

PUBLIC HEARING ITEM
LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

8A
8B

FOR MEETING OF: FEBRUARY 4, 2013

Proposals

Adoption of an Amendment to the Sphere of Influence for the San Diego County Sanitation District
(SA12-01)

“917 N. 1st St. Reorganization” (City of El Cajon Detachment)
(RO12-01)

Proponent

City of El Cajon, by resolution

Description/Justification

Proposed by resolution of the City of El Cajon is a reorganization of two incorporated parcels (totaling approximately 0.42-acre) involving:

- Detachment from the City of El Cajon;
- Annexation to County Service Area (CSA) No. 135 (Regional Communications);
- Annexation to CSA No. 69 (Heartland Paramedics);
- Annexation to the San Miguel Fire Protection District; and,
- Annexation to the San Diego County Sanitation District (SD).

The City of El Cajon has adopted a resolution initiating and supporting the proposed detachment of incorporated territory. The concurrent district annexations are necessary to transfer the responsibility for the provision of public services from the City to the special district service providers for the unincorporated part of the County following detachment from the City.

The adopted sphere of influence for CSA No. 135 is coterminous with the San Diego County boundary; therefore, no sphere amendment is required for the associated annexation to the district. The proposed reorganization area is not located within the sphere of influence of the San Diego County SD; therefore, an amendment to the sanitation district's sphere to include the subject incorporated territory is required prior to the proposed reorganization.

The proposal area is not located within the sphere of influence of the San Miguel FPD or CSA No. 69; however, LAFCO has adopted transitional sphere designations for the portions of the two districts' service areas that are located within the unincorporated community of Bostonia. As the proposed reorganization area would be located within the unincorporated community of Bostonia following the proposed detachment from the City of El Cajon, annexation of the subject territory to the San Miguel FPD and CSA No. 69 does not require approval of an amendment to the districts' spheres of influence.

The County of San Diego Board of Supervisors has adopted a negotiated property tax exchange for the proposed reorganization that identifies the property taxes to be exchanged between the City of El Cajon and the County, and specifies the allocation of the annual tax increment to the City and County following the jurisdictional change. Additional discussion on the proposal's negotiated property tax exchange is included below.

LAFCO Review Factors for City Detachments

Government Code Section 56668.3 specifies the following factors to be considered by LAFCO when reviewing proposed city detachments:

- Whether the proposed detachment will be for the interest of the landowners or present or future inhabitants within the city and within the territory proposed to be detached from the city.
- Any factors which may be considered by the commission as provided in Section 56668.
- Any resolution raising objections to the action that may be filed by an affected agency.
- Any other matters which the commission deems material.

The proposed reorganization was initiated by the City of El Cajon in response to a request by the landowner to detach the subject property from the City and unify it with adjacent property also owned by the subject landowner in the unincorporated community of Bostonia.

The relevant factors of review within Government Code Section 56668 are discussed below in regards to the existing and proposed land use designations, the existing and proposed public services for the proposal area, and the environmental review for the proposed reorganization. The City of El Cajon has adopted a resolution supporting the proposed detachment; no resolutions raising objections to the proposal have been received from any of the affected agencies.

Land Use

City of El Cajon

The proposal area includes two parcels: APN 484-184-24 (approximately 0.26-acre), and APN 484-184-25 (approximately 0.16-acre) located within the incorporated boundary of the City of El Cajon. The two parcels constitute a single residential lot that is developed with one single-family residence and several detached and attached accessory structures.

The existing City of El Cajon General Plan Designations for the subject parcels are General Commercial (parcel -24) and Low Density Residential (3-10 du/ac) (parcel -25); the current zoning for both parcels within in the City of El Cajon is Single-Family Residential (RS-6; 7.3 du/acre; 6,000 square-foot minimum lot size).

The proposed reorganization area is partially located within a 100-year and 500-year flood plain and is adjacent to a concrete-lined flood control channel on its southern border. The proposal area is surrounded by residential development to the north and east, and commercial development to the south and west.

