

**LOCAL AGENCY FORMATION COMMISSION
MEETING AGENDA**

Wednesday, February 8, 2012
9:00 a.m.

Room 381B
Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles 90012

A person with a disability may contact the LAFCO office at (818) 254-2454 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at the LAFCO office and at www.lalafco.org.

1. **CALL MEETING TO ORDER.**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN GLADBACH.**
3. **EAST LOS ANGELES INCORPORATION NO. 2009-08** (continued from 1-25-12 Commission meeting)
4. **PUBLIC HEARINGS**
 - a. Los Angeles County Sanitation District No. 22 – Annexation No. 381.
 - b. Los Angeles County Sanitation District No. 22 – Annexation No. 396.
 - c. City of Hawthorne Annexation No. 2010-07 – Continued.

5. **CONSENT ITEMS**

All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.

- a. Los Angeles County Sanitation District No. 21 – Annexation No. 717.
- b. Santa Clarita Valley Sanitation District of Los Angeles County – Annexation No. 1018.

- c. Approve Minutes of January 25, 2012.
- d. Operating Account and Check Register for the month of January 2012.
- e. Receive and file update on pending applications.

6. **OTHER ITEMS**

7. **COMMISSIONER’S REPORT**

Commissioners’ questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

8. **EXECUTIVE OFFICER’S REPORT**

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

9. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items that are not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

10. **FUTURE MEETINGS**

March 14, 2012
April 11, 2012
May 9, 2012
June 13, 2012

11. **FUTURE AGENDA ITEMS**

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Commission subsequent to the posting of the agenda.

12. **ADJOURNMENT MOTION**

Staff Report

February 8, 2012

Agenda Item No. 3 East Los Angeles Incorporation Status Report

At its January 25th meeting, the Commission heard public testimony, closed the public hearing, and continued consideration of the East Los Angeles incorporation proposal to its February 8th meeting. As directed by the Commission at the January 25th meeting, this staff report addresses the following issues:

- City of Vernon Environmental & Community Benefit Fund
- ELARA Letter of January 17, 2012
- Restoration of VLF (SB 89)
- Alternate service providers
- Analysis of Proponents' budget submitted at 1-25 meeting
- Law enforcement costs
- Revenue neutrality
- Reconsideration

Staff was also requested to make available copies of an outside legal opinion concerning Proposition 172 funding. This opinion was posted to the LAFCO website on Thursday, January 26th.

Staff Recommendation

Pursuant to Section 56720 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000, in order to approve an incorporation, the Commission must find that “the proposed city is expected to receive revenues to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.”

The January 25th Executive Officer's Report recommended that the Commission disapprove the proposed incorporation of East Los Angeles. The recommendation was made based upon a conclusion that the proposed City of East Los Angeles is not viable.

Staff has reviewed all information submitted at the January 25th meeting, and has also conducted additional analysis and research on several issues discussed in this report. No information surfaced, during the course of the January 25th meeting nor since, to change staff's recommendation. If anything, this additional information actually lends additional support to staff's conclusion that the proposed City of East Los Angeles is not economically viable.

Vernon Environmental & Community Benefit Fund

At the January 25th Commission meeting, the Proponents testified about the potential for East Los Angeles to secure funds from the Vernon Environmental & Community Benefit Fund. Staff has

spoken with representatives of State Senator Kevin de Leon and the City of Vernon, and has compiled additional information relative to this potential funding source.

During the debate on State legislation to involuntarily disincorporate the City of Vernon (SB 244 – Perez), State Senator Kevin de Leon engaged in discussions with representatives of the City of Vernon. As a result of these discussions, Vernon agreed to establish an “Environmental & Community Benefit Fund” (“ECBF”) to “promote sustainability and environmental justice efforts throughout the City and its surrounding areas.” The ECBF is to receive funding of \$5 million per year for ten years.

The ECBF, and resultant funding, are not contained in any State legislation. It was described to LAFCO staff as a “hand-shake” deal between Senator de Leon and Vernon officials. In August of 2011, the City of Vernon adopted a resolution addressing the ECBF and other reform measures, a copy of which is attached as Exhibit 3a.

Vernon is a predominantly industrial city with hundreds of industrial and commercial businesses. The activities at these businesses create potentially adverse impacts (i.e., air quality and traffic) upon residents of surrounding residential neighborhoods in the cities of Huntington Park, Los Angeles, Maywood, and unincorporated East Los Angeles. The intent of the ECBF is to offset these impacts (“environmental mitigation”) and provide recreational opportunities (“community benefit”) for residents of these surrounding communities. From all available evidence, it appears that the fund was never intended to be used to “back-fill” projected budget deficits in the proposed City of East Los Angeles (or any other surrounding community).

The ECBF funds are to be distributed by vote of a 9-member committee. The committee will include appointees from the Governor, Senate Rules Committee, Assembly Speaker, the County of Los Angeles, and the Cities of Huntington Park, Los Angeles (2), Maywood, and Vernon. Members of the ECBF committee had not been nominated as of the writing of this report.

A new City of East Los Angeles could apply to the ECBF and might, ultimately, receive some funding. But the ECBF Committee has yet to meet, will dispense only \$5 million per year, and East Los Angeles would be competing for those funds with many other jurisdictions, non-profit organizations, and community groups. It is by no means a given that any funds would come to the City of East Los Angeles and, even if they did, it would not be in an amount sufficient to offset the significant projected budget deficits.

As noted in the Los Angeles Times in December, “Vernon is still figuring out how it will pay the hefty sum.” The article goes on to point out that Vernon is facing budgetary issues of its own, thereby making it difficult to set aside the \$5 million per year for the ECBF. The December 13, 2011 Los Angeles Times article by Sam Allen is attached as Exhibit 3b.

It is highly unlikely that a new City of East Los Angeles would secure funding from the Vernon Environmental & Community Benefit Fund sufficient to offset the projected budgetary shortfalls for the new city. Even if such funds were to be obtained, they would have to be

utilized for environmental mitigation or recreational purposes, therefore having little or no impact on the projected budget deficits outlined in the CFA.

