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AGENDA REPORT Consent | Information

May 7, 2018

TO: San Diego Commissioners
FROM: Robert Barry, Chief Policy Analyst
SUBJECT: **Current Proposal Activity**

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive a report summarizing active proposals on file. This includes three new filings made with LAFCO in April. The report also identifies notable pending proposals that are expected to be submitted in the near term. The report is for information only and satisfies the Commission's reporting requirement to the affected agencies under Government Code Section 56857.

BACKGROUND

LAFCO Proceedings

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which include incorporations, formations, annexations, detachments, mergers, consolidations, and service power activations or divestures – may be initiated by landowner/voter petitions or resolutions by local agencies. LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Following submittal, proposals are reviewed for completeness and status letters are sent to applicants within 30 days. If proposals require additional information they are deemed incomplete and the status letters itemize needed information. Once proposals are deemed complete they are scheduled for hearing. Proposals involving outside service extension requests follow separate proceedings and may be administratively approved by the Executive Officer if addressing documented public health or safety threats.

DISCUSSION

This item is being presented for information only and identifies all active proposals currently on file with San Diego LAFCO. The report also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being filed with LAFCO in the near term. A summary of active and pending proposals follows and further detailed in Attachment One.

Active Proposals

There are 24 active proposals currently on file with San Diego LAFCO. The active proposals include 18 that are considered incomplete at this time and require additional information before a hearing date is scheduled. The remaining active proposals include four that are complete and are scheduled for hearing on either the May 7th or June 4th agendas with two others having been approved by the Commission, but terms have not been satisfied.

Pending Proposals

There are three potential new and substantive proposals staff expects to be submitted to San Diego LAFCO in the near-term from local agencies based on ongoing discussions with proponents.¹ All three proposals involve city annexations in North County to accommodate relatively large subdivision projects and include Safari Highlands (Escondido), Sager Ranch (Escondido), and Rancho Lomas Verdes (Vista).

ANALYSIS

San Diego LAFCO remains relatively busy in processing over two dozen jurisdictional change proposals and outside service requests at this time. This includes processing three new proposals filed with the Commission since the last report presented at the April meeting. These three new proposals are noted below and summarized in the attachment.

- Camino Largo Reorganization | City of Vista
- Julian-Cuyamaca Fire Protection District Dissolution
- Pala Detachment | San Luis Rey Municipal Water District

ALTERNATIVES FOR ACTION

This item is being presented for information only.

RECOMMENDATION

It is recommended San Diego LAFCO receive the item; no action necessary.

¹ Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of staff,

A handwritten signature in black ink, appearing to read 'R. Barry', with a stylized flourish at the end.

