



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Public Hearing

August 5, 2019

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Robert Barry, Chief Policy Analyst

**SUBJECT: Proposed “Windmill Construction, Inc. Reorganization” |
 Annexation to the City of La Mesa with Concurrent Detachments from the
 San Miguel Consolidated Fire Protection District and County Service Area 135
 - Regional Communications (RO16-13 et al.)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a reorganization proposal filed by an interested landowner to annex approximately 0.13 acres of unincorporated territory to the City of La Mesa. Concurrent detachments from the San Miguel Consolidated Fire Protection District (FPD) and County Service Area (CSA) No. 135 – Regional Communications are also proposed. The proposal purpose is to facilitate the development of one single-family residence on the vacant parcel comprising the affected territory with supporting municipal services. Staff recommends approval with a modification to add approximately 0.07 acres of adjacent public right-of-way along with conforming sphere of influence amendments. Standard terms are also recommended.

BACKGROUND

Applicant Request

San Diego LAFCO has received an application from landowner Windmill Construction requesting approval to reorganize approximately 0.13 acres of unincorporated territory for the principal purpose of annexing into the City of La Mesa. Concurrent detachments are

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also proposed to remove the affected territory from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD. The affected territory as submitted comprises one undeveloped parcel located on Grossmont Boulevard approximately 340 feet north of its intersection with Fuerte Drive. The County of San Diego Assessor’s Office identifies the subject parcel as 491-260-19.

Affected Territory

- One unincorporated parcel adjacent to the City of La Mesa (0.13 acres in size)
- Undeveloped with frontage access to Grossmont Boulevard
- Applicant is separately processing an application to develop a single-family residence with La Mesa
- Applicant is requesting annexation to La Mesa along with concurrent detachments from San Miguel FPD and CSA No. 135 – Communications
- Reorganization also necessitates conforming amendments to all three subject agencies’ spheres
- The affected territory is already in the Helix Water District
- The affected territory is not within a wastewater provider’s boundary

See [Attachment One](#) for Full Size Map



Subject Agencies

The reorganization proposal filed with San Diego LAFCO involves three subject agencies: City of La Mesa; CSA No. 135 – Regional Communications; and San Miguel Consolidated FPD.¹ Summary descriptions of all three subject agencies follow.

¹ State law defines “subject agency” to mean any district or city for which a change of organization or reorganization is proposed.

- The City of La Mesa was incorporated in 1912 and presently includes an estimated population of 61,261 over an approximate 9.0 square mile jurisdictional boundary in eastern San Diego County.² La Mesa is a full-service municipality and provides a range of public services with the notable exception of water.³ Key infrastructure germane to the request before LAFCO includes 155 miles of wastewater lines that collect and convey sewage for treatment and discharge by City of San Diego’s Point Loma Wastewater Treatment Plant through the METRO Wastewater Authority; a joint-powers co-membered by La Mesa and 12 other jurisdictions. LAFCO most recently updated La Mesa’s sphere in 2013 and it is currently coterminous with the jurisdictional boundary. La Mesa’s net position is \$169.2 million as of July 30, 2018.
- CSA No. 135 - Regional Communications is a dependent special district governed by the County Board of Supervisors with an estimated resident population of 1,065,313.⁴ CSA No. 135 was formed in 1994 for the initial and limited purpose of providing regional communications throughout its 3,740 square mile jurisdictional boundary that includes all unincorporated lands and 10 of the 18 local cities.⁵ (It also provides fire protection and emergency medical services in a LAFCO-activated latent power area within the jurisdictional boundary. The affected territory is not in the activated latent power area.) CSA No. 135 – Regional Communications’ service is anchored by funding and operating an 800 MHz radio system for public safety personnel. LAFCO most recently updated CSA No. 135 – Regional Communication’s sphere in 2007 and it is coterminous with the jurisdictional boundary. The net position of the County is \$2.9 billion as of July 30, 2018.
- San Miguel Consolidated FPD is an independent special district governed by a seven-member Board of Directors with an estimated resident population of 126,111.⁶ San Miguel Consolidated FPD was formed in 1988 through a merger of the Spring Valley and Grossmont/Mt. Helix FPDs. It was substantively expanded in 2008 and 2018 as the successor agency to East County FPD and CSA No. 115, respectively.⁷ San Miguel Consolidated FPD provides fire protection and emergency medical to an approximate 46.9 square mile jurisdictional boundary covering the unincorporated communities of Spring Valley, Grossmont, and Bostonia. The sphere was last reviewed and affirmed by LAFCO in 2017 and it includes 1,164 non-jurisdictional acres equal to 3.9% of the jurisdictional boundary. San Miguel Consolidated FPD’s net position as of the last audited statements in 2017-2018 totaled \$22.6 million.

