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Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 10, 2024

**8d** | Commission  
Discussion

**TO:** Local Agency Formation Commission  
of Orange County

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** County Unincorporated Areas Report

### BACKGROUND

Initiated in 2000, the Commission's Unincorporated Islands Program and policy have successfully facilitated over 50 annexations throughout Orange County. The collaboration of OC LAFCO, the County and several cities has also contributed to this long-standing effort. Today, the inventory includes 23 (large and small) unincorporated areas and delivering municipal services to the respective residential and business communities continues as one of OC LAFCO's key priorities. With the addition of new Commissioners, recent interest in annexation from select cities, and state law requirements, staff has prepared this comprehensive report to provide some brief historical context and demographic information on the county's unincorporated areas and disadvantaged unincorporated communities.

### DISCUSSION

The transitioning of unincorporated areas to adjacent cities to facilitate more logical boundaries and improve efficiency in the delivery of municipal services is supported through California law and OC LAFCO's local efforts. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) codifies provisions for the streamline processing of small island (150 acres and under) annexations. The government code allows for the annexation of these areas without the opportunity for protests by registered voters or landowners within the affected area, and the Commission's local policy waives the fees for processing an annexation proposal filed by a city. The state and local provisions for these affected areas have contributed to the success of several small island annexations in Orange County. The following sections provide additional discussion on: 1) the Commission's latest effort to facilitate potential annexation discussions with cities; 2) unincorporated areas of high interest; and 3) OC LAFCO's mandate involving disadvantaged unincorporated communities (DUCs).

### Fiscal Profiles

As part of the OC LAFCO Unincorporated Areas Program, staff has developed and annually maintains profiles of the remaining county unincorporated areas. The profiles include demographic and fiscal data relative to the revenue and expenditures generated within each area and are key in discussions with cities regarding annexation. In addition to the informative data, the profiles also include vicinity maps and physical depictions of the areas. The profiles recently experienced a modernization of their format and will be a part of the website’s upcoming migration. Agencies will be notified of the availability of the profiles on the website in the coming weeks, and the new profiles will be shared with cities with unincorporated areas of interest located in their respective sphere of influence. Under development are profiles for the South Orange County Unincorporated Communities (SOCUC). For your reference, an inventory of the County’s unincorporated areas and SOCUC is attached to this report.

**Orange County Revenue & Expenditure Data**  
**Yorba Linda Unincorporated Islands (ID#36 - #37)**

**County Revenue (2021-22)**

Island	Island ID#	Sales Tax	Property Tax	Total Taxes
Country Club	ID# 36 (Yorba Linda – 1)	\$69,141	\$144,694	\$213,835
Fairlynn	ID# 37 (Yorba Linda – 2)	\$241,511	\$120,793	\$362,304
<b>Total Revenue:</b>		<b>\$310,652</b>	<b>\$265,487</b>	<b>\$576,139</b>

Potential Property Tax Revenue upon annexation (based on the City/County Master Property Tax Exchange Agreement adopted on October 28, 1980):

Island	Island ID#	City Tax %	County Tax %	City Revenue	County Revenue
Country Club	ID# 36 (Yorba Linda – 1)	~56.3%	~43.6%	\$81,463	\$63,087
Fairlynn	ID# 37 (Yorba Linda – 2)	~56.3%	~43.6%	\$68,006	\$52,665

**County Expenditures (FY2021-22)**

	Operations and Maintenance						O & M Totals
	OC Waste & Recycling	Animal Care Services	Sheriff	OCPW Road Maint.	OCPW Infra. Maint.	Code Enf.	
Country Club	\$987	\$2,207	\$231,971	\$48,947	\$8,614	\$2,832	\$295,558
Fairlynn	\$2,075	\$1,519	\$404,885	\$34,517	\$8,269	\$8,496	\$459,761
<b>Total Expenditures</b>	<b>\$3,062</b>	<b>\$3,726</b>	<b>\$636,856</b>	<b>\$83,464</b>	<b>\$16,883</b>	<b>\$11,328</b>	<b>\$755,319</b>

**Island Profile**

### Areas of Interest

Staff has identified unincorporated areas of interest for Fiscal Year 2023-24 based on recently completed Municipal Service Reviews (MSRs) and previous discussions with cities. The table below highlights the areas of interest that staff will engage cities on during the current fiscal cycle. Additional demographics on these areas may be found in Attachment 1 to this report.

**Table 1: Unincorporated Areas of Interest**

Area	SOI	Effort
<p><b>(1) Large Island:</b></p> <ul style="list-style-type: none"> <li>Bolsa-Midway</li> </ul> <p><b>(3) Small Islands:</b></p> <ul style="list-style-type: none"> <li>Bolsa-Pacific</li> <li>McFadden-Monroe</li> <li>Beach-McFadden</li> </ul>	<b>Westminster</b>	OC LAFCO/City/County discussions. City is currently assessing profiles and other information relative to annexation.
<p><b>(1) Small Island:</b></p> <ul style="list-style-type: none"> <li>Andora-Hope</li> </ul>	<b>Buena Park</b>	OC LAFCO to meet with City and County to discuss annexation as follow up to MSR determination where County expressed interest.

