.07
31	SCAG	1	\$124,866.28	\$135,578.86	\$145,297.07
32	MWDOC ⁴	0.5	\$62,433.14	\$67,789.43	\$72,648.54
33	OCWD ⁴	0.5	\$62,433.14	\$67,789.43	\$72,648.54
34	CSUF	1	see above	see above	see above
35	OC San	0	\$65,433.14	\$69,789.43	\$72,648.54
36	LAFCO	0	\$19,500.00	\$20,000.00	\$20,500.00
37	(D) TOTAL	7	\$834,130.82	\$903,262.59	\$964,930.96

¹Monetary contribution²Non-monetary contribution (rate reduction); not included in IV. Funding and Schedule: Payment Schedule for 2020-2023, Page 4.³Carryover is from 2020-2023 CDR MOU and is applied only to those agencies providing full seat sponsorship. \$6,000 per full seat in FY 1; \$4,000 in FY 2, \$0 in FY 3.⁴MWDOC and OCWD partner to fund one sponsor seat.

Attachment 2 Proposed CDR 2023-2026 Services and Products

REPORTS

Orange County Progress Report

Produce an annual Orange County Progress Report. This document presents a unified and a comprehensive picture of Orange County and its 34 cities including its economic health, its demographic status and trends, and other information of interest to those who might wish to relocate to Orange County, do business in the County, or otherwise have an interest in the economic and demographic status and future of Orange County.

Orange County Projections

Preparation and development of OCP-2026 will begin during this three-year MOU with completion and adoption expected in late 2026. OCP-2026 will include continued development of Tier 3/city TAZ level for three cities (Anaheim, Irvine, and Newport Beach) that volunteered to participate in the OCP-2022 pilot Tier 3 program. This data will also be provided to SCAG for use in their modeling efforts at the Tier 3 level. The OCP dataset contains population, housing, and employment projections by 2020 census tract, jurisdiction, Community Analysis Area, and Regional Statistical Area for a 25-year period. This iteration will include agency boundaries for MWDOC & OCWD.

Orange County Facts and Figures

Update quarterly the Orange County Facts and Figures. This document focuses on the most frequently asked questions about Orange County demographics and related information.

Boundary and Annexation Report

Working with information provided by OC LAFCO, CDR staff will produce an annual report of the jurisdictional boundary changes. This multi-page report will contain a map of the year to year boundary changes and a table listing the area change and specific annexations and incorporations for each calendar year. Detailed annexation and vicinity maps from OC LAFCO's approved changes of organization documents will also be included in the report. For ease of reference and to make the information publicly available, the report will be posted on OC LAFCO's website.

Housing Activity Report

Using information from the Housing Inventory System (HIS), CDR staff will produce an annual report on the housing construction and demolition activity by jurisdiction. Information will be released in aggregate form at the jurisdiction level in a PDF.

PUBLIC INFORMATION SERVICES**Provide Public Information on Orange County Demographics as Requested**

Provide information in response to numerous requests made by government agencies, elected officials, private companies, non-profit organizations, schools, students, and citizens regarding demographic and related information about Orange County.

Maintain CDR Website

Update the information currently on the CDR website on a regular basis and expand as information becomes available. CDR will continue to host the Orange County Data Acquisition Partnership (OCDAP) website as a subsite to CDR's website.

Provide Information and Analysis to News Media

Provide information, description, interviews, and analysis of demographics to news media to assist them in doing stories where demographics is the focus.

Update RHNA Allocations

Develop allocations of 2020 RHNA for annexations and incorporations as requested. Provide data support to local jurisdictions and SCAG during development of the 2020 RHNA. Monitor RHNA development process to ensure Orange County data is incorporated.

Process Decennial Census and American Community Survey Data

Process Bureau of Census data as it pertains to development of the Orange County Projections and at the request of CDR Sponsors.

State Data Center Affiliate

The CDR will serve as a State Data Center Affiliate to the Demographic Research Unit of the California Department of Finance. As an Affiliate, CDR will assist the SDC and Orange County in disseminating census data and improving public access to census data products consistent with services CDR already provides.