Robert Barry, AICP
Chief Policy Analyst

Attachment:
1) Active Proposals, May 7, 2018

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Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary
ACTIVE – INCOMPLETE			
1	DA08-10 “Avocado Way-Potter Annexation” Vallecitos WD (Annexation)	Rich Miller	The purpose of the annexation Vallecitos WD is to obtain sewer service for two existing residences along Avocado Way. Proposal application submitted in 2008, application deemed incomplete in April 2008 in status letter. A new status letter was sent to the applicant on January 2, 2018 stating the proposal will be considered abandoned if a response is not received. A copy of the letter was sent to the Vallecitos Water District. The current property owner may be interested in annexing. Ongoing discussions with Vallecitos WD as of January 22, 2018.
2	RO08-09 “South Mollison Ave-Snyder Reorganization” City of El Cajon (Annexation)	Rich Miller	The annexation area includes approximately 1.25 acres and intended to provide services to a proposed multi-family residential project. Proposal application submitted in 2008, application deemed incomplete in June 2008 status letter. A new status letter was sent on January 24, 2018 to the applicant, new property owner and City stating the proposal will be considered abandoned if the requested information is not submitted by May 2018.
3	RO08-15 SA08-15 “Crestlake Estates Reorganization” San Diego County SD (Annexation) Lakeside FPD (Annexation) CSA 69 (Annexation)	Rich Miller	The proposed reorganization would provide sewer and emergency services to an approved Tentative Map allowing the development of 60 single-family residences. Proposal application submitted in 2008, application deemed incomplete in June 2008 status letter. A new status letter was sent to the applicant in 2018 indicating the proposal will be considered abandoned if the applicant does not provide the required information or indicate they are interested in re-initiating the proposal by May.
4	DA12-02 “Lorch Annexation” Borrego WD (Annexation)	Rich Miller	Annexation of approximately 9.4 acres to the Borrego Water District to provide water service to one parcel. The site is within the adopted SOI of the district. Proposal application submitted in 2012, application deemed incomplete in April 2012 status letter. A new status letter was sent to the district and property owner in January 2018 stating that if the applicant does not provide the required information or indicate they are interested in re-initiating the proposal by the end of February 2018, the proposal will be considered abandoned. The Borrego WD is considering re-starting the annexation and is looking at making the application complete.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary
5	RO06-17 "Tobacco Road Reorganization" City of Escondido (Annexation)	Rich Miller	In 2006, LAFCO approved two out of service agreements to allow the City of Escondido to provide sewer service to two residences with failing septic systems. The agreements between the City and property owners required the annexation of the two parcels. To implement this condition, a reorganization including six other parcels was submitted. Proposal application submitted in 2006, application deemed incomplete in April 2006 status letter. A new status letter was sent in January 2018 to the property owners and City inquiring if the new owners had an interest in annexing. The letter stated the proposal would be considered abandoned if the application was not complete or owners did not respond by February 28, 2018.
6	RO14-12 RO14-13 "CSA 115 Reorganization" San Miguel FPD (Annexation) Lakeside FPD (Annexation) CSA 115 (Dissolution)	John Traylor	Competing proposals in which San Miguel and Lakeside FPDs to dissolve CSA 115 and annex the territory in Bostonia. San Miguel and Lakeside have subsequently agreed to Pepper Drive divide. County's agreement uncertain. Dual proposal applications submitted in 2014, applications deemed incomplete in April 2014 status letter. New status letter sent in November 2016. Ongoing discussions with FPDs regarding annexation territory and terms and conditions. July 2017, Commission requested additional review of SMFPD financials and evaluation of option for retention in CSA 135 (Fire Authority).
7	DA16-10 "CSA 17 Harmony Grove Annexation" CSA 17 (Annexation)	Rich Miller	A cross condition of the Rancho Santa Fe Fire Protection District Reorganization: Dissolution of CSA No. 107 (Elfin Forest/Harmony Grove) required the initiation of the annexation of approximately 3,600 acres to CSA 17 for ambulance service. Proposal application submitted in 2016, application deemed incomplete in June 2016 status letter. The CSA 17 Advisory Committee has opposed the annexation. A negotiated property tax exchange agreement is necessary. LAFCO Staff met with the applicant in December 2017 to provide assistance. The applicant and County Staff will be meeting with the goal of finding a solution and completing the application during the first quarter of 2018.
8	RO16-11 "Rancho Hills Annexation" Rancho Santa Fe CSD (Annexation)	Rich Miller	Proposal to establish sewer service to a portion of a 37-lot residential lot subdivision titled "Rancho Hills." A concurrent latent power expansion for Olivenhain MWD is needed to accommodate sewer to the remaining project site. Proposal application submitted in 2016, application deemed incomplete in November 2016 status letter. Representatives for the applicant requested the proposal be placed on-hold. In January 2018, a second status letter was sent to the applicant stating the application was incomplete and would be placed on-hold for an additional 90 days.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary	
9	SA16-13 RO16-13	“Windmill Construction Reorganization” City of La Mesa (annexation) San Miguel FPD (Detachment) CSA 135 (Detachment)	Rich Miller	Proposal originally submitted as OAS with the City of La Mesa; the City required annexation as a condition of service and the proposal is now a reorganization. Proposed annexation to obtain City sewer service to develop a single lot. The City of La Mesa has initiated a General Plan Amendment to expand their planning boundaries and establish a land use designation. A review of the existing pre-zoning for the property will also be studied to determine if a reclassification is required. Proposal application submitted in 2016, application deemed incomplete in November 2016 status letter. Second incomplete status letter was sent in November 2017. The applicant is actively working with the City to address LAFCO’s comments on the reorganization proposal.