² Population estimate is provided by SANDAG (2018).

³ Water service in the City of La Mesa is provided by the Helix Water District (WD).

⁴ Population estimate is provided by SANDAG (2017).

⁵ The 10 cities in San Diego County within CSA No. 135 – Regional Communications are Carlsbad, Del Mar, Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Solana Beach, Santee, and Vista.

⁶ Population estimate provided by SANDAG (2017)

⁷ San Miguel Consolidated FPD serves as one of two successor agencies to CSA No. 115 based on a proportional annexation of the affected territory (Pepper Drive area) along with Lakeside FPD.

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.⁸

- CSA No. 135 – Regional Communications *
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- Resource Conservation District of Greater San Diego
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority
- San Miguel Consolidated FPD *

* Subject to the reorganization

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the reorganization proposal to annex the affected territory to the City of La Mesa along with concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD. The Commission may also consider applying conditions of approval so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to proposal purpose, associated development potential, and Commission focus follows.

Proposal Purpose

The purpose of the proposal is to facilitate the development of a single-family residence on the lone parcel comprising the affected territory. The development of the affected territory, markedly, necessitates annexation to the City of La Mesa to establish public wastewater service given the subject parcel is undersized to accommodate an onsite septic system. Towards this end, La Mesa has conditioned the extension of wastewater service on the annexation of the affected territory.

Development Potential

The affected territory is planned for low density single-family residential under both the County of San Diego and City of La Mesa General Plans. This compatibility extends to both the County and La Mesa in their zoning/prezoning assignments for the affected territory with matching minimum lot sizes of 0.50 acres with additional details provided in Appendix B. La Mesa’s prezoning assignment precludes additional density within the affected

⁸ State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

territory given the subject parcel is 0.13 acres in size. Additional intensity, however, is permissible through an accessory unit.

Commission Focus

Three central and sequential policy items underlie San Diego LAFCO’s consideration of the reorganization. These policy items take the form of determinations and orient the Commission to consider the stand-alone merits of (a) conforming sphere of influence amendments, (b) timing of the reorganization, and (c) whether discretionary boundary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in and outside of LAFCO law as detailed.

ANALYSIS

The analysis of the reorganization proposal is organized into two subsections below. The first subsection considers the three central and sequential policy issues introduced in the preceding section. This pertains to evaluating the merits of the conforming sphere of influence amendments for all three subject agencies; the timing of the reorganization itself and more specifically the annexation to the City of La Mesa and concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD; and whether approval modifications and/or terms are appropriate. The second subsection considers other germane issues under LAFCO law or applicable State statutes and marked by making findings under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 |

Sphere of Influence Amendments

The proposed reorganization necessitates San Diego LAFCO approve conforming sphere of influence amendments for all three subject agencies to achieve consistency with the requested boundary changes under statute.⁹ The scope of the conforming amendments involve expanding the City of La Mesa’s sphere to include the affected territory while reducing CSA No. 135 – Regional Communication and San Miguel Consolidated FPD’s spheres to exclude the affected territory. Consideration of the amendments are premised on the Commission’s statutory task to designate spheres to demark the affected agencies’ appropriate current and future service areas relative to community benefits and needs as determined by the membership. Staff believes it would be appropriate for the Commission to proceed accordingly and approve the conforming sphere amendments for the cumulative and principal effect of recognizing La Mesa as the appropriate land use authority for the affected territory going forward. Two related policy factors underlie the merits of the sphere amendments. First, the sphere amendments would recognize the social and economic communities of interests previously established between the affected territory and the unincorporated County of San Diego have evolved and lessened over the

⁹ Reference to Government Code Section 56375.5.

years in direct contrast to the strengthening ties with La Mesa. Second, the sphere amendments would facilitate the orderly synching of local governance and services by directing the affected territory towards La Mesa as a multi-purpose agency.

Conclusion | Merits of the Sphere Amendments

Approval of the conforming sphere of influence amendments involving the affected territory to add to the City of La Mesa and remove from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD are warranted. Justification is marked by the preceding analysis and headlined by recognizing the affected territory’s social and economic communities of interests have evolved and are now most closely aligned to La Mesa. Additional analysis supporting the conclusion – including addressing the factors required under statute – is provided in Appendix A.