ELARA Letter of January 17, 2012

In its 1-17-12 letter to LAFCO, ELARA representatives requested a 4-month continuance. The letter included seven “bullet point” justifications for the request. Three of these bullet points (County retention of Belvedere Park, County retention of the libraries, and a solid waste franchise fee) were already included in the “best case scenario” discussed previously (Pages 20-22) in the Executive Officer’s Report. Even under this “best-case scenario,” staff clearly demonstrated that the proposed city is not economically viable. Additionally—and **above and beyond all of the “gives” in this “best-case scenario,” the remaining budget shortfall is nearly \$14 million starting in Year 2. Even an increase in the UUT to 10% would not make up this shortfall.**

Shortened Transition Period

During the transition period, the City receives all revenues and the County incurs all of the expenses. This allows a city to build up a healthy reserve, and then reimburse the County for the costs of the transition period over 5 years.

There is a reference to the “rather high costs of County services” but nothing presented that supports an implication that a new city could provide the services any cheaper. Further, because those city services other than law enforcement represent less than one third of the city’s expenditures, even a significant “savings” would have only a negligible impact, given the extent of projected deficits.

The proponents are correct in noting that a shorter transition period would reduce the “payback” to the County over the next 5 years. What this ignores is the fact that a shorter transition period would also reduce the city’s reserves by approximately 50%.

The CFA already shows that the City’s reserves would be depleted in the first two years of operation. Shortening the transition period would make a bad situation relative to reserves even worse. A shorter transition period is arguably more harmful than it is beneficial to the feasibility of the proposed new city.

Restoration of Vehicle License Fees (SB 89)

Signed into law by the Governor last fall, SB 89 is the bill which eliminated VLF revenue for new cities. SB 89 had severe impacts on the potential feasibility of the proposed City of East Los Angeles. SB 89 eliminated \$9.1 million in VLF revenues for East Los Angeles in Year 1, and further eliminated VLF revenues for East Los Angeles of about \$6 million per year in Years 7 and thereafter.

SB 89 applies to all existing cities in the State of California (including the 4 new cities in Riverside County) and the proposed incorporation of the City of East Los Angeles. The total SB 89 “shortfall” (loss of VLF revenues to cities) is roughly \$500 million.

Although the Proponents reference to the “potential dramatic effect of proposed legislation restoring VLF revenues to new cities” **as of the drafting of this report, no legislation has been introduced to address the SB 89 issue**, according to staff’s conversations with several sources.

Alternate Service Providers (Law Enforcement)

In its January 17, 2012 letter to LAFCO, the Proponents made reference to “nascent discussions with alternative services providers” relative to “law enforcement services.”

As noted in the EO Report, the Los Angeles Police Department (“LAPD”) respectfully declined to provide service to the proposed City of East Los Angeles. No alternative agency has come forward during the incorporation process. We note that if an alternative agency was identified, the out-of-agency service provisions of Government Code section 56133 would apply, which requires LAFCO review and approval of out-of-agency service agreements, except in limited circumstances.

Section 56133 does not apply to agreements solely involving two or more public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider where “the level of service to be provided [by the alternate service provider] is consistent with the level of service contemplated by the existing service provider.”

Providing law enforcement services at a “consistent” level of service relative to the Los Angeles County Sheriff’s Department (“LASD”) is a significant hurdle. According to the LASD “2010 Year in Review,” the LASD is the largest sheriff’s department in the country, the largest contract policing agency, and the second largest transit police force. The department has 9,936 sworn personnel, provides service to more than 4 million residents in 42 cities and 130 unincorporated communities, and has a multitude of specialized bureaus for specific issues. According to LASD, the East Los Angeles station has officers assigned to more than two dozen specialized units, including, among others, a multi-agency auto theft task force, an aero bureau that provides air support, and a vandalism enforcement team focused on combating graffiti and vandalism.

Further, it is arguably impossible for any of the police departments surrounding the City of East Los Angeles (other than LAPD) to come anywhere close to approaching the resources of the LASD; in that regard, the “consistent” requirement in Section 56133 cannot be met.

Staff strongly believes that the LAPD” would be the only alternative provider available that could provide the resources, equipment, expertise, and personnel sufficient to meet the requirements of Section 56113, and LAPD declined to bid on providing law enforcement

services for East Los Angeles. Therefore, there does not appear to be any legitimate alternative to LASD as the law enforcement services provider.

Analysis of Proponent’s Budget (submittal at 1-25 hearing)

At the Commission’s January 25th meeting, the Proponents submitted draft budgets for East Los Angeles. One budget was a “best case” scenario (projecting that the Legislature restored the VLF lost to SB 89), and a second budget was a “worst case” scenario, with no restoration of the VLF.

Staff and EPS reviewed the proposed budgets and concluded that the Proponents’ proposed budget scenarios fail to support financial feasibility. According to Government Code Section 56720(e), LAFCO must find that “The proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.” The Proponents’ “Best Case” scenario shows significant annual shortfalls ranging from (\$1 million) to (\$4.5 million) over the five years following the initial transition year.

Positive cumulative surpluses are shown; these surpluses, however, appear over-stated for the following reasons:

- Given the size and services provided by the new city, it is unlikely that the transition period can be shortened to 7 months as assumed by the Proponents. The subsequent repayments will be higher than shown, the annual shortfalls will be greater, and surpluses would be drained sooner.
- It is unlikely that within the initial transition year, especially if it is only 7 months, that the Belvedere District could be dissolved. In order to accomplish this, the new city would have to formulate and issue an RFP, evaluate proposals, select a new provider and negotiate a contract, and then implement the program. It is highly unlikely that this could be accomplished in the Transition Year (especially if it is 7 months). The initial surplus would therefore be reduced.
- Following dissolution of the Belvedere District, revenue shown in the CFA as an overhead transfer to the new city would be eliminated – this loss of \$320,000 annually is not shown in the Proponents’ budgets.

One of the Proponents’ budgets shows an increase in the UUT, but the budget only applies the new 10% rate (an increase compared to the current 4.5% rate) to the utilities currently taxed. A further increase in UUT to cover shortfalls would require an additional rate above 10%, or other utilities would need to be taxed as originally assumed in the CFA.

