



STAFF REPORT

Meeting Date: September 15, 2004

**LAFCO CASE
NAME & NO.**

- A. LAFCO 04-15S City of Simi Valley Sphere of Influence Amendment – Runkle Canyon
- B. LAFCO 04-15 City of Simi Valley Reorganization – Runkle Canyon

PROPOSAL

- A. LAFCO 04-15S City of Simi Valley Sphere of Influence Amendment –Runkle Canyon: To amend the Sphere of Influence of the City of Simi Valley to provide for the same area to be annexed to the City of Simi Valley.
- B. LAFCO 04-15 City of Simi Valley Reorganization – Runkle Canyon: To annex area to the City of Simi Valley to provide urban services for new development, to permanently protect open space areas, and to detach the same area from the Ventura County Resource Conservation District.

SIZE

- A. LAFCO 04-15S City of Simi Valley Sphere of Influence Amendment – Runkle Canyon: Approximately 1,191.9 acres
- B. LAFCO 04-15 City of Simi Valley Reorganization – Runkle Canyon: Approximately 1531.3 acres.

LOCATION

The general location of both the Sphere of Influence Amendment and the Reorganization proposal areas is adjacent to the south portion of the City of Simi Valley in the northern portion of the Simi Hills at the southerly terminus of Sequoia, Talbert, Comet and Watson Avenues.

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Evaristo Barajas, Chair Don Waunch <i>Alternate:</i> John Zaragoza	SPECIAL DISTRICT: Jack Curtis, Vice Chair Dick Richardson <i>Alternate:</i> Ted Grandsen	PUBLIC: Louis Cunningham <i>Alternate:</i> Kenneth M. Hess
EXECUTIVE OFFICER: Everett Millais	LAFCO ANALYST: Holley Brunsky	OFFICE MANAGER/CLERK: Debbie Schubert	LEGAL COUNSEL: Leroy Smith

ASSESSOR'S PARCEL INFORMATION

A. LAFCO 04-15S City of Simi Valley Sphere of Influence Amendment – Runkle Canyon

685-0-051-225; 685-0-051-230; 685-0-040-075; 685-0-040-095;
685-0-040-100; 685-0-040-140; 685-0-040-165; 685-0-040-190;
685-0-040-200; 685-0-040-210; 685-0-040-220; 685-0-040-240;
685-0-130-160; 685-0-130-180; 685-0-040-020

B. LAFCO 04-15 City of Simi Valley Reorganization – Runkle Canyon:

685-0-051-225; 685-0-051-230; 685-0-040-075; 685-0-040-095;
685-0-040-100; 685-0-040-140; 685-0-040-165; 685-0-040-190;
685-0-040-200; 685-0-040-210; 685-0-040-220; 685-0-040-240;
685-0-130-160; 685-0-130-180; 685-0-040-020; 685-0-040-255

PROPONENT City of Simi Valley, by Ordinance

NOTICE The Sphere of Influence Amendment has been noticed as a PUBLIC HEARING as required by law.

RECOMMENDATIONS

- A. Certify that the Commission has reviewed and considered the information contained in the Runkle Canyon EIR (State Clearinghouse No. 20021121143) prepared by the City of Simi Valley as lead agency, dated May 2004, and adopt the lead agency's Findings, Mitigation Measures, Mitigation Monitoring Program and Statement of Overriding Considerations for both the Sphere of Influence amendment and the Reorganization proposal.
- B. Adopt the attached resolution (LAFCO 04-15S) making determinations and approving the City of Simi Valley Sphere of Influence Amendment – Runkle Canyon (Attachment 2).
- C. Adopt the attached resolution (LAFCO 04-15) making determinations and approving the City of Simi Valley Reorganization – Runkle Canyon (Attachment 3).