Item No. 2 | Reorganization Timing

The timing of the reorganization – and specifically the annexation of the affected territory to the City of La Mesa and concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD – appears appropriate and highlighted by the analysis of the factors required for consideration under statute anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts on the service and financial capacities of the receiving agency, La Mesa (emphasis added). No single factor is determinative. A summary of key conclusions generated in the review of these items follows with additional analysis provided in Appendix B.

- Service Needs
The affected territory’s planned land uses merits organized services and would be aided by the reorganization and annexation to the City of La Mesa and its ability to provide a range of urban-supporting services. The landowner’s intention to develop one single-family residence within the affected territory helps to quantify the timing of the reorganization and annexation to La Mesa is appropriate by synching the boundary changes with a known development action.
- Service Capacities and Levels
The City of La Mesa would directly assume most municipal service responsibilities for the affected territory upon annexation and highlighted by providing community planning, wastewater, fire protection and emergency medical, and law enforcement. A review of existing capacities indicates La Mesa has sufficient controls and resources to readily accommodate demands in the affected territory at its planned and maximum uses. Additional details follow.

- The planned development of one single-family residence would require the establishment of new wastewater services from La Mesa. Service would be facilitated by connecting via private easement to an existing public wastewater main located approximately 200-feet from the affected territory within the Grossmont Summit Drive public right-of-way. It is projected the potential maximum average day wastewater demand generated within the affected territory at build-out would be 530 gallons based on two equivalent dwelling units. This amount represents approximately 0.0001% of La Mesa’s existing available contracted capacity of the treatment facility, and as such can be readily accommodated without additional resources.
- La Mesa would formally assume fire protection and emergency medical service responsibilities upon reorganization approval from San Miguel Consolidated FPD through its joint-powers authority, Heartland Fire and Rescue.¹⁰ Heartland Fire and Rescue jointly operates eight fire stations in the region with minimum staffing of three personnel that includes at least one licensed paramedic accredited to work in San Diego County. The engines are staffed 24/7 with the La Mesa Station No. 13 at 9110 Grossmont Boulevard located approximately 0.6 miles west from the affected territory. No new or additional public resources would be needed for La Mesa to directly assume service responsibility for the affected territory. Additional details are footnoted.¹¹
- La Mesa would formally assume law enforcement service responsibilities upon reorganization approval from the County of San Diego Sheriff’s Department. La Mesa’s Police Station is located at 8085 University Avenue and is approximately 2.3 miles from the affected territory. No new or additional public resources would be needed for La Mesa to directly assume service responsibility for the affected territory.
- The reorganization would not result in any changes in water service provision as the affected territory is presently within Helix WD.
- Service Funding and Costs
The City of La Mesa has the financial resources to assume and provide municipal services to the affected territory in support of its existing and planned uses. This comment is reflected in the staff analysis of La Mesa’s recent audited statements which shows the City’s net position at \$169.23 million with unassigned general fund balance totaling negative (\$23.2 million) as of July 1, 2018.¹²

¹⁰ The three signatories to Heartland Fire and Rescue are the Cities of El Cajon, La Mesa, and Lemon Grove.

¹¹ Heartland Fire and Rescue reports over 22,000 annual onsite responses ranging from structure fires, traffic collisions, vehicle fires, and medical aids. Heartland Fire & Rescue has cooperative agreements with the following surrounding agencies to help manage extraordinary and/or otherwise high demand conditions: San Miguel Consolidated FPD; City of San Diego; City of Santee; and CALFIRE.

¹² The negative figure is attributed to recent reporting requirements for future pension liabilities and, while insufficient to cover normal operating costs based on recent actuals, the City’s positive net position indicates it has sufficient resources to support the proposed reorganization.

Conclusion | Merits of Reorganization Timing

The timing of the reorganization and related transfer of land use authority and other specified services to the City of La Mesa is warranted. Justification is marked by the preceding analysis and highlighted by the ability of La Mesa to immediately provide services to the affected territory in support of existing and planned uses without adversely impacting capacities and infrastructure. Additional analysis supporting the conclusion – including the factors required under statute – is provided in Appendix B.

Item No. 3 | Modifications and Terms

Staff believes one modification to the submitted reorganization proposal is appropriate and it involves San Diego LAFCO expanding the boundary changes to include the adjacent public right-of-way on Grossmont Boulevard. This recommendation adds 0.07 acres and extends the portion of Grossmont Boulevard presently within La Mesa to include the frontage right-of-way for the affected territory. The modification allows for La Mesa to assume maintenance responsibility for the frontage segment and provides the affected territory with direct access to the City’s circulation system. The recommended modification does not have a material effect on the applicant. Applying standard approval terms to the reorganization also appears appropriate given no special conditions have been identified.