The landowner of the two incorporated parcels also owns an adjacent unincorporated parcel (APN 484-183-04) directly to the north of parcel -25. The unincorporated parcel contains one single-family residence, constructed approximately 50 years ago, which straddles the City/County jurisdictional boundary between unincorporated parcel -04 and incorporated parcel -25. The landowner wishes to consolidate the three parcels within the land use planning jurisdiction of the County of San Diego.

County of San Diego

In October, 2010, the County of San Diego Board of Supervisors approved the County's General Plan Update, which included conditionally adopted General Plan designations and zoning for the subject proposal territory. Contingent with LAFCO approval of the proposed detachment from the City of El Cajon, the County's General Plan Update added the proposal territory to the Lakeside Community Planning Area and applied a Village Residential 15 (VR-15; 14.5 du/ac) General Plan land use designation. The County established zoning for the proposal territory as Variable Family Residential (RV6; 7.3 du/acre; 6,000 square-foot minimum lot size). The maximum allowed density for the County's proposed RV6 zoning is identical to the existing City zoning of RS-6 (up to 7.3 du/ac).

The County has also adopted a Special Area Designator for the proposal territory as "B" (Community Design Review Area). Such designated areas are subject to the Community Design Review Area regulations of the County's Zoning Ordinance (Section 5750 through 5799). The County states that the purpose of the Community Design Review Area regulations is to provide for the maintenance and enhancement of a Community's individual character and identity by requiring future structures and development to complement the surrounding areas and existing development.

Environmental Review

The County Board of Supervisors adopted a Programmatic Environmental Impact Report (PEIR) for the General Plan Update's environmental review. The PEIR (Log No. ENV11-0002) included review of the establishment of County land use designations for the proposal territory in relation to the proposed reorganization; however, the LAFCO Executive Officer has determined that the proposed reorganization is exempt from environmental review per CEQA Guideline 15061(b)(3) because it can be seen with certainty that there is no possibility that the reorganization may have a significant effect on the environment.

Public Services

Sewer

The existing single-family residence on the proposed reorganization area is currently connected to the City of El Cajon sewer system. Following the proposed reorganization, the proposal territory will be located within the service area of the San Diego County Sanitation District (SD). The City has indicated its willingness to continue the provision of sewer service to the subject property via agreement with the San Diego County SD. No expansion of sewer service is proposed as part of the subject reorganization.

Water

The proposal territory is currently located within the Helix Water District (WD) for the provision of water services. Water service to the proposal territory will continue to be provided by Helix WD following the proposed reorganization. No expansion of water service is proposed as part of the subject reorganization. The WD has indicated that adequate water supplies exist to serve the proposal territory.

Fire Protection and Emergency Medical Services

The City of El Cajon currently provides structural fire protection and emergency medical services to the proposed reorganization area from Fire Station No. 8, located at 1475 East Madison. Response times to the proposal area from Station No. 8 are estimated at 5 minutes for priority calls and 11 minutes for non-priority calls.

Following the proposed reorganization, structural fire protection and emergency medical services to the proposal area would be provided by the San Miguel Fire Protection District (FPD) and CSA No. 69 (Heartland Paramedics). In a letter dated November 1, 2012, the San Miguel FPD stated its support for the proposed reorganization.

The closest San Miguel FPD station to the proposal area is Fire Station 19, located at 1273 Clarendon Street. Response times to the proposed reorganization area from Station No. 19 are estimated at 3-4 minutes for priority calls and 5+ minutes for non-priority calls.

According to the *Subject Agency Supplemental Information Form* submitted with the proposal's LAFCO application, San Miguel FPD estimated the annual fees to the landowner for the provision of fire protection and emergency medical services to the proposal area will total \$389.84. The individual district fees included in the annual total are: \$267.37 (Proposition E); \$60.36 (Bostonia fee); and, \$62.11 (Paramedic fee).

