



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 5, 2013

ITEM NUMBER:

**SUBJECT: RESOLUTION OF INTENT TO COMMENCE ANNEXATION PROCEEDINGS
REGARDING THE SANTA ANA/COLLEEN COUNTY ISLAND IN EASTSIDE COSTA
MESA**

DATE: OCTOBER 24, 2013

FROM: DEVELOPMENT SERVICES DEPARTMENT – PLANNING DIVISION

**FOR FURTHER INFORMATION CONTACT: GARY ARMSTRONG, AICP, Economic and
Development Services Director / Deputy CEO
714-754-5182 - gary.armstrong@costamesaca.gov**

RECOMMENDED ACTION

Adopt a resolution that requests the Local Agency Formation Commission of Orange County (“OC LAFCO”) initiate proceedings for the annexation of the unincorporated County of Orange (“County”) island known as the Santa Ana/Colleen Island (“Island”) to the City of Costa Mesa (“City”).

BACKGROUND

Starting in 1996, the City Council has provided direction and support relating to the annexation of County islands located within the City’s Sphere of Influence (“SOI”) near the City’s easterly border with the City of Newport Beach. Seven Eastside County areas were originally identified for annexation into the City at the on-set of the Eastside annexation efforts. Annexation Areas 1, 2, 3, 4 & 6 were approved for annexation in 2003 by OC LAFCO under the Small Island Annexation provisions of Government Code Section 56375.3. Annexation Areas 5A, 5B, and 5C were also proposed for annexation in 2003 under the same small island proviso; however, a legal challenge filed by a property owner in Area 5A (the subject County island) placed the annexation on hold pending resolution of the lawsuit. The annexations of Areas 5B and 5C have already been approved by OC LAFCO, while Area 5A may now move forward due to the resolution of the legal challenge by a former property owner in the Island.

ANALYSIS

The Unincorporated Islands Program (Government Code Section 56375.3) was established through a joint commitment of LAFCO, the County, and the League of California Cities with a goal to annex 50 small, unincorporated islands within a three-year period. Government Code Section 56375.3 streamlines the procedural requirements for small island annexations provided that the annexation meets specific criteria such as size (less than 150 acres), availability of public utilities, and presence of public improvements. The annexed area must also be surrounded or substantially surrounded by the City to which annexation is proposed, and further, the annexed area must be found to benefit from annexing to the City.

The Island is identified as one of the small islands within the County at approximately 14 acres in an area that already contains public utilities and public improvements. The City of Costa Mesa borders more than 50% of the Island's total boundary, with borders on a portion of the northerly border and the entire westerly and southerly borders. The City of Newport Beach borders a portion of the northerly border and the entire easterly border. Additionally, nearly all properties within the Island must be accessed from points within the City. Direct connections to the Island generally do not exist through the City of Newport Beach.

The Island is nearly built-out and is primarily developed with single-family residential structures and also currently contains four undeveloped parcels near the intersection of Santa Ana Avenue and 22nd Street. Since the Island is within the City's SOI, the City currently provides emergency response services to the Island. In addition to the emergency services already provided by the City, annexing the Island will allow the City to provide more efficient municipal services including building, planning, and community recreational services. The annexation is also anticipated to improve and simplify service delivery and governance.

In order for the City to make an application to OC LAFCO under the small island provisions, the City must provide an approved resolution that requests OC LAFCO initiates proceedings for the annexation of the Island. At a later date(s), the City Council will consider adoption of a Negative Declaration analyzing the annexation, the adoption of pre-zoning for the annexation, and the adoption of a property tax agreement with the County. All of these items must be provided to OC LAFCO before the OC LAFCO Commission may approve the annexation. Once approved by the OC LAFCO Commission, the annexation of the small island is not subject to protest or an election.

Below is a table that outlines the next required steps, a draft timeline for processing and associated milestones during the annexation review process.