GENERAL ANALYSIS

1. Land Use

A. Site Information

	Land Use	Zone District Classification	General Plan Designation
Existing	Open space - grazing.	County: <u>OS - 160</u> (Open Space 160 acre lots minimum) and <u>OS – 160/MRP</u> (Open Space – 160 acre lots minimum/mineral resources protection overlay) City: NA	County: Open Space and, for the area within the current sphere of influence, Open Space –Urban Reserve City: Open Space, Residential Estate, Medium Residential, Moderate Residential
Proposed	The City of Simi Valley has approved a specific plan, a development agreement and other entitlements for a development consisting of 461 for sale dwelling units (298 single family units, 25 single family estate lots and 138 senior units, including 62 affordable senior units), a neighborhood park and a public golf course site. The total area involved includes approximately 64.2 acres already within the City and the approvals also include the permanent preservation of approximately 1,095.9 acres of open space with public access.	County: No change; upon annexation County zoning will not be applicable. City: <u>RE (SP)</u> (Residential Estate, one acre minimum lot size, specific Plan), <u>RM (SP)</u> [Residential Medium Density (2.4-3.9 units/acre), Specific Plan], <u>RMod (SP)</u> [Residential Moderate Density (4.1 units/acre), Specific Plan], <u>RMod Seniors (SP)</u> [Residential Moderate Density Seniors Housing (9.7 units/acre), Specific Plan], <u>OS (SP)</u> (Open Space, Specific Plan), <u>OS Recreational (SP)</u> (Golf course, Specific Plan), and <u>W (SP)</u> (Water facilities and Helispot, Specific Plan)	County: No change; upon annexation County General Plan designations will not be applicable. City: Residential Estate (0-1 units/acre), Medium Density Residential (3.26 – 3.7 units/acre), Moderate Density Residential (5.1 – 7.0 units/acre), Open Space, and Neighborhood Park

B. Surrounding Land Uses and Zoning and General Plan Designations

	Land Use	Zone District Classification	General Plan Designation
North	Single family residential	County: NA City: <u>RE-(A)</u> (Residential Estate – 1 acre lots minimum), <u>RM-3.1</u> (Residential Medium Density, 3.1 units/acre), <u>RM-4.15</u> (Residential Medium Density, 4.15 units/acre), <u>RM-3.26 (SP)</u> , (Residential Medium Density, 3.26 units/acre, Specific Plan), and <u>OS (SP)</u> (Open Space, Specific Plan).	County: NA City: Medium Density Residential and Open Space.
South	Open Space	County: <u>OS –160</u> City: <u>RE-300.0</u> (Residential Estate, 300 acre lot minimum).	County: Open Space City: Open Space
East	Brandeis-Bardin Institute	County: <u>OS – 160</u> and <u>OS – 160/MRP</u> City: NA)	County: Open Space City: Brandeis-Bardin Institute, Light Industrial
West	Open Space	County: NA City: <u>RE-300.0</u> and <u>RE-40.0</u> (Residential Estate, 40 acre minimum lot size)	County: NA City: Open Space

C. Topography, Natural Features and Drainage

The proposal area’s topography is generally characterized by a series of east to west trending ridges separated by a central canyon (Runkle Canyon) running north to south. The northern and central portions of Runkle Canyon contain the broad flat portion of the Canyon floor. The terrain generally decreases in elevation from southeast to northwest. The elevations within the central and northern portions of the area range from 1,000 to 1,300 feet above sea level. A hilltop with an elevation of approximately 2,160 feet above sea level is located in the southeast corner.

Approximately 525 acres of non-native grassland are within the proposal areas, which have historically been used for cattle grazing. The remainder of the area contains a variety of native plant communities, including sage scrub, chaparral, willow scrub, California walnut woodlands, coast live oak woodlands, valley oak woodlands, and several riparian drainages.

The property contains two watersheds and five drainage courses. Runkle Creek bisects the central portion of the proposal areas and includes Runkle Canyon dam and reservoir operated by the Ventura County Watershed Protection District. A second watershed lies in the canyon west of Runkle Creek, draining to Comet and Watson Avenues in the City of Simi Valley. The majority of the storm water runoff flows from the proposed development will drain to the north to the Talbert Avenue Channel in the City of Simi Valley.

D. Conformity with Plans

The Sphere of Influence amendment area and the Reorganization proposal area are both covered by the City of Simi Valley General Plan, even though a large portion of both areas are outside the City's CURB (city urban restriction boundary). Based on actions by the City relating to the Runkle Canyon project, including a City General Plan amendment, both the Sphere of Influence Amendment and the Reorganization proposal are consistent with City plans.