Conclusion | Modifications and Terms

Modifying the proposal to include the adjacent 0.07-acre public right-of-way on Grossmont Boulevard is appropriate and provides a more orderly and uninterrupted incorporated boundary going forward. Standard terms are appropriate.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code (RTC) Section 99(b)(6) requires the adoption of a property tax exchange agreement by the subject local agencies before LAFCOs can consider proposed jurisdictional changes. Subsection (d) also allows a master property tax exchange agreement to govern the exchange of property tax revenues between the county and an annexing city. To this end, San Diego LAFCO has confirmed an existing master property tax agreement between the County of San Diego and City of La Mesa applies to the reorganization and all associated boundary changes. The substantive result means 38% of the combined revenue allocated to the County and detaching special districts as part of the 1% property tax will be transferred to La Mesa. The current year transfer totals \$24.93 and equals 9.0% of the annual tax increment for the affected territory.¹³

¹³ The County Assessor and Auditor have identified the total assessed valuation for the affected territory as \$27,595 with corresponding annual property tax revenue of \$275.95. Current property tax revenue allocated to the County is \$39.92 and \$25.68 to the detaching San Miguel Consolidated FPD for a combined total of \$65.60.

Environmental Review

CEQA requires San Diego LAFCO to assess whether impacts would result from activities approved under the Commission’s statutory authority. Accordingly, San Diego LAFCO is tasked with making two distinct determinations as lead and responsible agency under CEQA with respect to considering the proposed reorganization. This involves the (a) accommodating sphere of influence amendments and (b) the reorganization itself. Staff’s analysis and recommendations follow.

- San Diego LAFCO serves as lead agency under CEQA for the accommodating sphere of influence amendments to add the affected territory to the City of La Mesa and remove the affected territory from CSA No. 135 – Regional Communications and San Miguel Consolidated. Staff has determined the activity is a project under CEQA but exempt from further review under the “general rule” provision provided under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and the establishment, update, and amendment therein do not make changes to the environment or authorize any new uses or services.
- The City of La Mesa serves as lead agency under CEQA for the reorganization and proposal therein as part of the City approvals for a General Plan amendment, rezoning, and annexation of the affected territory. La Mesa has determined the reorganization is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15319(b) and its provisions covering annexations of small parcels of the minimum size for facilities exempted by Section 15303. Staff independently determines this is an appropriate finding for San Diego LAFCO in its role as responsible agency given the affected territory is proposed for development of one single-family residence within a residential zone.

Protest Proceedings

Protest proceeding for the reorganization may be waived by San Diego LAFCO should the Commission proceed with an approval under statute.¹⁴ The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agencies and landowners have provided their respective written consents to the underlying proceedings. Further, the addition of the adjacent public right-of-way does not trigger protest proceedings under statute.¹⁵

¹⁴ Reference to Government Code Section 5662.

¹⁵ Reference to Government Code Section 56048 and definition of “landowner,” which excludes lands owned by public agencies and used – and among other prescribed purposes – as rights-of-ways.

RECOMMENDATION

Staff recommends approval of the reorganization proposal with a discretionary modification to include the adjacent public right-of-way along with conforming sphere of influence amendments and standard terms. This recommendation is consistent with the action identified in the proceeding section as Alternative One and provides for orderly boundary changes that appropriately consolidate core municipal service provision for the affected territory with the City of La Mesa in step with facilitating a modest development.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO and can be accomplished with a single-motion:

Alternative One (recommended):

Adopt the attached draft resolution approving the reorganization proposal as modified to include the adjacent public right-of-way and conforming sphere of influence amendments along with standard terms.

Alternative Two:

Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:

Disapprove the proposal with direction to staff to return at the next regular meeting with a conforming resolution for adoption.

PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda as part of a noticed public hearing. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal presentation from staff unless waived;
- 2) Invite comments from the applicant and any other subject agencies;
- 3) Open the hearing and invite audience comments; and
- 4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Robert Barry, AICP
Chief Policy Analyst

Appendices:

- A) Analysis of Sphere Change Factors
- B) Analysis of Boundary Change Factors

Attachments:

- 1) Vicinity Map
- 2) Draft Resolution of Approval
- 3) Proposal Materials

APPENDIX A

Government Code Section 56425 Sphere of Influence Determinations

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

The affected territory is entirely unincorporated and part of the County of San Diego’s Valle de Oro Community Planning Area. The affected territory as modified includes one parcel (491-260-19) and an adjacent public right-of-way totaling approximately 0.07 acres. The subject parcel is unimproved with an unassigned situs address on Grossmont Boulevard. The City of La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) with a rezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size) for the affected territory. These land use assignments are consistent with the proposal’s purpose to facilitate the development of a single-family residence with urban supporting services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law.

