

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
FOR LOS ANGELES COUNTY MAKING DETERMINATIONS AND
APPROVING THE PROPOSED INCORPORATION OF THE CITY OF
HACIENDA HEIGHTS

WHEREAS, as used in this Resolution, the following terms shall mean:

“Applicant” is the Hacienda Heights Cityhood Organization;

“Commission” is the Local Agency Formation Commission for Los Angeles County;

“Effective Date” shall be the August 1st immediately following the Election, if the Hacienda Heights Incorporation is approved by the voters in accordance with condition H.1;

“Election” consists of both the elections on the question of Hacienda Heights Incorporation and for the City Council of the proposed new city as set forth in condition H.5;

“Executive Officer” is the Executive Officer of the Commission;

“Executive Officer’s Report” means that report entitled ‘*Hacienda Heights Incorporation Proposal: Executive Officer Summary Report*’ and dated December 11, 2002.

“Petition” is the original petition for the proposed incorporation of the unincorporated community of Hacienda Heights, and its supplement, certified as a sufficient petition on February 7, 2000;

“Proposal” is the proposed incorporation of the unincorporated community of Hacienda Heights in the County of Los Angeles;

“Hacienda Heights Incorporation” is the short-form designation given this Proposal;

“Incorporation Area” is the area described in Exhibit A (map) and shown on Exhibit B (legal description), which are attached hereto and by this reference incorporated herein; in the event of any conflict between Exhibit A and Exhibit B, Exhibit B shall control;

“Transition Period” commences upon the Effective Date and terminates on the following June 30th; and

WHEREAS, the Petition has been processed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the “Hertzberg Act”) and all amendments thereto; and

WHEREAS, on December 9, 1999, the Applicant submitted the Petition to initiate an application for incorporation, which Petition was supplemented on January 24, 2000; and

WHEREAS, on February 7, 2000, the Executive Officer executed his Certificate of Sufficiency, upon verification by the County of Los Angeles Registrar-Recorder that a sufficient number of registered voters within the Incorporation Area signed the Petition, and that the requisite number of valid signatures were affixed to the Petition; and

WHEREAS, at the times and in the substantial form and manner provided by law, the Executive Officer has given notice of all public hearings by this Commission upon the Proposal; and

WHEREAS, the *Hacienda Heights Incorporation Comprehensive Fiscal Analysis* was issued on August 22, 2002; and

WHEREAS, the *Hacienda Heights Incorporation Proposal: Executive Officer's Report* was issued on December 6, 2002; and

WHEREAS, on July 13, 2000, a Notice of Intent to Adopt a Negative Declaration was published and the Initial Study for the proposed Hacienda Heights Incorporation was made available for public review; and

WHEREAS, no public comments were received in response to the Notice of Intent to Adopt a Negative Declaration; and

WHEREAS, the Executive Officer has reviewed all available information and prepared his report, including recommendations, and has presented his findings, report and related information to the Commission, which were then considered by the Commission; and

WHEREAS, at the public hearings the Commission heard and received all oral and written protests, objections, all oral and written evidence which was made, presented or filed, and persons present were given an opportunity to hear and be heard in respect to any matter relating to this Proposal.

NOW, THEREFORE, the Local Agency Formation Commission for Los Angeles County does hereby find, determine, resolve and order as follows:

- A. The Incorporation Area is inhabited, with a population of approximately 53,122 based on 2000 Census data.
- B. The Commission has considered all relevant factors set forth in Government Code Section 56668 and all other relevant factors in reaching its conclusions regarding the Proposal, and based thereon finds that the proposed Hacienda Heights Incorporation:
 1. Will not have a significant adverse social and economic impact upon any particular communities or groups in the Incorporation Area or any adjacent areas, and does not have a significant adverse impact on the local governmental structure of the County of Los Angeles;
 2. Will result in the creation of an entity with the capability to provide efficient municipal services to the affected population;
 3. Conforms to planned, orderly, and efficient patterns of urban development;
 4. Will not affect the physical and economic integrity of agricultural lands, as defined by Government Code section 56016, or result in the conversion of prime agricultural land in open space use to other uses;
 5. Has definite and certain boundaries that conform to lines of assessment and ownership, and does not create any islands or corridors of unincorporated territory;