The portions of the Sphere of Influence Amendment area and the Reorganization proposal area that are outside the City's CURB are designated as open space by both the City and County general plans. This area is covered by both the City and County SOAR ordinances. The County SOAR ordinance prevails as long as the area is in the County. Should this area be annexed the City's SOAR ordinance will control. However, no change to either the City or County general plans is proposed or necessary for the project approved by the City and, therefore, no SOAR changes are necessary by either the City or the County. The area outside the City's CURB that is part of the Sphere of influence Amendment and part of the Reorganization proposal will remain open space. As such, the proposals are consistent with the County General Plan.

2. Impact on Prime Agricultural Land, Agriculture and Open Space

A. Agricultural Land and Agriculture

No part of the Sphere of Influence Amendment area or the Reorganization proposal area is considered prime agricultural land or farmland of statewide

significance. There are no agricultural uses in the proposal area, or any surrounding agricultural uses.

None of the proposal areas are subject to a Land Conservation Act contract or a Farmland Security Zone agreement.

None of the proposal areas are within a greenbelt.

B. Open Space

All of the Sphere of Influence Amendment area and all of the Reorganization proposal area are considered open space pursuant to Government Code Sections 56059 and 65560.

The result of both the Sphere of Influence Amendment and the Reorganization proposal will be the development of the area within the City's CURB boundary for urban uses requiring urban services. The area outside the City's CURB will remain as open space and will be subject to the provisions of the City's SOAR ordinance. The project approvals granted by the City require the granting of a conservation easement to the City for this approximately 1,095.9 acre area. The conservation easement (Attachment 9) provides for the area to be retained in perpetuity for open space and other conservation purposes, and restricts future land uses more than either the County or City open space zoning limitations.

The Sphere of Influence Amendment and Reorganization proposal's consistency with LAFCO policies is discussed in the Special Analysis section of this report.

3. Population

According to the County of Ventura Registrar of Voters, there are no registered voters within the proposal area. Given this information, the proposal area is considered uninhabited in terms of LAFCO proceedings.

4. Services and Controls – Need, Cost, Adequacy and Availability

A. Water

There is currently no potable, domestic water service to either the Sphere of Influence Amendment area or the Reorganization proposal area. The City of Simi Valley and all of the proposal areas are within the boundaries of Calleguas Municipal Water District. As a member agency of the Metropolitan Water District of Southern California, Calleguas treats and wholesales State

Water Project water to Ventura County Waterworks District No. 8 (VCWD No. 8) and to Southern California Water Company (SCWC). Both VCWD No. 8 and SCWC retail domestic water to portions of the City of Simi Valley. VCWD No. 8 is a dependent district and the City of Simi Valley City Council is the governing board. SCWC, a private company, is a public water utility regulated by the State Public Utilities Commission (PUC). It provides water to its customers in and near the City of Simi Valley with water from Calleguas blended with water from two wells.

The proposal areas are contiguous with the boundary of Ventura County Waterworks District No. 8, but an amendment of VCWD No 8's sphere of influence and a boundary change are not proposed as the City determined that the most appropriate provider of domestic water to the proposed residential development is Southern California Water Company. SCWC provided a "Water Will Serve Letter" to GreenPark Runkle Canyon LLC, the proposed developers of the Runkle Canyon project, indicating that it is able to provide domestic water and fire protection water service to the proposed development. This letter was provided in October 2003 and is valid until October 28, 2004.

None of the proposal areas were in SCWC's service area at the time the City approved the project. Expansion of the service area of any PUC regulated public utility such as SCWC is controlled solely by the PUC. No LAFCO action is involved.

Subsequent to the City's approvals, in August 2004 the PUC approved a service area expansion for SCWC to serve the proposed project. No maps have been filed with LAFCO showing SCWC's expanded service area and, except for the information contained in the Runkle Canyon EIR, no information about SCWC's service capabilities has been filed with LAFCO. Sufficient information has been submitted, however, to reflect that SCWC has adequate capacity to service the proposed development and is willing to provide service.