The San Miguel FPD has requested an exchange of property tax revenues as part of the annexation of the proposal area; however, the negotiated property tax exchange adopted by the County of San Diego for the subject reorganization does not include a transfer of property tax revenues from the detaching City to the annexing fire district. Additional discussion on the negotiated property tax exchange resulting from the proposed reorganization follows.

Police Protection

Police protection service is presently provided to the proposed reorganization area by the City of El Cajon from its station located at 100 Civic Center Way, with estimated response times of 3-4 minutes for priority one police calls and 20+ minutes for non-priority calls.

Following the proposed reorganization, the County Sheriff would assume the responsibility for provision of police protection services from its Santee Substation, with an estimated 5+ minute response time for priority calls, 30+ minutes for non-priority calls.

Negotiated Property Tax Exchange

The City of El Cajon and the County of San Diego have adopted a Master Property Tax Exchange Agreement (MPTA) that governs the exchange of property tax revenues between the City and County when LAFCO approves an annexation of unincorporated territory to the City. For proposed jurisdictional changes that involve detachment of incorporated territory from the City of El Cajon, the MPTA does not apply and the property tax exchange for the proposal must be negotiated between the affected agencies and approved by the County of San Diego Board of Supervisors prior to being scheduled for LAFCO consideration.

Accordingly, on December 5, 2012, the County of San Diego Board of Supervisors adopted a negotiated property tax exchange for the proposed reorganization that identified the property taxes to be exchanged between the City of El Cajon and the County. The negotiated exchange also specified the allocation of the annual tax increment to the City and County following the proposed jurisdictional change.

The negotiated exchange agreement adopted by the County states that 38% (\$66.00) of the amount of property taxes currently allocated to the City (\$173.86) would be transferred to the County, with the remaining amount continuing to be allocated to the City based on the renegotiated annual tax increment. Following the proposed reorganization, the City will not be responsible for provision of services to the proposal area; however, the City has agreed to continue to provide sewer service to the proposal area by service agreement with the San Diego County SD.

Affected Special Districts

As previously discussed, following annexation to the districts' service areas, the San Diego County SD, San Miguel FPD, and CSA No. 69 (Heartland paramedics) will assume responsibility for the provision of sewer, fire protection, and emergency medical services, respectively, to the proposal area. The San Miguel FPD indicated on the subject proposal's LAFCO application form that the district requested an exchange of property tax revenues in association with the proposed annexation.

The County's staff report for the negotiated exchange states that "*Service provider issues and costs fall under the purview of LAFCO*". It should be clarified that, when considering proposed jurisdictional changes, LAFCO is required to *review* service provider issues and service provision-related costs associated with the proposal; however, the County of San Diego is responsible for negotiating the exchange of property tax revenues on behalf of the

subject special districts when a proposed jurisdictional change would affect the district's service area or service responsibility. (California Revenue and Tax Code Section 99(b)(5))

Prior to entering into a tax exchange negotiation on behalf of an affected district, the County is required to consult with the subject districts by, at a minimum, notifying the district board members and executive officers and providing an adequate opportunity to comment on the negotiation. The County's adopted resolution for the subject negotiated property tax exchange states that, "...the Board of Supervisors has negotiated with the affected Special Districts to determine an equitable exchange of property tax revenues applicable to such jurisdictional change..."

According to the San Diego County the Board of Supervisors' Policy B-45 (*Property Tax Exchanges Resulting From Jurisdictional Changes*), the County considers the appropriateness of a property tax transfer when annexations to a fire district are proposed; however, the subject proposal's negotiated exchange agreement adopted by the County does not identify any property tax revenue or portion of the annual tax increment that would be transferred to San Miguel FPD following the proposed reorganization.

LAFCO Special District Notification

When a jurisdictional change proposal involving an annexation to a special district is not submitted to LAFCO by resolution of the affected special district, LAFCO is required to notify the district of the proposal and schedule the proposal as a jurisdictional information item on the LAFCO agenda (Government Code Section 56857(a)).