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

Planned residential uses within the affected territory as described above merits organized public services. This need is substantiated by the landowner’s intent to proceed now and develop one single-family residence within the affected territory as contemplated under the City of La Mesa’s General Plan and Zoning Ordinance.

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

The City of La Mesa presently provides a range of municipal services within its jurisdictional boundary and highlighted by community planning, fire protection and emergency medical, police, solid waste, and wastewater services. The level and adequacy of La Mesa’s municipal services were last reviewed by LAFCO in 2008 and determined to be adequate for present and planned needs. Information collected and analyzed in reviewing the underlying request affirms La Mesa has sufficient capacities available to extend services to the affected territory without impacting existing constituents.

(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.

The affected territory as described above has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding La Mesa’s sphere to include the affected territory serves to memorialize these existing and relevant communities of interest in the area.

(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The affected territory as described above is not in a census tract qualifying as a disadvantaged unincorporated community under LAFCO policy.

APPENDIX B

Government Code Section 56668

Proposal Review Factors

- a) **Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.**
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The affected territory as modified comprises one unincorporated parcel (491-260-19) with an adjacent public right-of-way and collectively total approximately 0.20 acres. The subject parcel totals approximately 0.13 acre and is undeveloped with an unassigned situs address on Grossmont Boulevard. The affected territory is contiguous with the City of La Mesa and located south of I-8, north of Fuerte Drive, east of SR-125, and west of Avocado Avenue. The subject parcel has a current total assessed value of \$27,595 and is located within the unincorporated Valle De Oro Community Planning Area (CPA). The Valle De Oro CPA consists of approximately 13,129 acres and is bordered by the Cities of Lemon Grove and La Mesa on the west, and El Cajon on the north. The SANDAG Series 13 Regional Growth Forecast (2013) for La Mesa projects the local residential population to grow from 61,102 to 77,881 (approximately 27%) between 2020-2050. However, significant local growth that would increase the need for public facilities and services is not anticipated over the next five years.

- b) **The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**
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The City of La Mesa would assume the majority of municipal service responsibilities for the affected territory as described should the Commission approve the reorganization. This includes assuming service responsibility for community planning, roads, street lighting, fire protection and emergency medical, and wastewater. Connection to La Mesa’s wastewater system, notably, serves as the underlying motivation for the reorganization and is needed to facilitate the planned development of the subject parcel to include a single-family residence given size limitations on utilizing an onsite septic system. Connection to La Mesa’s wastewater system is available through an approximate 200-foot lateral via private easement to an existing wastewater main located within the public right-of-way of Grossmont Boulevard. It is projected the potential maximum average day wastewater demand generated within the affected territory at build-out would be 530 gallons based on two equivalent dwelling units. This projected demand represents less than 0.001% of the current 1.69 million gallons of available and remaining daily contracted capacity allocated to La Mesa at the Point Loma Wastewater Treatment Facility, and as such can be readily accommodated without additional resources.

c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

Approving the proposed reorganization and concurrent sphere of influence amendments would recognize existing and expanding economic and social ties between the affected territory and City of La Mesa as detailed in Appendix A.

d) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies/priorities set forth in G.C. Section 56377.

Approval of the reorganization proposal provides for orderly boundary changes that appropriately consolidate core municipal service provision for the affected territory with the City of La Mesa in step with facilitating a modest development in an urbanizing area. The affected territory does not qualify as “open-space” under LAFCO law and therefore does not conflict with Government Code Section 56377.

e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as “prime agricultural land” under LAFCO law. Specifically, the lands are not currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the proposed reorganization proposal would have no effect on maintaining the physical and economic integrity of agricultural lands.

f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment, the creation of islands or corridors of unincorporated territory, and other similar matters.

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards as well as reflect the proposed modification to add the adjacent 0.07 acre public right-of-way on Grossmont Boulevard if approved by the Commission. The affected territory does not cross lines of assessment.

g) A regional transportation plan adopted pursuant to Section 65080.

The proposal involves facilitating the development of a single-family residence that would not materially affect regional transportation or local circulation. Therefore, the proposal will not conflict with San Diego Forward, the regional transportation plan prepared and adopted by San Diego Association of Governments or SANDAG.

h) Consistency with the city or county general and specific plans.

