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AGENDA REPORT Consent | Information

February 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. This includes identifying two new proposals filed with LAFCO since the last report presented at the December 4, 2017 meeting. The report also summarizes pending proposals expected to be filed in the near term. The report is being presented for information only.

BACKGROUND

LAFCO Proceedings

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which include formations, annexations, detachments, mergers, consolidations, and service power activations or divestures – may be initiated by landowner/voter petition or resolution by a local agency. Under certain conditions LAFCO may also initiate its own proposal specific to forming, consolidating, or dissolving special districts. Proposals are then reviewed for completeness and a status letter is sent to the applicant within 30 days. If the submitted application requires additional information or documentation, the proposal is deemed *incomplete* and the status letter to the applicant includes an itemized list of needed information. If the submitted application is deemed *complete*, the applicant is notified that the proposal is undergoing processing by LAFCO staff with a hearing date set within 60 days. Proceedings involving outside service extension requests follow separate proceedings and may be approved without hearing under policy if addressing an existing or pending public health or safety threat.

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 currently nine active proposals on file with San Diego LAFCO. All of these proposals are considered incomplete at this time, and no hearings have been scheduled at this time unless otherwise provided below.

- **“County Service Area No. 115 (Pepper Drive) Reorganization” | RO14-12; RO14-13**

This reorganization proposal consists of two separate applications to annex the same service area of County Service Area (CSA) No. 115 (Pepper Drive), with one proposal application submitted by the Lakeside FPD and the other submitted by the San Miguel Consolidated FPD. The competing proposals were subsequently combined into a single proposal for LAFCO review 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 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 consideration 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 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 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. This proposal involves annexation of approximately 3,000-acres comprising the former CSA No. 107 service area to CSA No. 17 for the provision of ALS ambulance transport services. The submitted proposal application was deemed *incomplete* pending receipt of additional documentation and information from the applicant.

- **“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 includes the annexation of six unserved islands, totaling 6,647 acres, within the FPD’s sphere of influence. The proposal is awaiting Board of Supervisors’ approvals for a negotiated property tax exchange agreement, and for the divestiture of fire protection service responsibilities from the proposed annexation areas currently located within the LAFCO-activated fire protection latent power area of CSA No. 135. The proposal is anticipated to be ready for Commission consideration in early to mid-2018.

- **“County Service Area 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 annexation of three unserved islands (Islands #2, #3, and #4), totaling approximately 21,048 acres, located within County Service Area (CSA) No. 135’s sphere of influence. The proposed annexation also includes an expansion of the CSA 135’s previously-activated latent powers area for structural fire protection and emergency medical services. The submitted proposal application was deemed *incomplete* pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal is also awaiting Board of Supervisors’ approvals for a negotiated property tax exchange agreement. The proposal is anticipated to be ready for Commission consideration in mid-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 reorganizations between the San Marcos FPD and the Vista FPD, as well as the Vallecitos WD and Vista ID. 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 was deemed *incomplete* pending receipt of additional documentation – including the referenced habit document – and information from the applicant to complete staff’s analysis. The proposal is being processed and is anticipated to be scheduled for Commission consideration in mid to late-2018.

- **“Tri-City Healthcare District Reorganization” | SA17-09; RO17-09**

This reorganization proposal was submitted by resolution of the Tri-City Healthcare District (HD) and involves the reorganization of five areas totaling approximately 36,569-acres with the District, including annexation of the remaining incorporated territory of the Cities of Carlsbad and Vista not presently located within a healthcare district. The proposal also involves concurrent reorganizations with the Fallbrook HD to consolidate the City of Oceanside within Tri-City HD, and with the Palomar Health HD to consolidate the City of San Marcos within the Palomar Health HD, respectively. The submitted proposal application was deemed *incomplete* 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 being processed and is anticipated to be scheduled for Commission consideration at the March 5, 2018 meeting.

- **“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 and involves activation of the MWD’s latent power for sewer service within the Harmony Grove Village (HGV) service area of the San Diego County Sanitation District (SD) involving approximately 450 acres. The Harmony Grove Village (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 area and operate an existing on-site wastewater treatment facility. The proposal will require Board of Supervisors’ approval for a negotiated property tax exchange agreement. The submitted proposal application is being reviewed and the proposal is anticipated to be ready for Commission consideration in early to mid-2018.

- **“Trinh Reorganization” (Olivenhain Municipal Water District) Latent Sewer Powers Expansion: | 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 tallying approximately 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 sewer area to provide both sewer and water services to the proposal area. The proposal will require Board of Supervisors’ approval for a negotiated property tax exchange agreement. The submitted proposal application is being reviewed and the proposal is anticipated to be ready for Commission consideration 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 0.5 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 submitted proposal application is being reviewed and the proposal is anticipated to be ready for Commission consideration in early to mid-2018.

Pending Proposals

There are two potential new proposals staff expects to be submitted to San Diego LAFCO in the 2018-2019 from local agencies based on ongoing discussions with proponents (emphasis added).¹ These potential proposals are summarized below to aid LAFCO in telegraphing workload.

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

This reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an anticipated submittal to LAFCO in 2018. The anticipated proposal involves annexation of approximately 1,098-acres to the City of Escondido; however, the proposal area is not located within the adopted sphere of influence for the City. Accordingly, the proposal area would need to be included within the City’s sphere prior to or concurrently with the reorganization. Due to the scope of the proposal area that is presently located outside of the City’s sphere, a comprehensive review of the City’s sphere of influence is warranted. Per State Law, a municipal service review of the City is required as part of the sphere review/update. There are a number of jurisdictional and environmental concerns with the proposed project that have been communicated with LAFCO from affected agencies and the public.

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

This reorganization proposal is currently undergoing development and environmental review by the City of Vista with an anticipated submittal to LAFCO in late 2018 to early 2019. The anticipated proposal involves annexation of approximately 309-acres to the City of Vista; however, approximately 238-acres of the proposal area is not located within the adopted sphere of influence for the City. Accordingly, the remainder of the proposal area would need to be included within the City’s sphere prior to or concurrently with the reorganization. Due to the scope of the proposal area that is presently located outside of the City’s sphere, a

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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comprehensive review of the City's sphere of influence is warranted. Per State Law, a municipal service review of the City is required as part of the sphere review/update. There are a number of jurisdictional and environmental concerns with the proposed project that have been communicated with LAFCO from affected agencies and the public.

COMMISSION REVIEW

This item has been placed on the agenda as part of the consent calendar for information only. The Commission is also invited to discuss the item and provide direction to staff on any related matter as needed.

Attachments: none