



City Council Agenda Report

Meeting Date: December 5, 2016

TO: HONORABLE MAYOR & COUNCILMEMBERS

FROM: CITY MANAGER JIM SADRO
By: Robert Ferrier, Assistant to the City Manager

SUBJECT: PROPOSAL FOR CITY OF LA HABRA TO ANNEX VARIOUS COUNTY ISLANDS

SUMMARY RECOMMENDATION:

Authorize staff to begin the process to annex various County of Orange (County) unincorporated territories (islands), continue discussions with the County and the Orange County Local Agency Formation Commission (LAFCO) regarding annexation, and conduct a public meeting with the community to discuss annexation.

DISCUSSION:

California Domestic Water Service

On December 16th, 2013, the La Habra Utility Authority (Authority) approved a memorandum of understanding (MOU) with California Domestic Water Company (CDWC) that transferred CDWC's La Habra area water main facilities and retail water service for approximately 400 customers to the Authority. The acquisition of CDWC's interests enhanced the Authority's ability to serve customers in the northern portion of La Habra. In addition, the acquisitions also facilitated the Authority's ongoing effort to improve water pressure and flow for public safety and provide better water service reliability to approximately 1,200 retail water accounts in the northern portion of the City.

At the time the Authority approved the MOU the act also necessitated separate approval by LAFCO to allow the City to provide "out of area" service to customers who lived in County islands, as they did not reside within City limits. Staff contacted LAFCO to secure the "out of area" approval; however, LAFCO indicated that in order for the Authority to provide water service to those customers, annexation of the remaining County islands would be required.

There are six remaining islands within the City's sphere of influence that are part of the proposed annexation. The islands are shown on Attachment 1 and are summarized in the following table. According to County records, there are a total of 496 housing units within the six islands with approximately 1,282 residents.

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| County Island | Properties | Residents (approx.) |
|------------------------|------------|---------------------|
| Macy/Randall Island | 344 | 896 |
| Citrus/Entrada Island | 4 | 31 |
| Citrus/Idaho Island | 45 | 102 |
| Cypress/Terry Island | 10 | 21 |
| Hensel/Magda Island | 73 | 173 |
| Palm/Shadycrest Island | 20 | 59 |
| Total | 496 | 1,282 |

Annexation Process and Proposed Schedule

The annexation of County islands in La Habra has occurred in the past. The most recent occurrence was in 2003 when the County approached the City to explore the possible annexation of 13 separate, unincorporated County islands. Ultimately, the City annexed seven of these islands, leaving the six unincorporated islands identified above. Due to the small size of each island, the process to annex the islands is largely administrative. If approved, the City would submit an application to LAFCO to annex the islands. Once the application and supporting documents are reviewed and deemed complete, LAFCO will set a public hearing date. A public hearing takes place and, in accordance with State law (Government Code Section 56375.3) regarding small island annexations, LAFCO shall approve the action. The entire process, from initial submittal to LAFCO to final action, is expected to take approximately six months.

In the event the City Council directs staff to work with the County and LAFCO on the potential annexation of these remaining islands, staff proposes that the initial step in the process be for the City, County, and LAFCO to jointly host a community meeting to discuss the proposed annexation with those residents and other interested parties.

The following is a proposed timeline of the proposed annexation process:

- December 5th, 2016 City Council authorizes staff to initiate the annexation process
- Week of December 19th, 2016 LAFCO sends out notices inviting residents to attend a public meeting
- Week of January 23rd, 2017 Public meeting regarding annexation
- February 20th/March 6th, 2017 City Council considers resolution and annexation agreement
- March 21st, 2017 County considers resolutions and annexation agreement
- Spring 2017 City files annexation application with LAFCO
- Summer/Fall 2017 LAFCO approves annexation

FISCAL IMPACT / SOURCE OF FUNDING:

In the event Council approves the annexation process to move forward, there are numerous infrastructure improvements that may be necessary to bring the islands to the same standards as other parts of the City. If approved by Council, Staff will review the condition of each island and meet with representatives from the County to determine what, if any, improvements are being planned for those areas. This information, along with a draft agreement between the City and County to address funding for necessary

improvements, will be presented to Council when it considers annexation in February/March of 2017.

GENERAL PLAN RELEVANCE:

WS 1.2 – 1.3, 1.6, and 1.9
SS 1.2 and 1.4
SS1.3 and 1.5 – 1.8
LU 4.8 – 4.9, 7.3, 7.8, 7.10, and 8.1
ED 9.2 and 9.3
PS 1.1 and 1.12
FS1.2 and 1.3

RECOMMENDATION / REQUESTED ACTION:

Authorize staff to begin the process to annex various County of Orange unincorporated territories, continue discussions with the County and the Orange County Local Agency Formation Commission regarding annexation, and conduct a public meeting with the community to discuss annexation.

ATTACHMENTS: None

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NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

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VI. CONSIDERATION ITEMS:

1. Consider a proposal for the City of La Habra to annex various County Islands.

Assistant to the City Manager Ferrier presented the staff report.

Council discussion included: confirmation of action to be taken; and clarification that any benefits, costs, or negatives to the residents, city, and county will be discussed at the next meeting.

Mayor Gomez invited the public to testify at 7:23 p.m. There was no testimony.

Moved by Mayor Gomez, seconded by Mayor Pro Tem Shaw, and CARRIED UNANIMOUSLY (5-0) TO APPROVE AND AUTHORIZE STAFF TO BEGIN THE PROCESS TO ANNEX VARIOUS COUNTY OF ORANGE UNINCORPORATED TERRITORIES, CONTINUE DISCUSSIONS WITH THE COUNTY AND THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION REGARDING ANNEXATION, AND CONDUCT A PUBLIC MEETING WITH THE COMMUNITY TO DISCUSS ANNEXATION.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Gomez, Mayor Pro Tem Shaw, Councilmember Espinoza,
Councilmember Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

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2. Consider a City Hall Plaza Paver Donation Program.

Community Services Director Failla presented the staff report.

Council discussion included: identified plaza will be divided into three different sections with a specially designated area for the City Council's Paver Recognition Program; confirmation of the number of tiles in each section; and clarification there is no need to limit the number of tiles placed per year due to space restrictions.

Mayor Gomez invited the public to testify at 7:27 p.m. There was no testimony.

Moved by Councilmember Beamish, seconded by Councilmember Blazey, and CARRIED UNANIMOUSLY (5-0) TO APPROVE AND AUTHORIZE THE IMPLEMENTATION OF THE PROPOSED PAVER DONATION PROGRAM FOR THE NEW CITY HALL FACILITY.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Gomez, Mayor Pro Tem Shaw, Councilmember Espinoza,
Councilmember Blazey, Councilmember Beamish