Proposed Santa Ana/Colleen Island Annexation (Draft Timeline)		
Description	Agency	Deadline
Costa Mesa City Council Meeting for Annexation Initiation	Costa Mesa	Tuesday, November 5, 2013
City submits Island Annexation Application to LAFCO (Initiating Resolution & Filing Fee)	Costa Mesa	Friday, November 8, 2013
LAFCO prepares Status Letter for applicant identifying any items missing from application package (<i>within 30 days of receiving application</i>)	LAFCO	Friday, December 6, 2013
LAFCO submits AB8 Letter to Assessor/Auditor Controller for identification of tax rates areas and amount of negotiable property tax (<i>30 day negotiation period begins</i>)	LAFCO	Friday, December 6, 2013
LAFCO prepares Preliminary Staff Report and sends to affected agencies for comments on proposed annexation (<i>20-day review and comment period begins</i>)	LAFCO	Friday, December 6, 2013
Planning Commission considers General Plan Amendment, Pre-zoning and CEQA Documents	Costa Mesa	Monday, January 13, 2014

City Council considers Property Tax Agreement, General Plan Amendment, Pre-zoning and CEQA Documents	Costa Mesa	Tuesday, February 4, 2014
Affected Agencies 20-day review and comment period ends with LAFCO	LAFCO	Friday, December 27, 2013
City submits missing items to LAFCO (i.e. Property Tax Agreement, General Plan Amendment, Pre-zoning, and CEQA Documents)	Costa Mesa	Tuesday, February 18, 2014
LAFCO receives County's Property Tax Exchange Agreement (Resolution)	County	Tuesday, February 18, 2014
Complete Certificate of Filing after application is deemed complete and set hearing date	LAFCO	Tuesday, February 18, 2014
Send Notice of LAFCO Hearing	LAFCO	Wednesday, March 12, 2014
Publish LAFCO Notice of Hearing in newspapers	LAFCO	Wednesday, March 19, 2014
LAFCO agenda packet sent to Commissioners and available on LAFCO's website	LAFCO	Wednesday, April 2, 2014
LAFCO Regular Hearing	LAFCO	Thursday, April 10, 2014
Request for Reconsideration 30 day period begins	LAFCO	Friday, April 11, 2014
Request for Reconsideration period ends	LAFCO	Monday, May 12, 2014
File Certificate of Completion with Clerk Recorder	LAFCO	Wednesday, May 14, 2014
LAFCO sends Board of Equalization Letter	LAFCO	Thursday, May 15, 2014

PUBLIC OUTREACH/PUBLIC NOTICE

The City held a community outreach meeting at Kaiser Elementary School on October 23rd, 2013. Notice of the community outreach meeting was sent to property owners within the Island ahead of the meeting. At the meeting, City staff discussed services that the City provides. Additionally, OC LAFCO staff made a presentation regarding annexation law and the annexation process. A question-and-answer session was also conducted at the meeting.

The City sent a 10-day public notice to all affected property owners in the Island advertising the annexation initiation hearing. Additionally, OC LAFCO will publish a newspaper notice and will send notice to all property owners in the Island ahead of the OC LAFCO Commission's public hearing.

ALTERNATIVES CONSIDERED

The City Council may choose not to approve the attached resolution, which would not allow the submittal of the annexation application to OC LAFCO for the annexation of the Island.

FISCAL REVIEW

The Public Services Department has estimated that the total first-year expenditures (including start-up and recurring annual costs) would total approximately \$12,895 with an annual recurring cost of approximately \$10,181. The costs are related to items such as parkway and median maintenance, storm drain maintenance, signs and markings, street sweeping (City already provides this service on adjacent streets), and street maintenance costs. A potential capital improvements project that includes installing missing sidewalks and upgrading driveways to City standards along Colleen Place has an estimated cost of \$60,000 if the City would pursue the project at a later date.

OC LAFCO currently provides a fee waiver for small island annexations.

LEGAL REVIEW

The City Attorney has reviewed this report and its attachments and has been approved as to the form by the City Attorney's Office.

CONCLUSION

Staff recommends that City Council approve the resolution. Approval of the resolution will allow OC LAFCO to begin processing the annexation of the Island to the City of Costa Mesa.

AARON HOLLISTER
Associate Planner

GARY ARMSTRONG, AICP
Economic & Development Services
Director Deputy CEO

THOMAS DUARTE
City Attorney

Attachments: [Annexation Initiation Resolution – Attachment 1](#)
[Map of Santa Ana/Colleen Island Annexation Area – Attachment 2](#)
[Map of existing corporate boundary lines in Eastside Costa Mesa – Attachment 3](#)

cc: Chief Executive Officer
Assistant Chief Executive Officer
Public Services Director
City Attorney
Transportation Services Manager
City Engineer
City Clerk (9)
Staff (7)
File (2)