



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 17, 2014

ITEM NUMBER:

SUBJECT: GENERAL PLAN AMENDMENT AND PRE-ZONING FOR THE SANTA ANA/COLLEEN ISLAND ANNEXATION

DATE: JUNE 12, 2014

FROM: CHIEF EXECUTIVE OFFICE

PRESENTATION BY: MARGARET CHANG, MANAGEMENT ANALYST

FOR FURTHER INFORMATION CONTACT: MARGARET CHANG (714) 754-5618
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RECOMMENDATION:

The Planning Commission recommends that the City Council take the following actions regarding the Santa Ana/Colleen Annexation Area:

1. Find that the Project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15319(a)–Annexation of Existing Facilities and Lots for Exempt Facilities.
2. Adopt the resolution for General Plan Amendment GP-14-02, pending final approval as part of a future General Plan Cycle.
3. Give first reading to the ordinance approving Rezone R-14-02.

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. In 2003, Annexation Areas 1, 2, 3, 4 & 6 were annexed 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. Areas 5B and 5C have already been approved by OC LAFCO, however, a legal challenge by a property owner in Area 5A (the subject County island referred to as Santa Ana/Colleen Island) placed the annexation on hold pending resolution of the lawsuit. The annexation of Area 5A may now move forward due to the resolution of the legal challenge by a former property owner in the Santa Ana/Colleen Island.

ANALYSIS:

Annexation Process

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 annexation to the City.

The Santa Ana/Colleen 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 Santa Ana/Colleen 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 Santa Ana/Colleen 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 Santa Ana/Colleen Island is nearly built-out and is primarily developed with single-family residential structures and also currently contains several undeveloped parcels south of Colleen Place, northeast of the intersection of Santa Ana Avenue and 22nd Street. Since it is within the City's Sphere of Influence (SOI), the City currently provides emergency response services to the Santa Ana/Colleen Island. In addition to the emergency services already provided by the City, annexation 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. The subject area also shares the same Postal Zip Code as Eastside Costa Mesa.

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, which was approved by City Council on November 5, 2013 (Attachment 6). On May 12, 2014, the Planning Commission found that the project is exempt from CEQA under Section 15319(a) – Annexation of Existing Facilities, approved GPA-14-02 by adoption of PC Resolution 14-25 (Attachment 5), and recommended that City Council give first reading to ordinance approving rezone R-14-02 (Attachment 3). The next step in the process is for the City Council to adopt an appropriate General Plan Designation (Attachment 2), pre-zoning for the annexation area (Attachment 3), and property tax agreement with the County of Orange. All of these items must be provided to OC LAFCO before the OC LAFCO Commission may approve the annexation.

A draft timeline for the annexation is as follows:

| Santa Ana/Colleen Island Annexation (Draft Timeline) | | |
|---|---------------------------------------|-----------------|
| Agency | Items for Consideration | Date |
| City of Costa Mesa (City Council) | General Plan Amendment and Pre-zoning | June 17, 2014 |
| City of Costa Mesa (City Council) | Pre-zoning and Property Tax Agreement | July 1, 2014 |
| County of Orange | Property Tax Agreement | July 15, 2014 |
| OC LAFCO Commission | Annexation | August 13, 2014 |

The annexation of this County Island will provide local control of the area and will prevent a change of zone for any undeveloped parcels that would allow 8 to 18 dwelling units per acre consistent with the County General Plan Designation. The Project is consistent with General Plan Land Use Objectives as follows:

- LU-3A.1 Pursue annexation of certain areas within the City’s SOI to control development of uses which may be detrimental to the City.

General Plan Amendment GP-14-02

The Santa Ana/Colleen Island is currently in the City of Costa Mesa’s SOI and has a General Plan Designation of MDR (Medium Density Residential), which reflects the County’s General Plan Designated of 1B (Suburban Residential) 0.5-18 units/acre. The proposed General Plan Amendment GP-14-02 to LDR (Low Density Residential) would allow a density of less than 8-units/acre that is a density which is more consistent with the existing development in the annexation area.

Rezone R-14-02

The Santa Ana/Colleen Island is currently zoned by the County as R-1 zone with a minimum lot size of 7,200 Square Feet. The proposed rezone by the City of Costa Mesa to R-1 (Single-Family Residential District) with a minimum lot size of 6,000 Square Feet would be consistent with the proposed LDR General Plan designation for the site.

ALTERNATIVES CONSIDERED:

The City Council can consider the following alternatives:

1. Continue the item to allow additional time for further analysis or revisions to the project.
2. Choose not to move forward with the annexation of the Santa Ana/Colleen Island at this time.

FISCAL REVIEW:

OC LAFCO currently provides a fee waiver for small island annexations, so this project is exempt of both the administrative fee (\$1,600) and the initial deposit (\$3,000).

While there is no fiscal impact anticipated as a result of the GPA or Rezone, the eventual annexation of the area will have minor financial impacts. The Public Services Department estimates that the total first-year expenditures (including start-up and recurring annual costs) would total approximately \$12,895.00 with an annual recurring cost of approximately \$10,181.00 (Attachment 7). 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 improvement project that includes installing missing sidewalks and upgrading driveways to City standards along Colleen Place has an estimated cost of \$60,000.00 if the City should pursue the project at a later date.

LEGAL REVIEW:

The City Attorney has reviewed and approved this report and its attachments.

CONCLUSION:

The proposed GPA and Rezone will support the City's efforts to annex the Santa Ana/Colleen Island.

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- ATTACHMENTS:
- 1 [Vicinity Map](#)
 - 2 [General Plan Amendment and Rezone Resolution](#)
 - 3 [Rezone Ordinance](#)
 - 4 [Minutes of the May 12, 2014 Planning Commission Meeting](#)
 - 5 [Planning Commission Resolution](#)
 - 6 [Annexation Initiation Resolution](#)
 - 7 [Estimate of Fiscal Impact Memo](#)

cc:

- Chief Executive Officer
- Assistant Chief Executive Officer
- Director of Economic & Development / Deputy CEO
- City Attorney
- Public Services Director
- Transportation Services Manager
- City Engineer
- City Clerk
- Staff (4)
- File (2)