DATA BASES**Housing Inventory System**

The Housing Inventory System (HIS) is a data system that includes all changes to each jurisdiction's housing stock, including recent changes to accessory dwelling units. Data is collected at the address level and converted into a GIS database by geocoding. After geocoding, quality analysis efforts include tying activity to parcels and building footprints. Depending on the jurisdiction, different documents are used to record added units including certificates of use and occupancy, utility release log, or building final documents. Demolitions and conversions are recorded through other recordation. Changes to the mobile home inventory will be verified with HCD data. This project includes an annual review and sign off process by each jurisdiction of their geocoded data to ensure accuracy.

Census Data by Partial TAZ

Update the correspondence tables of 2020 Census blocks to the TAZs after release of Census Bureau data and GIS shapefiles. As the various census files become available, transportation modeling variables and other key variables useful for projecting the modeling variables will be aggregated to TAZ.

Calibrate Age Cohort Component, Shift-Share and Headship Rate Models

Based on data from the Census Bureau, DOF, and EDD data, calibrate the models used to project county-wide population, housing and employment.

Master Polygon File

Update master polygon file based on the 2020 Census block file for use in development of OCP dataset and annual population and housing unit estimates. Allocate Census block data to TAZ, CAA, RSA, MWDOC and OCWD. Working with information from OC LAFCO, the master polygon file will be updated annually to include changes to agency boundaries: jurisdiction, MWDOC and OCWD.

Population and Housing Estimates by TAZ (OCP)

Estimates of population and housing by unit type will be developed using the 2020 Census and American Community Survey data at the split TAZ. From 2014 onwards, housing unit changes will be geocoded and aggregated to the TAZ. Annual estimates of population and housing will be produced by TAZ for maintenance of the OCP base file.

Annual Population and Housing Estimates by Partial Census Tract and Sponsor Agency

Estimates of population and housing units developed using the 2020 Census for each of the special district sponsors will be updated annually. From 2014 onwards, annual estimates (January 1) of population and housing will be produced by partial census tract and for each of the special district sponsor agencies: MWDOC and OCWD.

Project Total County Population, Housing, and Employment

Draft assumptions for OCP-2026 will be developed and reviewed by the CDR TAC. These will then be incorporated into the macro level models used to project population, housing, and employment. The resulting projections will be reviewed by the CDR TAC and MOC and then brought to the OCCOG TAC and Board for approval as the controls totals for OCP-2026.

Projected Population, Housing and Employment by TAZ (OCP)

Preparation and development of OCP-2026 will begin during this MOU cycle. Countywide population, housing, and employment for years 2020 through 2050 will be allocated to Traffic Analysis Zones split by jurisdictions. Following the allocation, extensive review and refinement will occur to assure the accuracy of the projections.

Secondary Variables by TAZ (OCTAM)

Preparation of the base year OCTAM data for OCP-2026 will begin in this MOU cycle. The basic projected population, housing, and employment from OCP-2026 will be expanded to the 14 OCTAM variables. These variables will include resident population, group quarters population, employed residents, median income, occupied single family dwelling units, occupied multiple family dwelling units, household size, retail employment, service employment, K-12 public school employment, all other employment, school enrollment, university enrollment, and area.

Entitlement Dataset & Support Services

Provide support to Orange County jurisdictions in the development of the entitlements database and other data requested by SCAG during the development of the 2024 and 2028 RTP/SCS. Monitor development process to ensure Orange County data is incorporated.

Consolidated Boundary and Annexation Program (CBAS)

CDR staff will report annual jurisdictional boundary and feature changes through the voluntary program of the U.S. Census Bureau that allows for a consolidated annual review of jurisdiction boundaries. This review will be done using the official County Surveyor/OC LAFCO jurisdiction GIS boundary file. Orange County jurisdictions will be able to opt in or out of this CDR service annually. CDR will notify each participating jurisdiction and OC LAFCO of the outcome of the BAS review, i.e., whether there were any areas where jurisdiction boundaries needed to be corrected.

COMMITTEES**Participate in Sponsor Technical Advisory Committees as Requested**

Participate in appropriate Sponsor technical advisory committees, such as OCCOG TAC, County's Demographic Steering Committee, OCTA's Modeling TAC, Orange County Data Acquisition Partnership Steering and Technical Advisory Committee, and SCAG's Technical Working Group and other regional working groups.

Coordinate with SCAG and SCAG Committees

This service revolves around the incorporation of OCP into the SCAG growth forecast. This service includes participation in SCAG expert panels and workshops to develop assumptions for their population and employment projections; monitoring the discussions relevant to the development of SCAG's growth forecast at SCAG policy committees and subregional coordinator meetings; and coordinating with relevant SCAG staff on this issue.