10	DA16-15 SA16-15	“Alpine Islands Annexation” Alpine FPD (Annexation) CSA 135 – LP Fire Area (Latent Powers Divesture)	Robert Barry John Traylor	Proposal to annex 6,600+ acres of remaining non-jurisdictional lands within Alpine FPD’s existing sphere of influence. Continued draw-down following dissolution of Rural FPD. Proposal application submitted in 2016, application deemed incomplete in November 2016 status letter. Alpine FPD negotiating with County regarding property tax exchange agreement. Proposal expected to be ready for Commission consideration by early-mid 2018.
11	SA16-20 LP16-20	“CSA 135 Islands Reorganization” CSA 135 – LP Fire Area (Latent Powers Expansion/Divestiture) Alpine FPD (Annexation) Lakeside FPD (Annexation) SMCFPD (Annexation)	Robert Barry John Traylor	Proposal to annex remaining unserved lands within Heartland area and reorganize local fire service territory among four agencies: CSA 135 LP Fire Area; Alpine FPD; Lakeside FPD; and San Miguel FPD. This reorganization proposal was submitted by resolution of the San Diego County Fire Authority and involves the expansion of CSA No. 135’s latent powers to provide fire protection and emergency medical services to three unincorporated and unserved island areas totaling approximately 21,048 acres. A concurrent amendment to add the affected territory to CSA No. 135’s sphere of influence is also required to accommodate the proposed action. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal will also require Board of Supervisors’ approval for a negotiated property tax exchange agreement. The proposal is anticipated to be ready for Commission hearing in early to mid-2018.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary
12 SA17-07 RO17-07	“San Marcos Highlands Reorganization” City of San Marcos (Annexation) San Marcos FPD (Annexation) Vista FPD (Detachment) Vallecitos WD (Sphere Amendment, Annexation) Vista ID (Detachment)	Robert Barry	Proposal to annex 189-SFR development to the City of San Marcos. Involves reorganizations for fire and sewer services. This reorganization proposal was submitted by resolution of the City of San Marcos and involves annexation of approximately 125 acres to the City with concurrent service area reorganizations between the San Marcos FPD and the Vista FPD for fire protection services, and between the Vallecitos WD and Vista ID for the provision of sewer and water services. The City of San Marcos has approved development plans and environmental review for a 189 unit single-family residential development called “San Marcos Highlands.” The City’s approvals included a condition requiring the City and the County to execute a habitat protection agreement with State and Federal agencies for the proposal area. The submitted proposal application is incomplete pending receipt of additional documentation – including the referenced habitat document – and information from the applicant to complete staff’s analysis. The proposal is anticipated to be scheduled for hearing in mid to late-2018.
13 LP18-01 SA18-01	“Connemara Drive-Trinh Latent Powers Expansion” Olivenhain MWD (Service-Specific Sphere Amendment; Latent Sewer Power Expansion)	Rich Miller	Expansion of Olivenhain’s sewer authority to serve an approximately 0.30 acre portion of 17-acre parcel to accommodate a new single-family home. An amendment to the service-specific sewer sphere to include the proposal area is also required. A status letter was sent on January 26, 2018 indicating additional documentation would be required. The applicant is in the process of responding.
14 RO18-06, RO13-04, RO13-39, & RO15-15	“North Avenue Estates Reorganization” City of Escondido (Annexation) CSA 135 (Detachment) Deer Springs FPD (Detachment)	Robert Barry	This reorganization proposal was submitted by resolution of the City of Escondido and involves annexation of approximately 17.96-acres located within the Escondido sphere of influence, with concurrent detachments from the Deer Springs Fire Protection District (FPD) and County Service Area No. 135 (Regional Communications). The proposal area includes five parcels, three of which are presently developed with one single-family residence. The two undeveloped parcels within the proposal area total approximately 17.20-acres and are subject to a Tentative Subdivision Map (TR916R) adopted by the City that permits the development of 34 single-family residences. The three developed parcels are each subject to an existing Out of Agency Service Agreement (OAS) with the City of Escondido for sewer service due to failing or failed septic systems. The three OAS parcels have been included within the proposed reorganization area to resolve their OAS agreements and complete their reorganizations with the City. The submitted proposal application is incomplete pending additional analysis. It is anticipated the proposal will be scheduled for Commission hearing in mid-2018.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary	
15	SA18-07 OAS18-07	“Carmichael Drive – Wyman Contractual Service Agreement” (City of La Mesa)	Robert Barry	Contractual Service Agreement with City of La Mesa to extend sewer service to one parcel developed with a single-family residence. Landowner intends to develop accessory workshop unit, DEH has stated that the existing septic system is undersized and the proposed workshop would impact the leach field. Septic is presently functional and parcel is contiguous to City, but is not located within sphere. Proposal involves an amendment to the City of La Mesa sphere to facilitate OAS per Government Code Section 56133. The submitted proposal application is incomplete pending additional analysis.
16	RO18-08	“Camino Largo Reorganization” (City of Vista)	Rich Miller Linda Zambito	Annexation of one parcel totaling approximately 9.3 acres to the City of Vista with concurrent detachment from the Vista Fire Protection District. Involves an 8-lot single-family residential subdivision. City has adopted TM and Mitigated Negative Declaration. Reorganization proposal submitted by resolution of the City of Vista. The proposal area is contiguous to the City of Vista and is located within the City’s sphere. The submitted proposal application is incomplete pending additional analysis. It is anticipated the proposal will be scheduled for hearing in mid-2018.