The project developer is financing all water system infrastructure improvements. Once installed, future system wide maintenance will be financed by user charges.

No potable water service is proposed for any of the area that is to remain as open space.

B. Sewer

The City of Simi Valley provides sanitary sewer services to the City. The City has represented that it has sufficient collection and treatment capacity to serve the proposed development upon annexation. Sanitary sewer lines will be extended as a part of future development and will be financed by the project developer. Once installed future system wide maintenance will be financed by user charges.

C. Police

The City of Simi Valley operates its own police department. The City has represented that, upon annexation and based on the mitigation measures in the EIR and the City's conditions of approval, the City is prepared to provide the same level of police service to the proposal areas that is provided to the rest of the City. General City revenues finance police services.

D. Fire

The proposal areas are currently and will remain within the Ventura County Fire Protection District. The County Fire Protection District provides fire services to the City of Simi Valley and surrounding areas. The project EIR notes that the proposal area is considered as a high wildfire hazard area. This classification will remain as only a relatively small portion of the total area is proposed to be developed. Based on information in the EIR the County Fire protection District can continue to serve the area upon annexation and with existing resources. As a part of the proposed development water lines and storage tank capacities will be installed per current code standards for fire flow and pressure. The developer as a part of the project will construct a new 2 million gallon water tank for both domestic water and fire flow purposes. An emergency helispot will be constructed for use by the County Fire Protection District next to the water tank.

The County Fire Protection District assesses facility fees on all new development in conjunction with the issuance of building permits. Current fees are \$0.11 per square foot for commercial and industrial projects, \$232.51 per single-family dwelling unit and \$170.95 per multi-family dwelling unit. Each of these fees is supplemented by a \$15.00 administrative fee. The District uses these fees for capital improvements.

E. Streets

Upon annexation and in conjunction with development, public street extensions will occur. All new streets, street lighting and related right-of-way landscaping will be constructed and financed by the project developer and dedicated to the City. The City has indicated that the streets will be operated and maintained at the same level as other streets within the City. The City has indicated the on-going maintenance of the streets and streetlights will be financed by general City revenues. The project's homeowners association will be responsible for maintaining all landscaping in public rights-of-way and common areas. No assessment districts are proposed.

F. Drainage

Drainage for the proposal area is complex and is discussed fully in Section 4.7 of the Final EIR. The Ventura County Watershed Protection District is a property owner within the proposal areas and maintains an earth fill dam known as Runkle Dam. The Watershed Protection District has consented to the Reorganization proposal and has been involved in the review of project mitigation measures and development conditions.

Substantial drainage improvements are proposed in conjunction with the proposed development. Upon completion these improvements are designed to lessen the flows and drainage impacts from the proposal areas on the City and Watershed Protection District's drainage systems. The project's drainage improvements will also improve the quality of water runoff from the proposal areas.

All drainage improvements are to be constructed and financed by the project developer. On going maintenance of new debris basins and other drainage improvements benefiting the project will be the responsibility of the project's homeowner's association. The basic storm drain system will be maintained by the City and financed by general City revenues. The Watershed Protection District will operate and maintain regional drainage facilities using general District revenues.

G. Recreation & Parks

The proposal areas are within the boundaries of the Rancho Simi Recreation and Park District. This District provides recreation and park service to the City of Simi Valley and nearby unincorporated communities including Santa Susana Knolls and Bell Canyon. Upon annexation as part of the development of the proposed residential project, the developer will be constructing a new

neighborhood park and various recreational trails that will be dedicated to the District. The park and trail improvements will be maintained by the District as they are completed. On-going operation and maintenance of these improvements will be financed by general District revenues.

As noted, the property owners/developers will be granting the City of Simi Valley an open space easement for approximately 1095.9 acres that is part of the proposal area and is located outside the City's CURB. This easement is transferable by the City to any entity or organization authorized to acquire and hold conservation easements pursuant to CA Code of Civil Procedure Sec. 815.3. The Rancho Simi Recreation and Park District is such an entity and the District has requested that the City transfer such open space property to the District in the future.