### **Disadvantaged Unincorporated Communities (DUCs)**

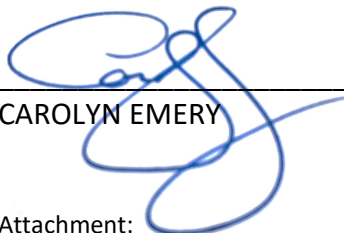
In 2012, the Legislature began requiring LAFCOs to identify and map DUCs within their respective county. The codified mandate is one of many efforts led by the State to address the deficiency in water and wastewater service delivery to DUCs. A DUC is an unincorporated area with an average median household income that is less than 80 percent of the statewide annual median household income. To meet this mandate, OC LAFCO has developed profiles and maps for each of the eleven DUCs adjacent to the cities of Anaheim, Stanton, and Westminster. In part to this effort, staff has provided notice to these cities regarding OC LAFCO's mandate and other requirements that they must meet involving DUCs. More recently, staff worked with the Center for Demographic Research (CDR) to review the status of DUCs in Orange County following the most recent census conducted in 2020. Staff is currently developing profiles for the DUCs that will be available on the agency website in the future. Additionally, the agency's local policy on DUCs and the agreement with CDR support ongoing maintenance of DUC mapping and data and processing DUC annexations in accordance with the Commission's state mandate.

### **RECOMMENDED ACTION**

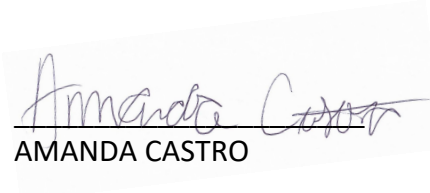
Staff recommends the Commission:

1. Receive and file the report on the county unincorporated areas.

Respectfully Submitted,



CAROLYN EMERY



AMANDA CASTRO

Attachment:

1. County Unincorporated Areas Inventory

**Table 1: COUNTY UNINCORPORATED AREAS INVENTORY**

<b>Small Unincorporated Areas (150 acres and under)</b>		
<b>CITY (Sphere)</b>	<b>AREA</b>	<b>DEMOGRAPHICS</b>
Buena Park	Andora-Fairhope	<b>Acreage:</b> 39.02 <b>Population:</b> 396
Fountain Valley	Fountain Valley	<b>Acreage:</b> 20.92 <b>Population:</b> 1,223
Orange	El Modena	<b>Acreage:</b> 101.67 <b>Population:</b> 2,851
	Lincoln-Glassell	<b>Acreage:</b> 103.03 <b>Population:</b> None
	North El Modena	<b>Acreage:</b> 31.59 <b>Population:</b> 530
	Olive Heights	<b>Acreage:</b> 32.47 <b>Population:</b> 506
Stanton	Dale-Augusta	<b>Acreage:</b> 98.79 <b>Population:</b> 1,928
	Katella-Rustic	<b>Acreage:</b> 10.57 <b>Population:</b> 297
	Mac-Syracuse	<b>Acreage:</b> 27.28 <b>Population:</b> 453
Westminster	Beach-McFadden	<b>Acreage:</b> 40.77 <b>Population:</b> 569
	Bolsa-Pacific	<b>Acreage:</b> 21.14 <b>Population:</b> 669
	McFadden-Monroe	<b>Acreage:</b> 32.84 <b>Population:</b> 519
Yorba Linda	Fairlynn	<b>Acreage:</b> 146.62 <b>Population:</b> 1,522
<b>Large Unincorporated Areas (over 150 acres)</b>		
<b>CITY</b>	<b>AREA</b>	<b>DEMOGRAPHICS</b>
Anaheim	Southwest Anaheim	<b>Acreage:</b> 493.46 <b>Population:</b> 9,231
Costa Mesa	Santa Ana Country Club/South Mesa	<b>Acreage:</b> 195.02 <b>Population:</b> 822
Huntington Beach	Bolsa Chica	<b>Acreage:</b> 1,489.76 <b>Population:</b> None
Los Alamitos	Rossmoor	<b>Acreage:</b> 988.37 <b>Population:</b> 10,511
Newport Beach	Banning Ranch	<b>Acreage:</b> 526.44 <b>Population:</b> 23

<b>Table 1: COUNTY UNINCORPORATED AREAS INVENTORY</b>		
<b>Large Unincorporated Areas (over 150 acres)</b>		
Orange	Santiago Creek	<b>Acreage:</b> 187.25 <b>Population:</b> 0
	Orange Park Acres	<b>Acreage:</b> 394.02 <b>Population:</b> 1,088
Orange/Tustin	North Tustin	<b>Acreage:</b> 4,214.03 <b>Population:</b> 25,440
Westminster	Bolsa-Midway	<b>Acreage:</b> 296.85 <b>Population:</b> 7,084
Yorba Linda	Country Club	<b>Acreage:</b> 221.60 <b>Population:</b> 872

<b>Table 2: SOUTH ORANGE COUNTY UNINCORPORATED COMMUNITIES (SOCUC)</b>		
<b>AREA</b>	<b>DEMOGRAPHICS</b>	<b>CITY (Sphere)</b>
Coto de Caza	<b>Acreage:</b> 4,959 <b>Population:</b> 15,873	Rancho Santa Margarita
Las Flores	<b>Acreage:</b> 1,414 <b>Population:</b> 5,227	
Stonecliffe	<b>Acreage:</b> 64 <b>Population:</b> 515	
Wagon Wheel	<b>Acreage:</b> 219 <b>Population:</b> 2,463	
Ladera Ranch	<b>Acreage:</b> 3,170 <b>Population:</b> 25,526	NOT WITHIN CITY SPHERE
Rancho Mission Viejo	<b>Acreage:</b> 23,000 <b>Population:</b> 38,000 ( <i>projected</i> )	NOT WITHIN CITY SPHERE