The affected territory as described is similarly designated for relatively low-density single-family residential use under the adopted land use policies of the County of San Diego and City of La Mesa and do not allow for additional density. Specifically, La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) along with a rezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size). These land use policies mirror the current County General Plan designation of Semi-Rural Residential (one du/0.50 acre) and zoning of Rural Residential (0.50 acre minimum lot size).

i) The sphere of influence of any local agency affected by the proposal.

The proposed reorganization necessitates conforming sphere of influence amendments for all three subject agencies: City of La Mesa (add); CSA No. 135 – Regional Communications (remove); and San Miguel Consolidated FPD (remove).

j) The comments of any affected local agency or other public agency.

Staff provided notice of the proposed reorganization to all subject and affected agencies as required under statute. No written comments were received ahead of preparing this agenda report.

k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and reviewed as part of this proposal indicates La Mesa has established sufficient financial resources and administrative controls therein in extending municipal services to the affected territory without adversely impacting current constituents. This statement is supported by the following factors with additional details concerning the negotiated tax exchange footnoted.¹⁶

- La Mesa’s last audit covers 2017-2018 and shows the City finished with good liquidity levels with an agency-wide current ratio of 14.3 (i.e., \$14.30 in current assets for every \$1.00 in current liabilities).
- La Mesa finished 2017-2018 with good capital as evident by a moderate debt ratio of 49.5% (i.e., only \$49.51 out of every \$100.00 in net assets are financed.)

¹⁶ Should San Diego LAFCO approve the reorganization, the County of San Diego and City of La Mesa have adopted a Master Property Tax Agreement (MPTA) that will apply to the affected territory. The associated terms direct the County to transfer a 38% share of the combined property tax revenues for the County and any detaching special districts to La Mesa. The County Assessor and Auditor have identified the total assessed valuation for the affected territory as \$27,595 with corresponding annual property tax revenue of \$275.95. Current property tax revenue allocated to the County is \$39.92 and \$25.68 to the detaching San Miguel Consolidated FPD for a combined total of \$65.60. Accordingly, and per the MPTA, the current year transfer totals \$24.93 and equals 9.0% of the annual tax increment for the affected territory.

- La Mesa has remained profitable in each of the last three audited fiscal years with an average total margin of 4.0%. The most recent year – 2017-2018 – the operating margin was 2.0%.

l) Timely availability of adequate water supplies for projected needs as specified in G.C. Section 65352.5.

The affected territory already lies within Helix WD with a water main located within the adjacent public right-of-way on Grossmont Boulevard. Approval of the reorganization proposal would not affect the timely availability of water supplies within the affected territory. Further, no comments on the proposal were received from Helix WD.

m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposed reorganization would not affect any local agencies in accommodating their regional housing needs. All potential units tied to the affected territory would be assigned to La Mesa by the region's council of governments, SANDAG.

n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The affected territory as described is uninhabited as defined under LAFCO statute (11 registered voters or less). The landowner supports the annexation underlying the reorganization and has provided their written consent to the proceedings.

o) Any information relating to existing land use designations.

See above analysis for (h).

p) The extent to which the proposal will promote environmental justice.

As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed reorganization does not include locating new public facilities. Therefore, approval of the proposed reorganization is not anticipated to directly influence the promotion of environmental justice within the affected territory.

- q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the affected territory.**
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The affected territory is not identified on State maps with respect to being located within very high fire hazard zones or state responsibility areas. The affected territory is entirely unincorporated and subject to the safety element of the County of San Diego General Plan. Following reorganization with La Mesa, the affected territory would be subject to the City’s Public Safety, Facilities, and Services Element. The County of San Diego has adopted a Multi-Jurisdiction Hazard Mitigation Plan for potential fire, flooding and earthquakes, which covers the City of La Mesa as a participating agency.

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SA16-13
RO16-13

PROPOSED "WINDMILL CONSTRUCTION, INC. REORGANIZATION" | ANNEXATION TO CITY OF LA MESA WITH CONCURRENT DETACHMENTS FROM CSA 135 AND SAN MIGUEL CONSOLIDATED FPD

-  Proposal Area
 -  City of La Mesa
 -  City of La Mesa SOI
- SOI = Sphere of Influence



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RESOLUTION NO. ____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

**MAKING DETERMINATIONS, ORDERING AND APPROVING
A REORGANIZATION AND
ASSOCIATED SPHERE OF INFLUENCE AMENDMENTS**

**WINDMILL CONSTRUCTION, INC. REORGANIZATION -
ANNEXATION TO THE CITY OF LA MESA WITH
CONCURRENT DETACHMENTS FROM
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT AND
COUNTY SERVICE AREA NO. 135 (REGIONAL COMMUNICATIONS)
LAFCO FILE NO. RO16-13 ET AL.**

