



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 16, 2014

ITEM NUMBER:

SUBJECT: SECOND READING FOR THE PRE-ZONING OF THE SANTA ANA/COLLEEN ISLAND ANNEXATION

DATE: SEPTEMBER 3, 2014

FROM: CHIEF EXECUTIVE OFFICE

PRESENTATION BY: RICHARD L. FRANCIS, ASSISTANT CHIEF EXECUTIVE OFFICER

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RECOMMENDATION:

Staff recommends that the City Council give second reading to Ordinance 14-__, regarding pre-zoning of the Santa Ana/Colleen Annexation Area TO R-1 - 6,000 square feet.

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 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 8). 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 7), and recommended that City Council give first reading to the ordinance approving rezone R-14-02. On June 17, 2014, the City Council found that the project is exempt from CEQA under Section 15319(a) – Annexation of Existing Facilities and adopted General Plan Amendment GP-14-02 (Attachment 5) which designates the area as Low Density Residential (LDR). On September 2, 2014, the City Council gave first reading to the ordinance approving Rezone R-14-02 (Attachment 1), pre-zoning the area to R-1 – 6,000 (Single Family Residential District, 6,000 Square Foot Minimum Lot Size). The annexation application will be complete after the second reading of the ordinance approving Rezone R-14-02. All of these items must be provided to OC LAFCO before the OC LAFCO Commission may approve the annexation.

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. On September 2, 2014, the City Council approved Rezone R-14-02, designating the area as R-1 – 6,000 square feet. (Single-Family Residential District) (Attachment 1).

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:

There are no fiscal impacts to the pre-zoning of the Santa Ana/Colleen Island. However, The Santa Ana/Colleen Island annexation 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 9). 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. Due to the County's pledge of property tax revenue for NDAPP debt repayment, the City will receive annual payments of \$8,776.67 thru FY 23-24. Beginning FY 24-25, the City will receive 50.9527% of the property tax revenue and 100% of the Structural Fire Fund.

LEGAL REVIEW:

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

CONCLUSION:

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

RICHARD L. FRANCIS
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GARY ARMSTRONG, AICP
Director of Economic & Development/
Deputy CEO

THOMAS DUARTE
City Attorney

ATTACHMENTS:

- 1 [Rezone Ordinance \(R1 - 6,000\)](#)
- 2 [Rezone Ordinance \(R1 - 6,000\) – Redline](#)
3. [Resolution - Property Tax Exchange Agreement](#)
4. [General Plan Amendment and Rezone Resolution](#)
- 5 [Annexation Initiation Resolution](#)
- 6 [Santa Ana/Colleen Island Detailed Legal Description](#)