No later than 60-days following the proposal's information item, annexing special districts may transmit a resolution to LAFCO requesting termination of proceedings for the subject reorganization. A district resolution requesting termination of the proceedings is required by the statute to be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern (Government Code Section 56857(b)).

Accordingly, the LAFCO meeting agenda for November 5, 2012 included a jurisdictional information item for the proposed reorganization; therefore, the 60-day termination request period available to the annexing districts for the subject reorganization expired on January 4, 2013. No district resolutions opposing the proposed reorganization were received by LAFCO during the termination period.

As noted above, The County adopted the subject reorganization's negotiated property tax exchange on December 5, 2012; however, in a letter dated November 1, 2012, the San Miguel FPD stated its support for the proposal. Since the district's support letter was submitted prior to the County's adoption of the negotiated tax exchange, it is unclear if the San Miguel FPD was aware that the district will not receive a portion of the tax revenues to be exchanged nor receive a portion of the annual tax increment following annexation of the proposal area.

Conclusion and Recommendation

The proposed reorganization has been initiated by the City of El Cajon in response to a request by the landowner to consolidate the subject territory within a single land-use authority. The City has adopted a resolution approving the detachment of the proposal area from its incorporated boundary and the County of San Diego has conditionally adopted land use designations that will apply to the subject territory following the proposed reorganization. The proposed reorganization of the territory will not result in an increase in allowed development density as the County's proposed zoning for the subject property is identical to the existing City zoning.

The special district service providers for the adjacent unincorporated territory have agreed to extend services to the proposal area that will sustain the current level of urban services provided to the property from the City; however, no property tax revenues are proposed to be transferred to the affected special districts that will assume service responsibility for the subject territory following the proposed reorganization.

While LAFCO's analysis includes the review of service provision to the proposal area and related service costs for the affected special districts when considering a jurisdictional change proposal, the County of San Diego is responsible for the identification and negotiation of the subject proposal's exchange of property tax revenues. Accordingly, the County of San Diego Board of Supervisors adopted the subject reorganization's negotiated property tax exchange on December 5, 2012.

The proposed "917 N. 1st St. Reorganization" has received consent from the affected agencies and subject landowner; LAFCO has not received any resolutions opposing the jurisdictional change; the County's proposed land use designations approximate the existing land use designations in the City; and, no expansion of municipal services are proposed. It is recommended, therefore, that your Commission approve the proposed sphere of influence amendment and reorganization.

Executive Officer Recommendation

- (1) Find in accordance with the Executive Officer's determination, that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the reorganization is not subject to the environmental impact evaluation process because *it can be seen with certainty that there is no possibility that the reorganization may have a significant effect on the environment; and*
- (2) Amend the sphere of influence of the San Diego County Sanitation District and adopt the written Statement of Determinations as shown in Exhibit A; and
- (3) Adopt the form of resolution approving this minor sphere amendment and reorganization for the reasons set forth in the Executive Officer's Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the reorganization subject to the following conditions:

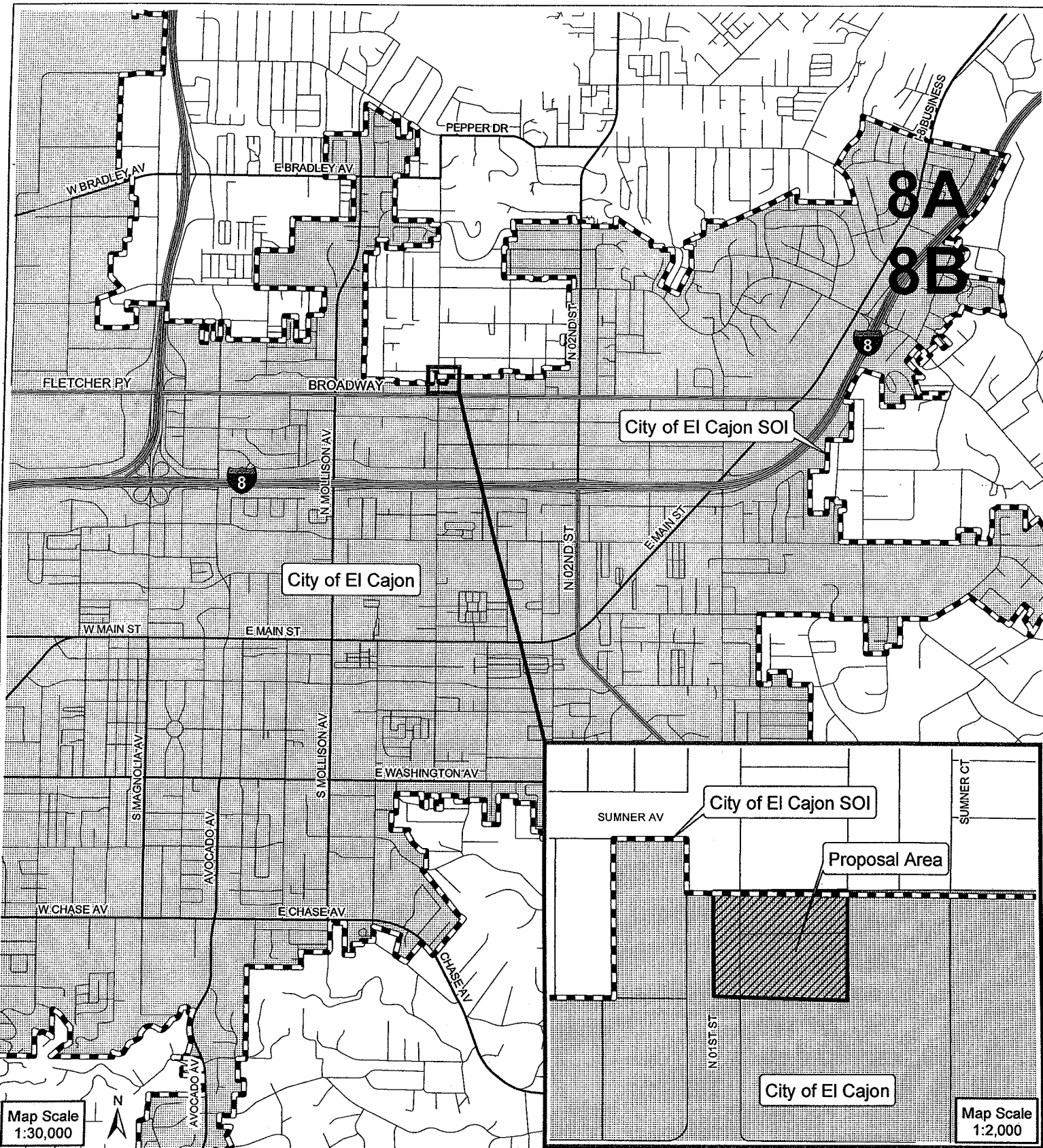
Payment by property owner of San Diego County Sanitation District annual sewer service charge and connection fee, applicable fire district annexation fees, and State Board of Equalization charges.

Attachment

Vicinity Map

- 1) Exhibit A: Statement of Determinations
- 2) San Miguel FPD letter, November 1, 2012

MDO:RB:ra






Map Scale
1:30,000

Map Scale
1:2,000

SA12-01 PROPOSED AMENDMENT TO THE SPHERE OF INFLUENCE FOR THE SAN DIEGO COUNTY SANITATION DISTRICT

RO12-01 PROPOSED "917 N. 1ST ST. REORGANIZATION" (CITY OF EL CAJON DETACHMENT)

-  Proposal Area
-  City of El Cajon
-  City of El Cajon SOI

SOI = Sphere of Influence

SAN DIEGO **LAFCO**

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RECOMMENDED STATEMENT OF DETERMINATIONS

Attachment 1

**PROPOSED MINOR AMENDMENT TO THE SPHERE OF THE SAN DIEGO COUNTY
SANITATION DISTRICT**

"917 N. 1ST. St. Reorganization" (SA12-01; RO12-01)

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for designation of the area shown on the attached map as a minor amendment to the sphere of influence for the San Diego County Sanitation District.