Coordinate with University Research Centers

CDR staff will coordinate with UCI and Chapman University research centers to ensure consistency between the CDR's forecast and estimates and those produced by these institutes.

2023-2026 CONTRIBUTING PARTNER LAFCO FUNDED PROJECT: Sphere of Influence Estimates

CDR will update its master polygon file on an annual basis with changes to the county islands and sphere of influence (SOI) boundaries. CDR will produce annual estimate of January 1 population, housing, and acreage for each of the county islands, 2020 Census Designated Places (CDPs) and SOI polygons upon completion of the annual Housing Inventory System to maintain this information in preparation for OC LAFCO's municipal service reviews. This effort includes updates covering the period from current January 1 back to the most recent Decennial Census using population control totals from the State Department of Finance.

Boundary and Annexation Report: Working with OC LAFCO over the three-year MOU cycle, CDR will attempt to build a historical reference collection of these reports going back to 2000 as information is available.

NEW PROJECTS & SERVICES

Building Footprints

Using the building footprint geodatabase deliverable accessed through OCDAP, for CDR's internal use, CDR will work to append and expand the building footprint attributes in Orange County by general use type, e.g., residential (with ADUs; using CDR's HIS address-level housing activity geodatabase), employment, schools, and accessory structures like carports.

2023-2026 LAFCO FUNDED PROJECT: Disadvantaged Unincorporated Communities (DUCs)

On an annual basis after the ACS 5-year block group data is released, CDR will calculate and identify the Disadvantaged Unincorporated Communities (DUCs) within Orange County based on LAFCO's definition. Each year, CDR will provide LAFCO with a shapefile of the DUCs in Orange County and a shapefile of the DUC portions within the unincorporated portions of Orange County. The first regular annual deliverable will be January 2024. The initial deliverable will include DUC shapefiles for latest ACS data available as of July 2023 for delivery in August 2023.

2023-2026 CONTRIBUTING PARTNER OC SAN FUNDED PROJECT: Population Estimates

CDR will update its master polygon file on an annual basis with changes to the OC San boundaries. CDR will produce annual estimate of January 1 population upon completion of the annual Housing Inventory System. This effort includes updates covering the period from current January 1 back to the most recent Decennial Census using population control totals from the State Department of Finance.

Attachment 3

Proposed Draft Work Program 7/2023 - 6/2026

	07/23	10/23	01/24	04/24	07/24	10/24	01/25	04/25	07/25	10/25	01/26	04/26	07/26
OC Facts and Figures		▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
Special 2020 Census Profile reports	●	▲											
OC Progress Report	▲				●	■	▲				●	■	▲
Boundary & Annexation Report				▲				▲				▲	
Housing Activity Report		▲				▲				▲			
OC Projections 2026			●	■	■	■	■	■	■	■	■	■	■
OCP 2026 secondary variables						●	■	■	■	■	■	■	■
Census Data by TAZ	■	■	■	■	■	■	■	■	■	■	■	■	■
Append Building Footprints	■	■	■	■	■	■	■	■	■	■	■	■	■
Pop & Housing by TAZ	●	■	■	■	■	■	■	■	▲	■	■	■	▲
Employment by TAZ	■	■	■	■	■	▲						●	■
Housing Inventory System	■	■	■	■	■	■	■	■	▲	■	■	■	▲
Pop & Housing by Partial CT	■	■	■	■	■	■	■	■	▲	■	■	■	▲
Special District Annual Estimates	▲			●	■	▲			●	■		●	■
Calibrate Demog & Econ Models			●	■	■	■	▲						
Consolidated Boundary & Annexation		●	■	▲			●	■	▲		●	■	▲
Public Information	■	■	■	■	■	■	■	■	■	■	■	■	■
Maintain CDR Homepage	■	■	■	■	■	■	■	■	■	■	■	■	■
Info for Media	■	■	■	■	■	■	■	■	■	■	■	■	■
Process Census Info	■	■	■	■	■	■	■	■	■	■	■	■	■
State Data Center Affiliate support	■	■	■	■	■	■	■	■	■	■	■	■	■
RHNA Allocations	■	■	■	■	■	■	■	■	■	■	■	■	■
2030 Census Geographic Support	■	■	■	■	■	■	■	■	■	■	■	■	■
Entitlement Dataset & Support Services	■	■	■	■	■	■	■	■	■	■	■	■	■
OC LAFCO Annual Population Estimates	▲			●	■	▲			●	■	▲	●	■
OC LAFCO Disadvantaged Communities	●	▲	●	■	▲			●	■	▲		●	■
OC San Annual Population Estimates	▲			●	■	▲			●	■	▲	●	■