The Proponents’ budgets under-stated the potential cost reductions associated with the County retaining library service and responsibility for Belvedere Park; the actual savings, could they be

achieved, would calculate to an additional cost savings of approximately \$560,000. This change would not, however, eliminate the annual shortfalls shown in the Proponents' budgets.

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 clearly requires that the new city have an adequate reserve and that revenues cover costs in the first three years. The ELARA budget fails on both counts, showing budget deficits in Years 2 through Year 6 and insufficient reserves.

Given these shortcomings, the budgets presented by ELARA at the January 25th meeting fail to demonstrate economic viability for the proposed City of East Los Angeles. Similar to other proposals submitted by ELARA to LAFCO or EPS over the past 9 months, these budgets contained incorrect assumptions, overly optimistic assumptions, or information that is simply inaccurate and/or incomplete.

Law Enforcement Costs

As noted in the Public Hearing CFA, the Sheriff is requesting a law enforcement contract for East Los Angeles of \$31.2 million per year plus \$6.8 million in one-time start-up costs. LAFCO's consultant, EPS, proposed an alternative contract of \$21.1 million and no start-up costs. Although the CFA (Line 25 of Table 1a of the CFA) utilized the lower (EPS) figures, the Commission requested a comparison of the two budgets, as well as a discussion of how each proposal impacts projected deficits for the new city. These issues are addressed in the following exhibits:

- Exhibit 3c (aka "Table 1a") which shows the EPS' \$21.1 million budget for law enforcement, with no start-up costs (excerpted from the Public Hearing CFA);
- Exhibit 3d (aka "Table 1b"), which revises Table 1-a to show the Sheriff's \$31.2 million budget and the \$6.8 million in start-up costs ; and
- Exhibit 3e (East Los Angeles Law Enforcement Budget Comparison) which summarizes how the differing police budgets impact the budget deficit projections for the proposed City of East Los Angeles; and
- Exhibit 3f (East Los Angeles Law Enforcement Personnel Comparison) which reflects the amount of personnel that would be available under the differing law enforcement budgets proposed for the City of East Los Angeles.

As the charts indicate, **the CFA identified an initial budget shortfall of \$19 million (Line 37 of Table 1a), with annual budget shortfalls of roughly \$12 million in Years 7 and thereafter. Table 1b, utilizing the Sheriff's \$31.2 million budget, identified an initial budget shortfall of \$29 million (Line 37 of Table 1a), with annual budget shortfalls of roughly \$23 million in Years 7 and thereafter.**

Since the January 25th Commission meeting, staff has conducted additional research about the Sheriff's proposed "one-time start-up" costs. In a conversation with a Sheriff's Department representative, staff learned that East Los Angeles would not be the first contract city to be assessed for one-time start-up costs. According to LASD, three other recent cities were assessed these costs:

- Compton (contract started in 2000) – Start-up costs of \$939,357;
- Cudahy (contract started in 2010) – Start-up costs of \$455,595; and
- Maywood (contract started in 2010) – Start-up costs of \$221,842).

Staff inquired with the LASD concerning the disparity in start-up costs for Compton (roughly \$1 million) versus East Los Angeles (\$6.8 million). The LASD representative noted that the start-up costs were more than a decade apart, and equipment such as radios, patrol cars, and weapons have increased significantly. Compton also had an existing police department, and the Sheriff was able to assume ownership of city-owned resources that included an existing police station, patrol cars, weapons, and communications systems, all of which offset the start-up costs.

At the Commission's request, staff has also reviewed the difference between the Sheriff's proposed budget of \$31.2 million and the CFA proposed budget of \$21.1 million for law enforcement services for East Los Angeles. **The Sheriff's budget proposes 138 patrol officers, whereas the CFA budget proposes 93 patrol officers; the Sheriff's budget proposes a total of 160 sworn officers, whereas the CFA budget proposes 114 total sworn officers (see Exhibit 3f, East Los Angeles Law Enforcement Services Comparison, attached). The CFA noted that the current Sheriff's response time in East Los Angeles is 4.5 minutes, noting that "it is reasonable to expect that a Sheriff's contract for reduced services could result in longer response times." Additionally, the Sheriff has indicated in writing that his department is unwilling to accept a contract for East Los Angeles that is less than the 31.2 million requested.**

Utility Users Tax ("UUT") Increase

Exhibit 3g (Estimated Additional Revenues from Additional UUT and Additional Utilities) includes a column showing the revenue raised with 4.5% UUT without application to cable television and water (existing County UUT); a column showing the revenue raised with a 10% UUT plus applying the UUT to cable television and water (proposed East Los Angeles UUT identified in the CFA); and a column showing the revenue raised with at 12 % with a new UUT of 12% plus applying the UUT to cable television and water (proposed East Los Angeles UUT identified in the CFA). The 12% figure was added by staff in a further effort to close the projected gap between revenues and expenditures.

At the 1-25 Commission meeting, staff was asked the amount that the owner of a single-family home would pay were the UUT increased from 4.5% (County rate, no UUT imposed on cable television and water) to 10% (proposed City of East Los Angeles rate, with UUT imposed on cable television

and water). Staff provided a preliminary estimate that the average homeowner in East Los Angeles would pay an additional \$150-\$200 per year.

Since the January 25th Commission meeting, EPS has calculated the costs per homeowner for potential UUT increases to 10% and, additionally, to 12%. This “Estimated Cost/Homeowner from UUT Increase” is attached as Exhibit 3h. As the chart shows, the increase to an average homeowner in East Los Angeles would either be \$212.40/year, or just under \$20/month, with a 10% UUT; or \$270.00/year, or a little more than \$30/month, with a 12% UUT.

Based upon staff’s cursory review of the UUT rates for all 88 cities in Los Angeles County (provided by a website (uutinfo.org) that is maintained by a consulting firm, MuniServices), staff determined the following:

- 41 of the 88 cities—or nearly half of the total—do not have an existing UUT;

Of the remaining 47 cities with a UUT:

- 30 of the 47 cities—nearly two-thirds—do not apply their UUT to cable television service (staff’s research indicates that only 3% of cities/counties in the State impose their UUT on cable television service).
- 15 of the 47 cities—nearly one-third—do not apply their UUT to water service.
- The average UUT on cable television service is 6.37%;
- The average UUT on communications service is 7.16%;
- The average UUT on electric service is 7.16%;
- The average UUT on gas service is 7.03%; and
- The average UUT on water service is 8.14%.