H. Schools

The proposal areas are within the boundaries of the Simi Valley Unified School District. The School District submitted a comment letter during the review of the draft EIR (Final EIR, Volume 2, page II-46) in response to the City determination that the effect of the project on school facilities would not be significant.

As a part of the LAFCO application the following information was provided:

School District Design Capacity	22,978
Current Enrollment (March 2004)	21,805
Student Generation Rate	Approximately 0.55 students per single-family dwelling unit.
Anticipated Enrollment from the proposed project	Approximately 178 students in all grades.

No separate school mitigation agreement between the developer and the School District was required by the City and neither the City nor the School District identified or required the dedication of any school sites in the proposal areas.

Two Board members of the Simi Valley Unified School District have submitted letters in support of the LAFCO proposals. (Attachment 4)

5. Boundaries and Lines of Assessment

The boundaries are definite and certain. There are no conflicts with lines of assessment or ownership.

The County Surveyor is still checking the boundary map and legal description submitted with the proposal. Any approval should be conditioned upon maps and legal descriptions sufficient for filing with the State Board of Equalization being submitted to the Executive Officer prior to recordation and completion of proceedings.

6. Assessed Value, Tax Rates and Indebtedness

Assessed land value and ownership information is shown in the following table:

Parcel No.	Property Owner	Area (acres)	Assessed Land Value (\$)
685-0-040-020	VC Watershed Protection District	2.9	0
685-0-040-075	Green Park Ranch	19.21	9,728
685-0-040-095	Green Park Ranch	4.13	2,160
685-0-040-100	Green Park Ranch	3.31	0
685-0-040-140	Green Park Ranch	6.60	3,241
685-0-040-165	Green Park Ranch	108.51	6,764,588
685-0-040-190	Green Park Ranch	22.67	1,405,326
685-0-040-200	Green Park Ranch	19.206	10,809
685-0-040-210	Green Park Ranch	29.847	16,214
685-0-040-220	Green Park Ranch	2.632	0
685-0-040-240	Green Park Ranch	117.57	63,778
685-0-040-255**	Czerwinski Trust	339.74	3,902,019
685-0-051-225	Green Park Ranch	15.66	8,646
685-0-051-230	Green Park Ranch	57.35	31,348
685-0-130-160	Green Park Ranch	69.213	37,834
695-0-130-180	GreenPark Runkle Canyon	720.055	3,626,465

**This parcel is already in the City of Simi Valley sphere of influence

The Ventura County Assessor has indicated that all of the above parcels in the proposal areas are currently within tax rate area 84057 that has a tax rate of 1.047697 per \$100 of assessed valuation. Upon annexation and following further subdivision of the property the area will be assigned to new tax rate areas. These areas have yet to be determined.

The City has indicated that the area will not be subject to any City bonded indebtedness upon annexation.

The County of Ventura and the City of Simi Valley by Resolution No. 85-107 agreed to a negotiated exchange of property tax revenues for transfers of service responsibilities resulting from boundary changes. Approved in October 1985, this joint County/City Resolution provides that beginning in the fiscal year the area becomes annexed the County will transfer 14.66% of the property tax revenues received by the County from the annexed area to the City.

7. Environmental Impact of the Proposal

The City of Simi Valley is the lead agency for this project under CEQA. The City prepared an EIR. The two volume Final EIR (State Clearinghouse No. 2002121143) was certified by the City on April 26, 2004 and was previously distributed to the Commission.

The City adopted the mitigation measures proposed in the EIR and a mitigation monitoring plan to lessen the environmental impacts so that they can be considered less than significant. (Attachment 5) The City also approved a Statement of Overriding Considerations for the substantial, unmitigated environmental impacts relating to the loss of prime farmland. (Attachment 6) It is recommended that the Commission adopt the City's mitigation measures and the Statement of Overriding Considerations for operational related (construction related) air quality impacts and for biological resources relating to the short-term net loss of mature trees.

In addition to the EIR, the project developer submitted a letter from Miller Brooks Environmental, Inc to the Los Angeles Regional Water Quality Control Board as a part of the LAFCO application materials (Attachment 7). This letter serves as a supplemental site assessment report for groundwater investigation activities. The colored map submitted with this letter reflects the extensive soil, groundwater and surface water sampling that has occurred in the proposal areas. As noted in the letter, there were no concentrations of perchlorate detected in either of the two supplemental groundwater monitoring wells.