- Startup
- ▲ Milestone/Completion

Attachment 4: Special Terms and Conditions

1. Invoicing for Payment

Prompt Payment to Subconsultants, if applicable: ASC or Subconsultant shall pay any sub-tier consultant for satisfactorily completed work no later than ten (10) days of receipt of each payment from SPONSOR or CONTRIBUTING PARTNER unless a longer period is agreed to in writing. Any delay or postponement of payment over thirty (30) calendar days may take place only for good cause and with SPONSOR or CONTRIBUTING PARTNER's prior written approval. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the ASC or Subconsultant in the event of a dispute involving late payment or nonpayment by the ASC, deficient subconsultant performance, and/or noncompliance by a subconsultant. This clause applies to both Disadvantaged Business Enterprise (DBE) and non-DBE subconsultants.

2. Written and Electronic Versions of Work Products and Related Work Materials

All work products produced under the Agreement shall contain the following disclaimer:

“The preparation of this report has been financed in part through grant(s) from the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) through the U.S. Department of Transportation (DOT). The contents of this report reflect the views of the author who is responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of CDR Sponsors, Contributing Partners, or DOT. This report does not constitute a standard, specification or regulation.”

3. Compliance with Laws, Rules, and Regulations

ASC shall perform all services under the Agreement in accordance and in full compliance with all applicable Federal, State and local statutes, rules, regulations, and policies and procedures and shall secure and maintain all licenses or permits required by law.

4. Contingency Fees or other Unlawful Consideration

a. ASC certifies, by execution of this MOU, except bona fide employees or bona fide established commercial or selling agencies maintained by ASC for the purpose of securing business, no person or external agency has been employed or retained by ASC to solicit or secure the Agreement for a commission, percentage, brokerage, or contingency fee for breach or violation of this warranty, SPONSOR or CONTRIBUTING PARTNER has the right in its sole discretion to terminate its partnership from the Agreement with its only obligation to pay for the value of the work actually performed, or to deduct from the Agreement price, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

b. ASC further certifies that the Agreement was not obtained or secured through rebates,

kickbacks or other unlawful consideration either promised or paid to any SPONSOR or CONTRIBUTING PARTNER employee. For breach or violation of this warranty, SPONSOR or CONTRIBUTING PARTNER shall have the right, in its discretion, to terminate its partnership from the Agreement without liability, to pay only for the value of work performed, or to deduct from the Agreement price or otherwise recover the full amount of each rebate, kickback or other unlawful consideration.

5. Records Retention and Audits

- a. ASC and its Subconsultant(s), if applicable, shall maintain all source documents, books, and records connected with their performance of the Agreement for a minimum of three (3) years from the date that SPONSOR or CONTRIBUTING PARTNER makes final payment to ASC or until audit resolution is achieved for each annual OWP Agreement (between SPONSOR or CONTRIBUTING PARTNER and Caltrans), whichever is later, and all other related, pending matters are closed.
- b. ASC shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support invoices which segregate and accumulate the costs of the applicable Project Number(s) by line item and produce Quarterly Reports which clearly identify reimbursable costs and other expenditures related to such Project Number(s).
- c. Upon request, at any time during normal business hours and as often as SPONSOR or CONTRIBUTING PARTNER, The State Controller, County Auditors (in SCAG region), or other government agencies or any duly authorized representative may deem necessary, ASC shall make available for examination all of its records with respect to all matters covered by the Agreement for purposes of audit, examination, or to make copies or transcripts of such records, including, but not limited to, contracts, invoices, payrolls, personnel records, conditions of employment and other records relating to all matters covered by the Agreement. Such records and access to the facilities and premises of ASC shall be made available during the period of performance of the Agreement, and for a minimum of four (4) years following the close of SPONSOR or CONTRIBUTING PARTNER's Fiscal Year.
- d. ASC agrees and shall require that all of its agreements with Subconsultant(s), if applicable, contain provisions requiring adherence to this section in its entirety.

