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AGENDA REPORT Consent | Information

March 5, 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 identifying active proposals on file and pending future hearing before the Commission. The report also summarizes pending proposals 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.

Active Proposals

There are nine active proposals currently on file with San Diego LAFCO. All of these proposals are considered incomplete at this time, and no hearing dates have been scheduled.

- **“County Service Area No. 115 (Pepper Drive) Reorganization” | RO14-12; RO14-13**
This reorganization proposal consists of two separate applications to annex the same approximate 450 acre service area of County Service Area (CSA) No. 115 (Pepper Drive), with one proposal application submitted by the Lakeside Fire Protection District (FPD) and the other submitted by the San Miguel Consolidated FPD. The competing proposals were subsequently combined into a single proposal and an ad-hoc stakeholder committee was assembled to provide input to staff given the proposal’s underlying complexities. Subsequent discussions through the stakeholder process has resulted in Lakeside FPD and San Miguel Consolidated FPD agreeing to “split” the CSA No. 115 service area to each of the Districts, resulting in an equal division of the CSA’s allocated property tax revenues to the annexing FPDs following dissolution. The proposal is incomplete and awaiting Board of Supervisors’ approval for a negotiated property tax exchange agreement as well as additional analysis from staff to address remaining fiscal, service, and governance issues. The proposal is anticipated to be scheduled for Commission hearing in mid-2018.
- **“County Service Area No. 17 (San Dieguito Ambulance) Annexation” | DA16-10**
This annexation proposal was submitted by resolution of the San Diego County Fire Authority as a cross-condition of the LAFCO approval for the “Rancho Santa Fe Fire Protection District (FPD) – CSA No.107 (Elfin Forest) Reorganization” (Ref. No.: SA/RO14-15), which involved the dissolution of CSA No. 107 and the annexation of its approximate 3,000 acre service area to the Rancho Santa Fe FPD. CSA No. 17 (San Dieguito Ambulance) presently provides advanced life support (ALS) ambulance transport services within Rancho Santa Fe FPD and adjacent cities. However, the former CSA No. 107 service area was not located within CSA No. 17 and the dissolution of the former was conditioned on a subsequent LAFCO submittal to annex the dissolution territory to CSA No. 17 following the reorganization with the Rancho Santa Fe FPD. The proposal is incomplete pending receipt of additional documentation from the applicant and anticipated to be scheduled for Commission hearing in mid-2018.

- **“Alpine Fire Protection District Island Annexation” | SA16-15; DA16-15**
This annexation proposal was submitted by resolution of the Alpine Fire Protection District (FPD) and involves the annexation of approximately 6,647-acres of unincorporated territory located within the FPD’s adopted sphere of influence. The annexation area is currently located within the LAFCO-activated fire protection latent power area of CSA No. 135. The proposal is incomplete and awaiting Board of Supervisors’ approval for a negotiated property tax exchange agreement. The proposal is anticipated to be scheduled for Commission hearing in early to mid-2018.
- **“County Service Area No. 135 Islands Reorganization and Latent Powers Expansion” | SA16-20; LP16-20**
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 is also awaiting Board of Supervisors’ approval for a negotiated property tax exchange agreement. The proposal is anticipated to be ready for Commission hearing in early 2018.
- **“San Marcos Highlands Reorganization” (City of San Marcos) | SA17-07; RO17-07**
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 proposal is incomplete pending receipt of additional documentation – including the referenced habit document – and information from the applicant to complete staff’s analysis. The proposal is anticipated to be scheduled for Commission hearing in mid to late-2018.
- **“Rincon del Diablo Municipal Water District Reorganization and Latent Sewer Powers Activation” | LP17-10; RO17-10**
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 proposal is incomplete pending additional analysis and a property tax agreement. It is anticipated the proposal will be scheduled for Commission hearing in early 2018.

- **“Trinh Reorganization” Latent Sewer Powers Expansion (Olivenhain Municipal Water District) | LP(E)18-01; SA18-01; RO18-01**

This reorganization proposal was submitted by resolution of the Olivenhain Municipal Water District (MWD) and involves an amendment to the MWD's service-specific sphere of influence and an expansion of the MWD's activated latent sewer power area to include the proposal area and its 20 acres. The proposed reorganization area is presently located in the MWD's authorized water service area. The proposed reorganization would expand the MWD's activated latent sewer power area to provide both sewer and water services to the proposal area. The proposal is incomplete pending additional analysis and a property tax agreement. It is anticipated the proposal will be scheduled for Commission hearing in mid-2018.

- **“Stanford Street – McLean Annexation” (Leucadia Wastewater District) | DA17-10**

This annexation proposal was submitted by resolution of the Leucadia Wastewater District and involves annexation of one incorporated parcel approximately 0.50-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. 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 incomplete pending additional analysis. It is anticipated the proposal will be scheduled for Commission hearing in early to mid-2018.

- **“Pankey Contractual Service Agreement” (Valley Center Municipal Water District) | SA18-04; OAS18-04**

This proposal was submitted by resolution of the Valley Center Municipal Water District (MWD) and involves an extension of sewer service to one unincorporated parcel totaling approximately 13 acres that is developed with one existing single-family residence. The residence presently uses an underground septic system that will be impacted by a pending adjacent development. The Valley Center MWD is requesting approval of the outside service agreement to extend sewer service outside of its sphere of influence and authorized service area in response to an impending threat to the health and safety. Staff believes the threshold to make a health and safety finding has not been made, and as such is advising MWD a sphere amendment to accommodate the request is appropriate. The proposal remains incomplete at this time pending additional analysis and discussion with MWD. It is anticipated the proposal will be scheduled for Commission hearing in mid-2018.

Pending Proposals

There are two 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 These potential proposals are summarized below and included in this report to aid LAFCO in telegraphing upcoming workload.

- **“Safari Highlands Reorganization” | City of Escondido**

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 current City 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.

- **“Rancho Lomas Verdes Reorganization” | City of Vista**

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 current City 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.

COMMISSION REVIEW

This item has been placed on the agenda as part of the consent calendar for information only and to satisfy a reporting requirement for San Diego LAFCO under State law. The Commission is invited to discuss the item and provide direction to staff on any related matter as needed.

Attachments: none

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.

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