The County of Los Angeles is one of only 4 counties in the State of California to assess a UUT (the other three are Alameda, Sacramento, and San Francisco). The County assesses a UUT of 4.5% on communications, gas, and electric service in County unincorporated territory. This figure is contrasted with the 41 cities that do not assess a UUT at all, and with those cities that do not assess their UUT on cable television (30 cities, or two-thirds of cities that have a UUT) nor on water service (15 cities, or about one-third of cities that have a UUT). For the cities that do assess a UUT, the County’s 4.5% rate is well below the average for communications (7.16%), electric (7.16%), and gas service (7.03%).

According to CaliforniaCityFinance.com, the average UUT in the State of California is 5.5%.

The highest UUT of any jurisdiction in Los Angeles County is Culver City, with a UUT rate of 11% on all utilities (cable television, communications, electric, gas, and water); staff's research indicates that 11% is the highest UUT applied state-wide. The next "tier" includes 6 cities with rates at or near 10% includes Bell, Compton, Inglewood, Los Angeles, Santa Monica, and Sierra Madre. **Were a new City of East Los Angeles to increase the UUT to 10% or more, residents would be paying a UUT that is among the highest in the County. And while there have been discussions of "closing the gap" for the proposed City of East Los Angeles by enacting UUT of 10% or higher, and of extending the UUT to cable television and water service, this action in and of itself does not offset the entire deficit projections identified in the CFA. The CFA projections, additionally, presumed a \$21.1 million budget for law enforcement services, rather than the \$32.1 million identified by the Sheriff. If the Sheriff's law enforcement budget figures are utilized, the "gap" between revenues and expenditures is roughly \$10 million greater; in that regard, the 10% UUT does not even come close to addressing budget deficit projections.**

Revenue Neutrality

ELARA's response to comments regarding the conclusion of the CFA that the city would be infeasible was that there should be consideration for "reverse revenue neutrality", because of the fact that the County would realize a net gain of over \$27 million if East LA incorporates. The Proponents argue that the County could continue to provide services at no cost to the City, even if the value of the services was for the entire projected shortfall (\$20 million annually) the County would still have a net gain of \$7 million.

As stated in the original EO Report, **the legislative intent of the "Revenue Neutrality" statute was to protect counties from the negative fiscal effects of incorporation. There is no legal basis for "reverse revenue neutrality," and the mitigation options available under Government Code Section 56815(c) would not be applicable to a proposal that does not cause a negative fiscal impact to the County. Staff recognizes, however, that the County has the discretion to agree to measures that would assist the new city in becoming financially viable, should the County choose to do so.**

A more detailed discussion of revenue neutrality is available on Pages 25 and 26 of the Executive Officer's Report.

Reconsideration

Section 56895 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 allows for individuals to request reconsideration of LAFCO determinations. Consistent with this section, individuals have 30 days from LAFCO's determination to request reconsideration. The Executive Officer must schedule the request on the agenda of the next Commission meeting for which legal notice can be provided. The Commission shall consider the request and take testimony, and the Commission may continue the matter for a period not to exceed 35 days.

Whoever files a request for reconsideration is required to “state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.”

Presuming three things—one, Commission action on February 8th; two, the filing of a request for reconsideration within 30 days; and three, the Commission continuing the matter for 35 days—the following is a projected schedule for reconsideration:

- February 8, 2012: Commission determination.
- March 9, 2012: 30-day period in which request for reconsideration expires (it should be noted that LAFCO’s offices are closed on Friday, so requests should be hand-delivered prior to March 9th or postmarked by March 9th).
- April 11, 2012: Commission meets and postpones action for 35 days.
- May 9, 2012: Commission meets and makes a determination regarding the reconsideration request.

In the event of reconsideration, the Commission’s determination is final.

The fee for filing reconsideration is 50% of the “Base” Fee for incorporation, or \$4,000.

Conclusions:

Staff of LAFCO and EPS have been analyzing costs, revenue, and budget projections for the proposed City of East Los Angeles since April of 2011. Additionally, staff has analyzed several proposals submitted by the Proponents and their consulting and legal team.

Nothing that the Proponents have presented to LAFCO to date has identified a rational, feasible, and legal method of achieving fiscal viability for the proposed City of East Los Angeles. The Proponents appear to have dropped some issues, such as grant funding. Other issues, such as a shortened transition period, achieve little and have disadvantages that the Proponents fail to mention in correspondence and testimony. Finally, some of the issues the Proponents are claiming are simply contrary to law, such as reverse revenue neutrality.

Section 56720 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 requires that the Commission make a finding that the proposed city’s expected revenues are sufficient to provide public services and facilities and have a reasonable reserve for three years. The budget deficit projections identified in the Public Hearing CFA and the Executive Officer’s Report clearly demonstrate that the proposed City of East Los Angeles is not fiscally viable. Because the Commission cannot make this finding, State law requires that the Commission disapprove the incorporation request.

Staff is of the opinion, further, that the additional time requested by the Proponents would achieve no tangible result. The Proponents have had the County’s Base Year data since April of 2011. The Public Review CFA was made available in July of 2011, and the Public Hearing CFA was made available in September of 2011. Even the Proponents’ most recent budget, a two-page document submitted at the January 25th Commission hearing, identified budget deficits for Years 1 through 6. As stated previously, the Proponents have yet to submit a budget that shows a rational, feasible, and legal method of achieving fiscal viability.

Staff Recommendation:

Adopt the recommendation contained in the Executive Officer’s Report of January 25, 2012, and the attached updated Resolution Making Determinations and Disapproving East Los Angeles Incorporation No. 2009-08.