WHEREAS, Duane K. Dubbs II, has filed a landowner petition proposal with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000, et seq.); and

WHEREAS, the proposal seeks approval for a reorganization of the affected territory involving annexation of approximately 0.13 acres of unincorporated territory to the City of La Mesa for the purpose of development of one single-family residence, with concurrent detachments of the affected territory from County Service Area No. 135 (Regional Communications) and San Miguel Consolidated Fire Protection District; and

WHEREAS, the affected territory as proposed comprises one unimproved parcel identified by the County of San Diego Assessor’s Office as 491-260-19; and

WHEREAS, the affected territory as proposed is not presently located within the sphere of influence of the City of La Mesa; and

WHEREAS, the Commission’s Executive Officer has reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Executive Officer’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 5, 2019;

WHEREAS, the Commission considered all the factors required under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and adopted local policies.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER
as follows:

1. The hearing was held on the date set therefore, and due notice of said hearing was given in the manner required by law.
2. At the hearing, the Commission called for, heard, and considered all public comments by interested parties and read and considered the Executive Officer's report.
3. The affected territory is shown as "Exhibit A" and further described as "Exhibit B."
4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) accommodating spheres of influence amendments and (b) the reorganization itself. The Commission's findings follow.
 - a) The conforming amendments to the spheres of influence of the City of La Mesa, County Service Area No. 135, and the San Miguel Consolidated Fire Protection District for the affected territory qualify as a project but are exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and any amendments therein do not authorize new uses or services, and as such provide certainty there will be no significant effect on the environment.
 - b) The Commission as a responsible agency finds consistent with the City of La Mesa as the lead agency the proposed reorganization qualifies as a project but is exempt from additional review under State CEQA Guidelines § 15319(b). This exemption appropriately applies because the proposed reorganization area contains not more than three single-family residences to be constructed or converted as defined by § 15303.
5. The Commission conditionally APPROVES the proposal with modifications as described and conforming sphere of influence amendments consistent with the statements provided as "Exhibit C" and subject to the following terms being satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code § 56895.
 - b) Submittal to the Commission of a final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.

c) Written confirmation from the City of La Mesa all required annexation fees and charges have been received.

d) Submittal to the Commission of the following payments:

A check made payable to LAFCO in the amount of \$100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

A check made payable to LAFCO in the amount of \$428.52 to reimburse for the public hearing notice publication.

A check made payable to the State Board of Equalization for processing fees in the amount of \$300.00.

5) The Commission's approval includes MODIFICATION to the affected territory to include 0.07 acres of adjacent public right-of-way located on Grossmont Boulevard and further described in the Executive Officer's written report.

6) The Commission assigns the proposal the following short-term designation:

“Windmill Construction, Inc. Reorganization to the City of La Mesa”

7) The affected territory as designated by the Commission is uninhabited as defined in Government Code §56046.

8) The Commission waives conducting authority proceedings under Government Code §56662.

9) The San Miguel Consolidated Fire Protection District is a registered-voter district.

10) The San Miguel Consolidated Fire Protection District utilizes the County of San Diego assessment roll.

11) The affected territory will be liable for any existing bonds, contracts, and/or obligations of the City of La Mesa as provided under Government Code §57328.

12) Upon the effective date of the approval, all future inhabitants of the affected territory will have rights and duties as constituents of the City of La Mesa as provided under Government Code §57328.

13) Upon the effective date of the approval, the affected territory shall be subject to previously authorized taxes, assessment, fees or charges of the City of La Mesa as provided under Government Code §57330.

14) The effective date of the approval and corresponding jurisdictional change shall be the date of recordation but not before September 4, 2019.

15) The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in §§ 56880-56882 of the Government Code.

16) The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by §§ 57200, et seq., of the Government Code.

**

Passed and adopted by the Commission this 5th day of August 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Lockett
Executive Assistant

APPENDIX A

Government Code Section 56425 Sphere of Influence Determinations

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

The affected territory is entirely unincorporated and part of the County of San Diego's Valle de Oro Community Planning Area. The affected territory as modified includes one parcel (491-260-19) and an adjacent public right-of-way totaling approximately 0.07 acres. The subject parcel is unimproved with an unassigned situs address on Grossmont Boulevard. The City of La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) with a rezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size) for the affected territory. These assignments are consistent with the proposal's purpose to facilitate the development of a single-family residence with urban supporting services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law.