17	RO18-09	“Julian – Cuyamaca Fire Protection District Reorganization” Julian – Cuyamaca FPD (Dissolution) County Service Area No. 135 (Fire) (LP expansion; sphere amendment)	John Traylor	Reorganization involves dissolution of the approximate 52,100 acre Julian-Cuyamaca FPD with a sphere amendment for CSA 135 (Fire) to include the dissolved FPD service area and expansion of the activated fire LP area over the FPD service area. This reorganization proposal was submitted by resolution of the Julian – Cuyamaca FPD and involves the expansion of CSA No. 135’s latent powers to provide fire protection and emergency medical services as the successor agency to the dissolved FPD. A concurrent amendment to add the affected territory to CSA No. 135’s sphere of influence is also required. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal will also require Board of Supervisors’ approval for a negotiated property tax exchange agreement. It is anticipated the proposal will be scheduled for Commission hearing in mid-2018.
18	DD18-10	“Pala Detachment” San Luis Rey MWD (Detachment)	Rich Miller Linda Zambito	Proposed by petition of the landowners is a detachment of approximately 334.33 acres from the San Luis Rey Municipal Water District. The proposal area includes 11 unincorporated parcels that are owned by the Pala Band of Mission Indians, but are not part of the Pala Reservation area. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary
ACTIVE – COMPLETE / PENDING HEARING			
19	DA18-03	“Lakeside Rodeo Arena Annexation” San Diego County SD (Annexation)	Rich Miller Annexation of approximately 8.7 acres to serve the El Capitan Stadium which is expanding their bathroom facilities. At present, the district serves via a connection with an adjacent high school. The site is within the SD’s adopted sphere. Proposal was submitted by petition of the landowner and involves annexation to the San Diego County SD. The proposal area is located with the SD’s adopted sphere of influence. The proposal is complete and has been scheduled for Commission consideration at the May 7, 2018 meeting.
20	SA18-04 OAS18-04	“Pankey Contractual Service Agreement” Valley Center MWD (Sphere Amendment/OAS)	Robert Barry Proposed by resolution of the Valley Center Municipal Water District (MWD) is an Out of Agency Service Agreement (OAS) for the provision of sewer service between the MWD and the landowner of two unincorporated parcels totaling approximately 13.1-acres. The proposal area contains one single-family residence presently utilizing an underground septic system. Adjacent construction grading for a pending residential development is expected to adversely impact the existing leach field for the residence. The proposal area is not located within the Valley Center MWD’s authorized service area or adopted sphere of influence. The Valley Center MWD is requesting approval of the OAS with the landowner to extend sewer service outside of its sphere and service area to avoid an impending threat to the health and safety of the residents of the affected territory The proposal is complete and has been tentatively scheduled for Commission consideration at the June 4, 2018 meeting.
21	RO18-05	“Hymettus Avenue – Zinser Annexation” Leucadia Wastewater District (Annexation)	Rich Miller Annexation one incorporated parcel approximately 0.27-acre in size located within the City of Encinitas to the Leucadia Wastewater District for the provision of sewer service to one existing single-family residence and a pending accessory unit. This annexation proposal was submitted by resolution of the Leucadia Wastewater District. The proposed annexation area is located within the adopted sphere of influence for the Leucadia Wastewater District and is surrounded by the District’s service area. The proposal is complete and has been scheduled for Commission consideration at the May 7, 2018 meeting.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary	
22	SS17-10 LP17-10 RO17-10	“Rincon del Diablo MWD LP Sewer Activation/Harmony Grove Village Reorganization” Rincon Del Diablo (Service-Specific Sphere Establishment; Latent Power Activation) San Diego County SD (Detachment)	Robert Barry	This reorganization proposal was submitted by resolution of the Rincon del Diablo Municipal Water District (MWD) and involves activation of the MWD’s latent power for sewer service within the approximate 450 acre Harmony Grove Village (HGV) service area of the San Diego County Sanitation District (SD). The HGV is presently located within the MWD’s service area and sphere of influence for water service. The proposed reorganization would detach the HGV area from the San Diego County SD, establish a service-specific sphere of influence for the detachment area, and activate the MWD’s latent sewer power to assume responsibility for the provision of sewer service within the HGV. The submitted proposal application is incomplete pending additional analysis and a property tax exchange agreement. It is anticipated the proposal will be scheduled for Commission hearing at the June 4, 2018 LAFCO meeting.
ACTIVE – COMPLETE / PENDING TERMS				
23	SA17-09 RO17-09	“Tri-City Healthcare District Reorganization” Tri-City HD (Annexation/Detachment) Fallbrook Regional HD (Detachment) Palomar Health HD (Annexation)	Robert Barry	Proposal to annex remaining 30,000 plus acres of unserved incorporated territory of the Cities of Carlsbad, and Vista Tri-City HD; detachment of Camp Pendelton territory from Tri-City HD; and reorganization of City of Oceanside and City of San Marcos incorporated territory involving Tri-City HD, Fallbrook HD, and Palomar Health HD. Proposal was approved by Commission at March 2018 meeting with condition requiring agreement between Tri-City HD and Fallbrook Regional HD for phasing of associated property tax exchange. Recordation of the approved proposal was completed on April 25, 2018.
24	DA18-02	“Sanford Lane-McLean Annexation” Leucadia Wastewater District (Annexation)	Rich Miller	Annexation of 0.35 acre parcel developed with an existing single-family residence. Proposal was heard and approved by LAFCO on April 2, 2018. Recordation of the approved proposal is anticipated in May 2018.