Exhibits:

- 3a: RESOLUTION NO. 2011-149 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON AFFIRMING THE CITY’S COMMITMENT TO CONTINUED ADOPTION AND IMPLEMENTATION OF REFORM MEASURES.
- 3b: “Vernon agreed to pay \$60 million to avoid disincorporation” by Sam Allen, Los Angeles Times, December 13, 2011.
- 3c: Table (aka “Table 1-a”) which shows the EPS’ \$21.1 million budget for law enforcement, with no start-up costs (excerpted from the Public Hearing CFA);
- 3d: Table (aka “Table 1-b”) which revises Table 1-a to show the Sheriff’s \$31.2 million budget and the \$6.8 million in start-up costs; and
- 3e: East Los Angeles Law Enforcement Budget Comparison
- 3f: East Los Angeles Law Enforcement Personnel Comparison
- 3g: Estimated Additional Revenues from Additional UUT and Additional Utilities
- 3h: Estimated Cost/Homeowner from UUT Increase

RESOLUTION NO. 2012 - 00 RD

**RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS AND DISAPPROVING
" EAST LOS ANGELES INCORPORATION NO. 2009-08"**

WHEREAS, on December 12, 2008 the "Applicant," East Los Angeles Residents Association (ELARA) submitted a petition signed by registered voters to initiate proceedings before the Local Agency Formation Commission for the County of Los Angeles (the "Commission"), pursuant to, Part 3, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the proposed incorporation of the unincorporated community of East Los Angeles (the "Proposal"); and

WHEREAS, the Proposal requests approval of the incorporation of 4763 ± acres of inhabited, unincorporated County of Los Angeles ("County") territory and is assigned the following distinctive short form designation: "East Los Angeles Incorporation No. 2009-08;" and

WHEREAS, the "Incorporation Area" for East Los Angeles Incorporation No. 2009-08 is the area shown on Exhibit "A" (map) and described in Exhibit "B" (legal description), which are attached hereto and by this reference incorporated herein; in the event of any conflict between Exhibit A and Exhibit B, Exhibit B shall control; and

WHEREAS, on January 6, 2009, the Executive Officer executed a Notice of Sufficiency, upon verification by the County of Los Angeles Registrar-Recorder that a sufficient number of registered voters within the Incorporation Area signed the Petition, and that the requisite number of valid signatures was affixed to the Petition; and

WHEREAS, at the times and in the substantial form and manner provided by law, the Executive Officer has given notice of all public hearings by this Commission upon the Proposal, and

WHEREAS, on July 14, 2011, a Notice of Intent to adopt a Negative Declaration was published and the Initial Study for the proposed East Los Angeles Incorporation was made available for public review; and

WHEREAS, one public comment was received and responded to in response to the Notice of Intent to Adopt a Negative Declaration; and

WHEREAS, the East Los Angeles Incorporation Comprehensive Fiscal Analysis was issued on September 8, 2011; and

WHEREAS, on September 29, 2011, the Executive Officer issued a Certificate of Filing; and

WHEREAS, on October 17, 2011, the Applicant requested State Controller review of the East Los Angeles Comprehensive Fiscal Analysis; and

WHEREAS, on December 15, 2011, the State Controller issued its review report of the East Los Angeles Comprehensive Fiscal Analysis; and

WHEREAS, the Executive Officer has reviewed the Proposal, all available information, including the Comprehensive Fiscal Analysis and State Controller review, and prepared his report, including his recommendations; and

WHEREAS, on January 25, 2012 after being duly and properly noticed, the Proposal came on for hearing at which time this Commission heard and received all oral and written testimony, 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 the Proposal and the report of the Executive Officer, before closing the public hearing and continuing the matter to February 8, 2012; and

WHEREAS, on February 8, 2012 the Commission considered the Proposal, the report of the Executive Officer, the Comprehensive Fiscal Analysis and State Controller review, and all oral and

written testimony, objections and evidence which were made, presented or filed at the public hearing; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission has considered all relevant factors set forth in Government Code Section 56668 and all other relevant factors in reaching its conclusions regarding the Proposal.
2. The Commission has reviewed the Comprehensive Fiscal Analysis prepared pursuant to Government Code Section 56800 and the State Controller's Report prepared pursuant to Government Code Section 56801.
3. The Commission has reviewed the Executive Officer's Report and recommendations prepared pursuant to Government Code Section 56665, and all testimony presented at its public hearings.
4. Based upon the analysis set forth in the Executive Officer's Report, the Commission finds that the proposed city is not expected to receive revenues sufficient to provide for adequate public services and facilities, and a reasonable reserve during the three fiscal years following incorporation.
5. In accordance with Government Code Section 56803, the Commission hereby accepts the findings of the Comprehensive Fiscal Analysis, with respect to the financial viability of the new city and the fiscal impact to the County of Los Angeles, except to the extent that the fiscal calculations therein have been updated, amended, or clarified through more accurate and up-to-date data, as set forth in the Executive Officer's Report, for the reasons stated therein.
6. In accordance with Government Code Section 56803, the Commission hereby accepts

the findings and recommendations of the Executive Officer's Report, including but not limited to, those findings and recommendations with respect to the financial viability of the new city and the fiscal impact on the County of Los Angeles.

7. Based upon 1 through 6, above, the Commission hereby disapproves East Los Angeles Incorporation No. 2009-08.
8. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided for in Government Code Section 56882.

PASSED AND ADOPTED this 8th day of February 2012.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

PAUL A. NOVAK, Executive Officer

Staff Report

February 8, 2012

Agenda Item No. 4.a.

Annexation No. 381 to County Sanitation District No. 22

The following item is a proposal requesting annexation of approximately 6.444± acres of uninhabited territory to Los Angeles County Sanitation District No. 22. The District, as the applicant of record, adopted a resolution initiating proceedings on March 28, 2007.

Related Jurisdictional Changes: There are no related jurisdictional changes.

Purpose/Background: The owners of real property within the territory have requested, in writing, that the District provide off-site sewage disposal service.

Proposal Area: The annexation consists of five existing single-family homes within a vacant and residential area. The territory is currently being developed to include one additional single-family home.

Location: The affected territory is located on Via Romales approximately 560 feet southeast from its intersection with Camino Del Sur, all within the City of San Dimas.