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

Planned residential uses within the affected territory as described above merits organized public services. This need is substantiated by the landowner's intent to proceed now and develop one single-family residence within the affected territory as contemplated under the City of La Mesa's General Plan and Zoning Ordinance.

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

The City of La Mesa presently provides a range of municipal services within its jurisdictional boundary and highlighted by community planning, fire protection and emergency medical, police, solid waste, and wastewater services. The level and adequacy of La Mesa's municipal services were last reviewed by LAFCO in 2008 and determined to be adequate for present and planned needs. Information collected and analyzed in reviewing the underlying request affirms La Mesa has sufficient capacities available to extend services to the affected territory without impacting existing constituents.

(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.

The affected territory as described above has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding La Mesa's sphere to include the affected territory serves to memorialize these relevant communities of interest in the area.

(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The affected territory as described above is not in a census tract qualifying as a disadvantaged unincorporated community under LAFCO policy.

PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a NOTICE OF INTENT TO CIRCULATE PETITION with the Executive Officer of the San Diego Local Agency Formation Commission before a petition to initiate a change of organization or reorganization can be circulated (Govt. Code § 56700.4).

1. Notice is hereby given to circulate a petition proposing to: Annex this property (APN 491-260-19) into the City of La Mesa
jurisdictional boundary.

2. The reason(s) for the proposal are: Lot size is 5,482 SF which is too small for a conventional septic tank system. Sewer service has
recently been constructed adjacent to the northerly property line so it would be available when the lot is annexed into the City of La Mesa.

The City of La Mesa requested this property to be fully annexed into the City because the site is surrounded on three sides by City jurisdiction.

Duane K. Dubbs II
Proponent's Name (print)


Signature of proponent or representative

2-26-19

P.O. Box 1587
Proponent's Address

Lakeside, CA. 92040
City, State, Zip

Pursuant to Section 56700.4 of the California Government Code, this NOTICE OF INTENT TO CIRCULATE PETITION was filed with me on _____

Date

Executive Officer (Print and Sign)

PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than \$250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and LAFCO disclosure forms are available at [HTTP://WWW.SDLAFCO.ORG](http://www.sdlafco.org) or by calling 858/614-7755.

Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures.

Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of San Diego LAFCO.

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

- (a) The specific change(s) of organization proposed is/are: Annex the property into the City of La Mesa jurisdictional boundary.
(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.
(c) The proposed action(s) will be subject to the following terms and conditions: City of La Mesa will file a General Plan Amendment to include the property within the City's planning area and a pre-zone must be approved.
(d) The reason(s) for the proposal is/are: Lot size is 5,482 SF which is too small for a conventional septic tank system. Sewer service has been recently constructed adjacent to the northerly property line. Because the property is surrounded on three sides by City of La Mesa jurisdiction, full annexation has been requested.
(e) Signers of this petition have signed as (select one): [X] landowner; [] registered voter.
(f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

- 1. Duane K. Dubbs II P.O. Box 1587 Lakeside, CA. 92040
Name of chief proponent (print) mailing address
2.
Name of chief proponent (print) mailing address
3.
Name of chief proponent (print) mailing address

- (g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.
(h) This proposed change of organization (select one) [X] is [] is not consistent with the sphere-of-influence of any affected city or district.
(i) The territory included in the proposal is (select one) [] inhabited (12 or more registered voters) [X] uninhabited (11 or less registered voters).
(j) If the formation of a new district(s) is included in the proposal:
1. The principal act under which said district(s) is/are proposed to be formed is/are: N/A
2. The proposed name(s) of the new district(s) is/are: N/A

3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

- (k) If an incorporation is included in the proposal:
1. The name of the proposed city is: N/A
2. Provisions are requested for appointment of: [] city manager [] city clerk [] city treasurer
(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: N/A

Part IVa: REGISTERED VOTER PETITION

Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed (Govt. Code § 56705).

Each of the undersigned states:

- I personally signed this petition.
- I am a registered voter within the County of San Diego.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.


Name of Signer	Residence Address	Date Signed	Official Use
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

Part IVb: LANDOWNER PETITION

Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed (Govt. Code § 56705).

Each of the undersigned states:

- I personally signed this petition.
- I am a landowner of the affected territory.
- I personally affixed hereto the date of my signing this petition and the Assessor's Parcel Number(s), or a description sufficient to identify the location of my land.

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign  Print <u>Duane K. Dubbs II</u>	491-260-19	2-26-19	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			