Proposal Number	Proposal Name / Affected Agencies	Project Lead	Proposal Summary
PENDING PROPOSAL SUBMITTALS			
25	Pending	“Safari Highlands Reorganization” City of Escondido	Robert Barry This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an expected submittal to LAFCO later in 2018. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All of the affected territory lies outside the sphere of influence, and as such requires an amendment to accommodate the proposed reorganization. Due to the scope of the proposal area a comprehensive update of the City’s sphere of influence is warranted along with preparing the supporting municipal service review document. These and other jurisdictional and environmental issues have been communicated to the City and currently under joint-review with other stakeholders.
26	Pending	“Rancho Lomas Verdes Reorganization” City of Vista	Robert Barry Reorganization involves annexation to the City of Vista and concurrent detachments from CSA 135 and the Vista FPD. This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Vista with an expected submittal to LAFCO later in 2018. The anticipated proposal involves annexation of approximately 309 acres to the City for the primary purpose of developing a 153-lot residential subdivision. Close to three-fourths of the project area lies outside the sphere of influence, and as such requires a sphere amendment to accommodate the proposed reorganization. Due to the scope of the proposal area a comprehensive update of the City’s sphere of influence is warranted along with preparing the supporting municipal service review document. These and other jurisdictional and environmental issues have been communicated to the City and currently under joint-review with other stakeholders.
27	Pending	“Sager Ranch Reorganization” City of Escondido	Robert Barry Reorganization involves annexation to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an expected submittal to LAFCO later in 2018. The anticipated proposal involves a specific plan totaling approximately 1,783 acres and annexation of approximately 208.00 acres to the City for the primary purpose of developing 203 residential units and a 225 room resort. Portions of the project area lies outside the current City sphere of influence, and as such requires a sphere amendment to accommodate the proposed reorganization.