6. Federal and State Lobbying Activities Certification

- a. ASC certifies, to the best of its knowledge and belief, that no State or Federal funds have been paid or will be paid, by or on behalf of SPONSOR or CONTRIBUTING PARTNER, to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the

Legislature or Congress in connection with the awarding of any State or Federal contract, the making of any State or Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than State or Federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, ASC shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with those form instructions.
- c. This certification is a material representation of fact, upon which reliance was placed when the Agreement was entered into. Submission of this certification is a prerequisite for making or entering into the Agreement pursuant to 31 U.S.C. 1352.
- d. ASC also agrees that it will require that the language of this certification be included in all agreements with subconsultants which are funded wholly or in part by any funds provided herein and which exceed \$100,000 and that all such Subconsultants, if applicable, shall certify and disclose accordingly.

7. Certifications and Assurances

- a. ASC shall adhere to the requirements contained in SPONSOR or CONTRIBUTING PARTNER's annual Certification and Assurances (FHWA and FTA "Metropolitan Transportation Planning Process Certification") submitted as part of SPONSOR or CONTRIBUTING PARTNER's OWP, pursuant to 23 CFR 450.334 and 23 U.S.C. 134. This Certification shall be published annually in SPONSOR or CONTRIBUTING PARTNER's OWP. Such requirements shall apply to ASC to the same extent as SPONSOR or CONTRIBUTING PARTNER and may include, but are not limited to:
 - (1) Title VI of the Civil Rights Act of 1964 and Title VI Assurance executed by California under 23 U.S.C. 324 and 29 U.S.C. 794;
 - (2) The Americans with Disabilities Act of 1990 (Pub. L. 101-336, 104 Stat. 327, as amended) and the United States Department of Transportation (US DOT) implementing regulations (49 CFR 27, 37, and 38).
- b. ASC shall additionally comply with the requirements contained in the annual FTA "Certifications and Assurances for FTA Assistance," including "Certifications and Assurances Required of Each Applicant" and the "Lobbying Certification" in compliance with 49 U.S.C. Chapter 53; published annually in SPONSOR or CONTRIBUTING PARTNER's OWP. Such assurances shall apply to ASC to the same extent as SPONSOR or CONTRIBUTING PARTNER, and include but are not limited to the following areas:
 - (1) Standard Assurances
 - (2) Debarment, Suspension, and Other Responsibility Matters for Primary Covered

Transactions

- (3) Drug Free Work Place Agreement
- (4) Intergovernmental Review Assurance
- (5) Nondiscrimination Assurance
- (6) Nondiscrimination on the Basis of Disability
- (7) Certification and Assurances required by the U.S. Office of Management and Budget

- c. ASC shall require its Subconsultant(s), if applicable, to comply with these Certifications, and agrees to furnish documentation at no cost to SPONSOR or CONTRIBUTING PARTNER to support this requirement that all of its agreements with Subconsultant(s) contain provisions requiring adherence to this section in its entirety.

8. Cost Principles

- a. ASC agrees to comply with the following:

- (1) the Contract Cost Principles and Procedures, 48 Code of Federal Regulations, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., 2 CFR Part 225 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), "Cost Principles for State, Local, and Indian Tribal Governments," and successors thereto, shall be used to determine the allowability of individual project cost items, and
- (2) the Federal administrative procedures in accordance with "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR Part 200, et seq., and successors thereto.

- b. Any costs for which ASC receives payment or credit that is determined by a subsequent audit or other review by either SPONSOR or CONTRIBUTING PARTNER, Caltrans or other State or Federal authorities to be unallowable under, but not limited to, 2 CFR Part 225 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, or successor there to); 48 CFR, Chapter 1, Part 31; or 2 CFR Part 200, et seq., and successors thereto, are to be repaid by ASC within thirty (30) days of ASC receiving notice of audit findings. Should ASC fail to reimburse moneys due SPONSOR or CONTRIBUTING PARTNER within thirty (30) days of demand, or within such other period as may be agreed between Parties hereto, SPONSOR or CONTRIBUTING PARTNER is authorized to withhold future payments due ASC.
- c. ASC agrees to furnish documentation to SPONSOR or CONTRIBUTING PARTNER to support this requirement that all of its agreements with Subconsultants, if applicable, contain provisions requiring adherence to this section in its entirety.