Factors of Consideration Pursuant to Government Code Section 56668:

1. ***Population:*** The current population is 10. The estimated future population is 11.
2. ***Registered Voters/Landowners:*** There are numerous owners of record.
3. ***Topography:*** The topography is slightly sloping.
4. ***Zoning, Present and Future Land Use:*** The current zoning is [SP-12]; Residential Hillside Development and [SF-15000]; Single-Family Residential. The present land use is vacant and residential. The proposed land use is residential.
5. ***Surrounding Land Use:*** The land use in the surrounding territory is residential.
6. ***Pre-zoning and Conformance with the General Plan:*** Pre-zoning is not a requirement for a special district proposal.
7. ***Assessed Value, Tax Transfer:*** The total assessed value of land for Assessor Roll Year 2011 is \$5,156,531. The affected agencies have adopted a negotiated tax exchange resolution.

8. ***Governmental Services and Control, Availability and Adequacy:*** A portion of the subject territory is already being serviced by the District. The entire subject territory was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the annexation will be treated by the JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.
9. ***Effects on Agricultural and Open-Spaced Lands:*** The annexation will not have an effect on agricultural or open space lands.
10. ***Boundaries and Lines of Assessment:*** The boundaries of this territory have been clearly defined and correspond to lines of assessment or ownership.
11. ***Effects of the Proposal on Adjacent Areas and the County:*** No effects on adjacent areas and the County.
12. ***Sphere of Influence:*** The affected territory is within the sphere of influence of District No. 22.
13. ***Timely Availability of Water Supplies:*** There are no issues regarding water supply or delivery.
14. ***Regional Housing Needs:*** This proposal has no adverse affect on the Regional Housing Needs Allocation for the County or the City since it is a special district proposal.
15. ***Environmental Justice:*** The proposal will have no adverse effect with respect to the fair treatment of people of all races and income, or the location of public facilities or services.
16. ***Comments from Affected Agencies:*** There were no comments from affected agencies.
17. ***Correspondence:*** Staff has received no correspondence regarding this proposal.

CEQA: Annexation of the existing residences is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing existing structures developed to the density allowed by the current zoning. Annexation of the proposed additional residence is categorically exempt from the provisions of the CEQA pursuant to CEQA Guidelines Section 15319(b) because it consists of construction within a residential zone exempted by CEQA Guidelines Section 15303(a)

Conclusion: Denial of this proposal would prevent the application from obtaining off-site sewage disposal services. The properties would need an on-site septic system, which may cause potential public health problems.

Recommended Action:

1. Open the public hearing and receive testimony on the matter.
2. There being no further testimony, close the public hearing.
3. Adopt the Resolution Making Determinations Approving Annexation No. 381 to County Sanitation District No. 22.
4. Pursuant to Government Code Section 57002, set April 11, 2012 at 9:00 a.m., as the date for Commission protest proceedings.

RESOLUTION NO. 2012-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING
"ANNEXATION NO. 381 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 22"

WHEREAS, the County Sanitation District No. 22 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of San Dimas; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for 5 existing single-family homes and 1 proposed single-family home; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 6.444± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 381 to County Sanitation District No. 22"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on February 8, 2012, after being duly and properly noticed, this proposal came on for hearing at which time this Commission heard and received all oral and written testimony, 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.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) and (b).
2. Annexation No. 381 to the County Sanitation District No. 22 is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
 - b. The regular County assessment roll is utilized by the District.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.
 - d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.

3. The Commission hereby sets the protest hearing for April 11, 2012 at 9:00 a.m. and authorizes and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882.

PASSED AND ADOPTED 8th day of February 2012.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION COMMISSION FOR THE
COUNTY OF LOS ANGELES**

PAUL A. NOVAK, AICP Executive Officer

Staff Report

February 8, 2012

Agenda Item No. 4.b.

Annexation No. 396 to County Sanitation District No. 22

The following item is a proposal requesting annexation of approximately 7.024± acres of uninhabited territory to Los Angeles County Sanitation District No. 22. The District, as the applicant of record, adopted a resolution initiating proceedings on April 28, 2010.

Related Jurisdictional Changes: There are no related jurisdictional changes.

Purpose/Background: The owners of real property within the territory have requested, in writing, that the District provide off-site sewage disposal service.

Proposal Area: The annexation consists of three existing single-family homes and three proposed single-family homes located within a residential area.

Location: The affected territory has four parcels. Parcel 1 is located on Cortez Street approximately 1,300 feet east of Citrus Street; Parcel 2 is located on Cortez Street approximately 1,800 feet east of Citrus Street; Parcel 3 is located on Cortez Drive at its intersection with Barranca Street; and Parcel 4 is located on Cortez Street approximately 500 feet east of Barranca Street, all parcels are located within the City of West Covina.

Factors of Consideration Pursuant to Government Code Section 56668:

1. ***Population:*** The current population is 14. The applicant estimated a population increase of 22 residents after development.
2. ***Registered Voters/Landowners:*** There are numerous owners of record.
3. ***Topography:*** The topography is slightly sloped.
4. ***Zoning, Present and Future Land Use:*** The current zoning is [R-1]; Single-Family Residential and [R-A]; Residential Agricultural Zone. The present and proposed land use residential.
5. ***Surrounding Land Use:*** The land use in the surrounding territory is residential.
6. ***Pre-zoning and Conformance with the General Plan:*** Pre-zoning is not a requirement for a special district proposal.
7. ***Assessed Value, Tax Transfer:*** The total assessed value of land for Assessor Roll Year 2011 is \$2,258,395. The affected agencies have adopted a negotiated tax exchange resolution.

8. ***Governmental Services and Control, Availability and Adequacy:*** A portion of the subject territory is already being serviced by the District. The entire subject territory was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the annexation will be treated by the JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.
9. ***Effects on Agricultural and Open-Spaced Lands:*** The annexation will not have an effect on agricultural or open space lands.
10. ***Boundaries and Lines of Assessment:*** The boundaries of this territory have been clearly defined and correspond to lines of assessment or ownership.
11. ***Effects of the Proposal on Adjacent Areas and the County:*** No effects on adjacent areas and the County.
12. ***Sphere of Influence:*** The affected territory is within the sphere of influence of District No. 22.
13. ***Timely Availability of Water Supplies:*** There are no issues regarding water supply or delivery.
14. ***Regional Housing Needs:*** This proposal has no adverse affect on the Regional Housing Needs Allocation for the County or the City since it is a special district proposal.
15. ***Environmental Justice:*** The proposal will have no adverse effect with respect to the fair treatment of people of all races and income, or the location of public facilities or services.
16. ***Comments from Affected Agencies:*** There were no comments from affected agencies.
17. ***Correspondence:*** Staff has received no correspondence regarding this proposal.