8. Regional Housing Needs

The City of Simi Valley and the project developer, GreenPark Runkle Canyon, LLC, have entered into an Affordable Housing Agreement. This Agreement provides for the development of 138 attached single-family housing units reserved for sale and occupancy by senior households (minimum age of 62). Of the 138 senior units, 62 units are for low -income senior households based on income limits established periodically by the U.S> Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development (HCD). As a part of the Agreement all of the 62 affordable units will have re-sale controls and the

developer is required to pay an in-lieu fee of \$30,000 per unit for 30 units (\$900,000 total) for deposit in the City's Local Housing Fund for the future development of affordable housing in the City. In return, the City granted incentives including a 32.9% density bonus to the senior portion of the overall project to allow more units to be built, reduced its park in-lieu fees for the senior units and waved payment of its Public Facility Contribution fee for the affordable units.

According to HCD, the City of Simi Valley adopted an updated General Plan Housing Element in 2001 and completed State review for compliance in 2002. The Sphere of Influence Amendment and Reorganization proposals, based on the project approvals granted by the City, and especially including the Affordable Housing Agreement, will assist the City in meeting its regional "fair share" housing need as identified in its Housing Element. Some of the need will be met by the on-site construction of the affordable senior units and some will be met elsewhere in the City as the City determines the future use of the \$900,000 the project will contribute to the City's Local Housing Fund.

9. Landowner and Annexing Agency Consent

All the landowners in the proposal area have given their written consent for the reorganization proposal. Due to this fact and because the reorganization proposal area is considered uninhabited for LAFCO proceedings, the City of Simi Valley has requested that all subsequent notice and protest proceedings be waived.

SPECIAL ANALYSIS

1. LAFCO Policies

A. Annexation of Unincorporated Islands

In April 2003 the Commission adopted the a policy relating to the annexation of unincorporated island areas by cities (Attachment 8). This policy was reviewed and reaffirmed in May 2004. The Runkle Canyon Reorganization proposal is over 40 acres in area and application of this policy would mean that any approval of the proposal would be conditioned upon the City of Simi Valley initiating the annexation of 7 island areas that qualify under Government Code Sec. 56375.3.

The Commission is aware that the City of Simi Valley and GreenPark Runkle Canyon LLC, the project developer, have strongly opposed this policy and supported the introduction and passage of AB 2306 (Richman). AB 2306, as last amended and approved by the legislature on August 26, is attached. (Attachment 9) At the time this Staff Report was prepared, the Governor had not yet signed the bill, but such action is expected. The bill prohibits the Commission from imposing a condition that requires the City of Simi Valley to initiate proceedings on a proposal for a change of organization or reorganization unless the territory that would be affected is contiguous and physically related to the affected territory. None of the 7 unincorporated island areas surrounded by the City of Simi Valley are contiguous and physically related to the affected territory of the subject reorganization proposal.

Assuming the Governor signs AB 2306, it will become effective on January 1, 2005. Even though this legislation is not yet law, it is recommended that the Commission NOT apply its annexation of unincorporated island policy to the Runkle Canyon reorganization proposal. AB 2306 as passed by the legislature is a special law focused solely on the Ventura LAFCO and the City of Simi Valley, with the Runkle Canyon Reorganization proposal as its genesis. Application of the Commission's island annexation policy to the reorganization proposal will serve only to create unnecessary additional controversy and potentially lead to challenge of the Commission's actions by the City and/or the project developer.

During the debate about AB 2306 it was pointed out that if LAFCOs cannot condition proposals to annex unincorporated island areas pursuant to Sec. 56375.3, they can still deny proposals. After all, why should a city be allowed to expand its boundaries to serve new development when it is unwilling to annex and provide full services to already developed areas that are surrounded by the city? The Commission never intended, however, for its annexation of unincorporated islands policy to be an absolute requirement that would cause

normally acceptable proposals that meet all other legal requirements and policies to be denied. Rather, it was intended to motivate cities to take action to annex qualifying island areas for overall governmental service efficiencies. The Runkle Canyon Reorganization proposal is recommended for approval, even without the application of the Commission's island annexation policy, because based on staff's review it does otherwise comply with all legal requirements and policies relating to reorganizations.