- (1) The present and planned land uses in the area, including agricultural and open space lands.

The proposed sphere amendment and reorganization will allow for the continued provision of public sewer service to two parcels: APN 484-184-24 (approximately 0.26-acre), and APN 484-184-25 (approximately 0.16-acre) presently located within the incorporated boundary of the City of El Cajon. The two parcels constitute a single residential lot consisting of approximately 0.42-acre that is developed with one single-family residence and several detached and attached accessory structures.

The present City of El Cajon General Plan Designations for the subject parcels are General Commercial (parcel -24) and Low Density Residential (3-10 du/ac) (parcel -25); the current zoning for both parcels within in the City of El Cajon is Single-Family Residential (RS-6; 7.3 du/acre; 6,000 square-foot minimum lot size). There are no agricultural or open space uses on the subject territory. The proposal area is surrounded by residential development to the north and east, and commercial development to the south and west.

Contingent with LAFCO approval of the proposed detachment from the City of El Cajon, the County's General Plan Update added the proposal territory to the Lakeside Community Planning Area and applied a Village Residential 15 (VR-15; 14.5 du/ac) General Plan land use designation. The County established zoning for the proposal territory as Variable Family Residential (RV6; 7.3 du/acre; 6,000 square-foot minimum lot size).

- (2) The present and probable need for public facilities and services in the area.

Adoption of the minor sphere amendment and reorganization to the San Diego County Sanitation District will allow for the continued provision of public sewer service to a single residential lot consisting of approximately 0.42-acre that is developed with one single-family residence and several detached and attached accessory structures. The proposed reorganization is not anticipated to affect the probable need for public facilities and services in the area.

- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The existing single-family residence located on the proposed reorganization area is currently connected to the City of El Cajon sewer system. Following the proposed minor sphere amendment and reorganization, the proposal territory will be located within the service area of the San Diego County Sanitation District (SD). The City has indicated its willingness to continue the provision of sewer service to the subject property via agreement with the San Diego County SD. No expansion of sewer service is proposed as part of the subject reorganization.

- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest are not relevant in considering this minor sphere amendment.

- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The proposed sphere amendment and reorganization does not involve an update to the sphere of influence for the San Diego County Sanitation District.

San Diego County SD Sphere Action History

Original Adoption Date: December 2, 1985

Update(s): September 11, 2006; June 11, 2007

Affirmation Date(s): August 6, 2007

Amendment Date(s): October 6, 1986; January 5, 1987; June 6, 1988; February 5, 1990; November 5, 1990; February 4, 1991; June 1, 1992; October 5, 1992; May 3, 1993; April 3, 1995; October 2, 1995; January 8, 1996; April 1, 1996; August 5, 1996; June 5, 2000; August 5, 2002; May 5, 2003; August 4, 2003; April 4, 2005

Exhibit A



San Miguel Consolidated Fire Protection District

Serving the communities of Bostonia, Casa de Oro, Crest, Grossmont/Mt. Helix, La Presa, Rancho San Diego, Spring Valley, and unincorporated areas of El Cajon and La Mesa

8A

8B

Attachment 2

November 1, 2012

Robert Barry, AICP
LAFCO Local Governmental Analyst
9335 Hazard Way Room 200
San Diego, CA 92123

Re: Pending Shamoun Reorganization, 917 N. 1st St., El Cajon APN: 484-25-00 & 25-00

Dear Mr. Barry:

The San Miguel Fire Protection District, in an effort to allow the proposed Shamoun Reorganization to proceed for LAFCO consideration, is in favor of the reorganization.

We appreciate LAFCO's continued support and efforts to work with fire protection districts in providing quality regional fire protection.

If you have any questions, please contact Division Chief Joe Ranalli at (619) 660-5355.

Sincerely,

Gary Croucher
Fire Chief