CEQA: Annexation of the three existing residences is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing existing structures developed to the density allowed by the current zoning. Annexation of the three proposed residences is categorically exempt from the provisions of the CEQA pursuant to CEQA Guidelines Section 15319(b) because it consists of construction within a residential zone exempted by CEQA Guidelines Section 15303(a).

Conclusion: Denial of this proposal would prevent the applicants from obtaining off-site sewage disposal services. The properties would need an on-site septic system, which may cause potential public health problems.

Recommended Action:

1. Open the public hearing and receive testimony on the matter.
2. There being no further testimony, close the public hearing.
3. Adopt the Resolution Making Determinations Approving Annexation No. 396 to County Sanitation District No. 22.
4. Pursuant to Government Code Section 57002, set April 11, 2012 at 9:00 a.m., as the date for Commission protest proceedings.

RESOLUTION NO. 2012-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING
"ANNEXATION NO. 396 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 22"

WHEREAS, the County Sanitation District No. 22 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of West Covina; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for 3 existing single-family homes and 3 proposed single-family homes; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 7.024± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 396 to County Sanitation District No. 22"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on February 8, 2012, after being duly and properly noticed, this proposal came on for hearing at which time this Commission heard and received all oral and written testimony, 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.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319 (a) and (b).
2. Annexation No. 396 to the County Sanitation District No. 22 is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
 - b. The regular County assessment roll is utilized by the District.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.
 - d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.

3. The Commission hereby sets the protest hearing for April 11, 2012 at 9:00 a.m. and authorizes and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882.

PASSED AND ADOPTED 8th day of February 2012.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION COMMISSION FOR THE
COUNTY OF LOS ANGELES**

PAUL A. NOVAK, AICP Executive Officer

Staff Report

February 8, 2012

Agenda Item No. 5.a.

**Annexation No. 717 to
County Sanitation District No. 21**

The following item is a proposal requesting annexation of approximately 14.016± acres of uninhabited territory to Los Angeles County Sanitation District No. 21. The District, as the applicant of record, adopted a resolution initiating proceedings on March 28, 2007.

Related Jurisdictional Changes: There are no related jurisdictional changes.

Purpose/Background: The owner of real property within the territory has requested, in writing, that the District provide off-site sewage disposal service.

Proposal Area: The annexation consists of an elementary school and is located within a public school area.

Location: The affected territory is located at the intersection of Shadow Oak Drive and Creekside Drive, all within the City of Walnut.

Factors of Consideration Pursuant to Government Code Section 56668:

1. ***Population:*** The current population is 0. The estimated future population is 0.
2. ***Registered Voters/Landowners:*** Rowland Unified School District.
3. ***Topography:*** The topography is slightly sloping.
4. ***Zoning, Present and Future Land Use:*** The current zoning is [RPD] Walnut-Residential Planned Development; the present land use is residential.
5. ***Surrounding Land Use:*** The land use in the surrounding territory is residential.
6. ***Pre-zoning and Conformance with the General Plan:*** Pre-zoning is not a requirement for a special district proposal.
7. ***Assessed Value, Tax Transfer:*** The total assessed value of land for Assessor Roll Year 2011 is \$0. The affected agencies have adopted a negotiated tax exchange resolution.

8. ***Governmental Services and Control, Availability and Adequacy:*** The subject territory is already being serviced by the District. The area was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the annexation is being treated by the JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory
9. ***Effects on Agricultural and Open-Spaced Lands:*** The annexation territory will not have an effect on agricultural or open space lands.
10. ***Boundaries and Lines of Assessment:*** The boundaries of this territory have been clearly defined and correspond to lines of assessment or ownership. This proposal does not create any new islands of unincorporated territory.
11. ***Effects of the Proposal on Adjacent Areas and the County:*** No effects on adjacent areas and the County.
12. ***Sphere of Influence:*** The affected territory is within the sphere of influence of District No. 21.
13. ***Timely Availability of Water Supplies:*** There are no issues regarding water supply or delivery.
14. ***Regional Housing Needs:*** This proposal has no adverse affect on the Regional Housing Needs Allocation for the City since it is a special district proposal.
15. ***Environmental Justice:*** The proposal will have no adverse effect with respect to the fair treatment of people of all races and income, or the location of public facilities or services.
16. ***Comments from Affected Agencies:*** There were no comments from affected agencies.
17. ***Correspondence:*** Staff has received no correspondence regarding this proposal.

CEQA: The proposed annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

Waiver of Notice and Hearing: Pursuant to Government Code Section 56663(a) all owners of land within the affected territory have consented to the change of organization. To date, no subject agency has submitted written demand for notice and hearing on this application pursuant to Government Code Section 56663(b). Based thereon, the Commission may conduct proceedings for the change of organization or reorganization without notice and hearing.

Waiver of Protest Proceedings: Pursuant to Government Code Section 56663(c), all owners of land within the affected territory have consented to the change of organization, and to date, no subject agency has submitted written opposition to waiver of the protest proceedings. Based thereon, the Commission may waive protest proceedings.

Conclusion: Staff recommends approval of this annexation request. The annexation is a logical and reasonable extension of the Los Angeles County Sanitation District No. 21 boundary.

Recommended Action:

- 1) Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 717 to County Sanitation District No. 21.

RESOLUTION NO. 2012-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 717 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 21"

WHEREAS, the County Sanitation District No. 21 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of Walnut; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for an elementary school, located within a public school area; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 14.016± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 717 to County Sanitation District No. 21"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on February 8, 2012, at its regular meeting this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code Section 56663(a) and (b), the Commission hereby finds and determines that:
 - a. The owner of land within the affected territory has given their written consent to the change of organization; and
 - b. No subject agency has submitted a written demand for notice and hearing on this proposal.