B. Relationship to the City's CURB Boundary

City Urban Restriction Boundaries (CURB) are the result of local initiatives and ordinances that relate to city general plans. Except in one instance, all of the CURB and SOAR ordinances and initiatives adopted in Ventura County clearly state that they in no way inhibit LAFCO from changing or altering sphere of influence boundaries or approving annexations. While LAFCO is not bound by CURB or similar initiatives and ordinances in making decisions about spheres of influence or city boundaries, the Commission has adopted a policy stating that sphere of influence boundaries should coincide with, or cover lesser area than, voter approved growth boundaries. (Commissioner's Handbook – Policy 4.1.2.3). Under this policy, since areas outside a sphere of influence cannot be annexed, it follows that no annexations (including reorganizations) should occur outside CURB or similar boundaries.

The City of Simi Valley is requesting that approximately 894 acres of area outside the City's CURB boundary be added to the City's sphere of influence and annexed into the City. Since the area is outside the CURB boundary, the City cannot consider this area for urban development unless the City voters vote to amend the CURB line. Similarly, since the area is designated as agriculture and open space in the County General Plan, it is also covered by the County's SOAR ordinance and development in the County cannot be considered unless approved by the voters Countywide.

Typically areas that are to remain open space, and that will not require city services in the foreseeable future, have not been included in a city's sphere of influence or approved for annexation, unless the property is not within a Greenbelt and one or more of the following factors exists:

- The property involved is owned by the city.
- The property involved is owned by a separate entity, such as a Joint Powers Authority (JPA), partially controlled by the city.
- The city is responsible for the operation and/or maintenance of facilities within the area.

The City is not requesting that the sphere of influence be amended and the area outside the CURB be annexed in order to accommodate urban development. The area involved is and will remain open space after any sphere amendment and annexation. The City's Sphere Amendment and Reorganization proposals include this open space area as it is part of a Conservation Easement to be granted to the City in perpetuity with land uses restricted more than they might be under either the County or City SOAR ordinances (Attachment 10).

LAFCO's policy not to include areas outside voter established growth boundary lines (e.g. a CURB) in spheres of influence and not to annex such areas to cities was established to support the preservation of agricultural and open space lands. It is recommended that these policies NOT be applied in either of the subject cases as the granting of the Conservation Easement makes the City a direct party in ensuring the long-term preservation of these designated open space areas. As such it is logical and beneficial for these areas to be within the City's sphere of influence and within the City's boundary.

C. Agriculture and Open Space Preservation

As noted, all of the area involved in the Sphere of Influence Amendment and Reorganization proposals are considered as open space. The Commission has established policies relating to agriculture and open space preservation for both spheres of influence and changes of organization and reorganization (Commissioner's Handbook Sections 3.1.5 and 4.1.5, pages 43 and 52). These policies are discussed and reviewed in the EIR (Volume 1, pages 4.8-33 to 4.8-35). While the EIR did not go into detail, the analysis concluded that there is insufficient vacant, non-open space land available, and insufficient land that can be redeveloped, for the proposed development within the existing City boundaries or within the existing sphere of influence. Thus, in combination with other LAFCO policies about the City's general plan being the applicable local planning document for areas within the City's sphere of influence, the proposals can be considered consistent with LAFCO policies about agriculture and open space preservation.

2. Sphere of Influence Determinations

The proposed Reorganization cannot proceed until the entire area involved is within the City's Sphere of Influence. The City is requesting that LAFCO amend the existing Sphere of Influence by adding approximately 1,192 acres.

Government Code §56425 (e) requires that in determining the Sphere of Influence of each local agency the Commission shall consider and prepare a written statement of its determinations with respect to certain factors prior to making a decision:

The present and planned uses in the area, including agricultural and open space lands.