Based thereon, notice and hearing requirements are waived.

2. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a).
3. Annexation No. 717 to the County Sanitation District No. 21 is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
 - b. The regular County assessment roll is utilized by the District.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.

- d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
4. Pursuant to Government Code Section 56663(c), the Commission hereby finds and determines that:
 - a. The territory to be annexed is uninhabited;
 - b. The owner of land within the affected territory has given their written consent to the change of organization; and
 - c. No subject agency has submitted written opposition to a waiver of protest proceedings.

Based thereon, protest proceedings are waived.

5. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to County Sanitation District No. 21.

6. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED 8th day of February 2012.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION COMMISSION FOR THE
COUNTY OF LOS ANGELES**

PAUL A. NOVAK, Executive Officer

Staff Report

February 8, 2012

Agenda Item No. 5.b.

Annexation No. 1018 to Santa Clarita Valley Sanitation District of Los Angeles County (SCVSD)

The following item is a proposal requesting annexation of approximately 1.067± acres of uninhabited territory to the SCVSD. The District, as the applicant of record, adopted a resolution initiating proceedings on May 14, 2008.

Related Jurisdictional Changes: There are no related jurisdictional changes.

Purpose/Background: The owner of real property within the territory has requested, in writing, that the District provide off-site sewage disposal service.

Proposal Area: The annexation consists of one single-family home and a flood control channel that are located within a residential area.

Location: The affected territory is located on Old Wiley Canyon Road approximately 400 feet south of Wabuska Street, all within the City of Santa Clarita.

Factors of Consideration Pursuant to Government Code Section 56668:

1. ***Population:*** The current population is 1.
2. ***Registered Voters/Landowners:*** Sharon Weddle & LA County Flood Control District.
3. ***Topography:*** The topography is flat.
4. ***Zoning, Present and Future Land Use:*** The current zoning is [RS]-Residential Suburban. The present and proposed land use is residential.
5. ***Surrounding Land Use:*** The surrounding land use is residential.
6. ***Pre-zoning and Conformance with the General Plan:*** Pre-zoning is not a requirement for a special district proposal.
7. ***Assessed Value, Tax Transfer:*** The total assessed value of land for Assessor Roll Year 2011 is \$67,359. The affected agencies have adopted a negotiated tax exchange resolution.

8. ***Governmental Services and Control, Availability and Adequacy:*** The subject territory is already being serviced by the SCVSD. The area was included in the future service area that might be served by the SCVSD and the SCVSD's future wastewater management needs were addressed in the 2015 Santa Clarita Valley Joint Sewerage Facilities Plan and EIR. The wastewater generated by the annexation is being treated by the Santa Clarita Valley Joint Sewerage System, which is comprised of the Saugus and Valencia Water reclamation plants. The SCVSD has adequate capacity to collect treat, and dispose of the wastewater generated by the subject territory.
9. ***Effects on Agricultural and Open-Spaced Lands:*** The proposal will not have an effect on agricultural or open space lands.
10. ***Boundaries and Lines of Assessment:*** The boundaries of this territory have been clearly defined and correspond to lines of assessment or ownership.
11. ***Effects of the Proposal on Adjacent Areas and the County:*** No effects on adjacent areas and the County.
12. ***Sphere of Influence:*** The affected territory is within the sphere of influence of the SCVSD.
13. ***Timely Availability of Water Supplies:*** There are no issues regarding water supply or delivery.
14. ***Regional Housing Needs:*** This proposal has no affect on the Regional Housing Needs Allocation for the City since it is a special district proposal.
15. ***Environmental Justice:*** The proposal will have no adverse effect with respect to the fair treatment of people of all races and income, or the location of public facilities or services.
16. ***Comments from Affected Agencies:*** There were no comments from affected agencies.
17. ***Correspondence:*** Staff has received no correspondence regarding this proposal.

CEQA: The proposed annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

Waiver of Notice and Hearing: Pursuant to Government Code Section 56663(a) all owners of land within the affected territory have consented to the change of organization. To date, no subject agency has submitted written demand for notice and hearing on this application pursuant to Government Code Section 56663(b). Based thereon, the Commission may conduct proceedings for the change of organization or reorganization without notice and hearing.

Waiver of Protest Proceedings: Pursuant to Government Code Section 56663(c), all owners of land within the affected territory have consented to the change of organization, and to date, no subject agency has submitted written opposition to waiver of the protest proceedings. Based thereon, the Commission may waive protest proceedings.

Conclusion: Should the affected territory not be annexed into the SCVSD, the landowners would have to use less efficient alternative means to collect, treat, and dispose of the wastewater anticipated to be generated by the affected territory.

Recommended Action:

- 1) Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 1018 to the SCVSD.

RESOLUTION NO. 2012-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 1018 TO
SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY (SCVSD)"

WHEREAS, the SCVSD adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the Commission) pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of Santa Clarita; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for one single-family home and a flood control channel that are located within a residential area; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 1.067± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 1018 to the SCVSD"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on February 8, 2012, at its regular meeting, this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code Section 56663(a) and (b), the Commission hereby finds and determines that:
 - a. The owners of land within the affected territory have given their written consent to the change of organization; and
 - b. No subject agency has submitted a written demand for notice and hearing on this proposal.

Based thereon, notice and hearing requirements are waived.

2. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a).
3. Annexation No. 1018 to the SCVSD is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the SCVSD may legally impose.
 - b. The regular County assessment roll is utilized by the SCVSD.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the SCVSD.

- d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
4. Pursuant to Government Code Section 56663(c), the Commission hereby finds and determines that:
 - a. The territory to be annexed is uninhabited;
 - b. The owners of land within the affected territory have given their written consent to the change of organization; and
 - c. No subject agency has submitted written opposition to a waiver of protest proceedings.

Based thereon, protest proceedings are waived.
5. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the SCVSD.

6. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the SCVSD, upon the SCVSD's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED this 8th day of February 2012.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION COMMISSION FOR THE
COUNTY OF LOS ANGELES**

PAUL A. NOVAK, Executive Officer