Approximately 1,192 acres are proposed to be added to the City's Sphere of Influence. None of this area is considered agricultural lands, but all of the area is classed as open space lands. Approximately 298 acres of this area are within the City's CURB (city urban restriction boundary) area. LAFCO's policies support adding at least this area that is within the City's CURB to the City's Sphere of Influence and also support having the City's plans and polices prevail for this area. The City's plans and policies for the area within the CURB that is a part of the Sphere of Influence Amendment proposal provide for primarily urban uses requiring urban services.

Approximately 894 acres of area are proposed to be added to the City's Sphere of Influence that are outside the City's CURB. This area is and will remain as open space. Including this area in the City's Sphere of Influence is warranted as the property owners are granting the City a Conservation Easement for this entire area (plus approximately 210 acres of area that is within the City's CURB) in order to maintain it as open space in perpetuity. Thus the City has a direct interest in this open space area and it will primarily benefit City residents.

Describe the present and probable need for public facilities and services in the area.

Of the approximately 1,192 acres proposed to be added to the City's Sphere of Influence, only approximately 81.4 acres are to be developed for urban uses. This relatively small area will be developed with primarily residential uses that need public facilities and services.

Most of the remaining area is to be maintained as open space via a Conservation Easement granted to the City. Even though the Conservation Easement area will not be developed with uses requiring public facilities or services, the City has a direct interest in preserving this area as open space,

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

The City of Simi Valley, other public agencies that provide urban services and the Southern California Water Company have all indicated that they have the present capacity and adequate facilities to serve the Sphere of Influence Amendment proposal area based on the plans and project approvals granted by the City.

The existence of any social or economic communities of interest in the area that the Commission may determine are relevant to the agency.

The only social or economic communities of interest that are relevant to the Sphere of Influence Amendment proposal area is the City of Simi Valley. The Sphere of Influence Amendment does not affect any other social or economic community of interest.

ALTERNATIVE ACTIONS AVAILABLE

- A. If the Commission, following public testimony and the review of the materials submitted, determines that further information is necessary, a motion to continue either the Sphere of Influence Amendment proposal or the Reorganization proposal, or both, should state specifically the type of information desired and specify a date certain for further consideration. It should be noted that if the Sphere of Influence Amendment proposal is continued, the Reorganization proposal cannot be approved.
- B. If the Commission, following public testimony and the review of the materials submitted, determines that the boundaries of either the Sphere of Influence Amendment proposal or the Reorganization proposal, or both, should be modified, or that either proposal should be approved subject to any changes or additions to the terms and conditions recommended, a motion to approve should clearly specify any boundary changes and/or any changes or additions to the terms and conditions of approval.
- C. If the Commission, following public testimony and review of materials submitted with the proposals wishes to deny the Sphere of Influence Amendment proposal or the Reorganization proposal, or both, a motion to deny should include certification that the Commission has reviewed and considered the information contained in the project EIR and include the adoption of this Report and all referenced materials as part of the public record. It should be noted that if the Commission denies the Sphere of Influence proposal, the Reorganization proposal cannot be approved.

PREPARED FOR THE COMMISSION BY:

Everett Millais, Executive Officer

ATTACHMENTS

- (1) Vicinity Maps – general vicinity map, regional aerial map (color) and area vicinity map
- (2) LAFCO 04-15S Resolution (sphere of influence amendment)
- (3) LAFCO 04-15 Resolution (reorganization)
- (4) Letters of support from Board members of the Simi Valley Unified School District
- (5) CEQA Mitigation and Monitoring Plan (from the EIR, Volume II, Section IV Supplemental Information, Supplemental Information, Staff Report to City Council, April 26, 2004, pages 139-194)
- (6) CEQA Statement of Overriding Considerations (from the EIR, Volume II, Section IV Supplemental Information, Supplemental Information, Staff Report to City Council, April 26, 2004, pages 274-277)
- (7) Letter and exhibit - supplemental site assessment report for groundwater investigation activities
- (8) Commissioner's Handbook Section 3.2.3 (Page 46) – Annexation of Unincorporated Island Areas By Cities.
- (9) AB 2306 (Richman) as approved by the legislature.
- (10) Conservation Easement to be granted to the City of Simi Valley