6. Is consistent with the general and specific plans of the County of Los Angeles;
 7. Will result in the creation of an entity that will generate sufficient revenues to provide municipal services to the affected population;
 8. Will continue to receive water service through the Water Replenishment District of Southern California, the Three Valley Municipal Water District, the Upper San Gabriel Valley Municipal Water District, and the Rowland Water District; and
 9. Will not impair the achievement of the Incorporation Area's fair share of regional housing needs.
- C. Pursuant to Government Code section 56720, and based upon the entire record, the Commission finds that:
1. The Hacienda Heights Incorporation is consistent with the intent of the Hertzberg Act, and the policies of Government Code sections 56001, 56300, 56301, and 56377, in that the Proposal:
 - a. Expresses the logical formation of a new agency within the unincorporated community of Hacienda Heights for the provision of municipal services to the local population;
 - b. Weighs the total community service needs of the Incorporation Area against the total financial resources available for securing community services and establishes appropriate community service priorities that reflect local circumstances, conditions, and the limited financial resources of the area;
 - c. Encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns;
 - d. Discourages urban sprawl and encourages the orderly development of the Incorporation Area based upon local conditions and circumstances; and
 - e. Is not reasonably expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-spaces because the Incorporation Area is already urbanized and developed, and the Proposal does not contemplate significant new development or any material alteration to the general plan and zoning ordinances currently in effect.
 2. The Commission has reviewed and considered the spheres of influence of the local agencies affected by the Proposal. The Proposal is consistent with the spheres of influence of all affected local agencies. Pursuant to Government Code section 56426.5, the Commission will determine the sphere of influence of the new city within one year of the Effective Date.
 3. The Commission has reviewed and considered the Comprehensive Fiscal Analysis prepared pursuant to Government Code section 56800. The

Executive Officer did not receive any requests for State Controller's review of the Comprehensive Fiscal Analysis, and therefore, no such review was performed.

4. The Commission has reviewed and considered the Executive Officer's Report and the recommendations of the Executive Officer prepared pursuant to Government Code section 56665, and the testimony presented at the public hearings held on the Proposal.
 5. Based upon the analysis set forth in the Executive Officer's Report, the Commission finds that the proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.
- D. The Commission has reviewed the boundaries of the Incorporation Area for definiteness and certainty and has determined that the same are definite and certain.
- E. In accordance with Government Code section 56803, the Commission hereby accepts the findings of the Comprehensive Fiscal Analysis, with respect to the financial viability of the new city and the fiscal impact on the County of Los Angeles, except to the extent that the fiscal calculations therein have been updated, amended or clarified through more accurate and up-to-date data, as set forth in the Executive Officer's Report, for the reasons stated therein. In accordance with Government Code section 56803, the Commission hereby accepts the findings and recommendations of the Executive Officer's Report, including, but not limited to, those findings and recommendations with respect to the financial viability of the new city and the fiscal impact on the County of Los Angeles.
- F. The Commission hereby adopts the Negative Declaration for the Hacienda Heights Incorporation in accordance with the provisions of the California Environmental Quality Act. The Commission finds on the basis of the whole record before it, including the initial study and the fact that no comments were received, that the Negative Declaration reflects the Commission's independent judgment and analysis, and that it is adequate for this Proposal. The Commission further finds that there have not been any changes to the project description since the circulation of the Notice of Intent to Adopt a Negative Declaration that would change its conclusions or require recirculation. The Negative Declaration and other documents and materials that constitute the record of proceedings upon which the Commission's decision is based are located at the office of the Commission, 700 North Central Avenue, Suite 350, Glendale, California, 91203. The custodian of the documents is the Executive Officer.
- G. The Commission finds that revenues currently received by the County of Los Angeles for services which, but for the operation of Government Code section 56815, would accrue to the new city, are not substantially equal to the expenditures, including direct and indirect expenditures, currently made by the County of Los Angeles for those services which will be assumed by the new city. The Commission has proposed condition H.14 to mitigate the negative fiscal

effect on the County of Los Angeles through the annual payment of monies over a fixed period of time. The Commission finds that this condition adequately mitigates the negative fiscal effect on the County of Los Angeles. The Commission finds, pursuant to Government Code section 56815(a), that the incorporation is not occurring for primarily financial reasons.

H. Subject to the conditions set forth herein, the Hacienda Heights Incorporation, is hereby approved as follows:

1. Incorporation as General Law City. Subject to confirmation by the voters within the Incorporation Area in accordance with Government Code section 57118(a), the Incorporation Area is incorporated as a general law city.
2. Effective Date. Pursuant to Government Code section 56886(p) and subject to the limitations of Government Code section 57202, the Effective Date of the Hacienda Heights Incorporation is the August 1st immediately following the Election.
3. Boundaries. The boundaries of the new city shall be the Incorporation Area as set forth in Exhibits A and B attached hereto and incorporated herein. In the event of any conflict between Exhibit A and Exhibit B, Exhibit B shall control.
4. Elected Officials. The legislative body of the new city shall consist of five (5) members elected at large, in accordance with Government Code section 57377. The first election of City Council members shall be held concurrently with the election on the question of incorporation.
5. Election. The Election shall consist of the election of the first City Council and the election on the question of incorporation, which shall be held concurrently, at the next election that complies with the provisions of Government Code section 57132, namely, the next regular election date occurring at least 88 days after the date on which the resolution calling the election was adopted.
6. City Name. The name of the new city shall be the City of Hacienda Heights.
7. Indemnification. Prior to the Effective Date, the Commission will defend any lawsuit related to this Resolution. The new city, if the Proposal is approved, or the Applicant, if the Proposal is not approved, shall hold harmless and indemnify the Commission and/or its agents, officers, employees and consultants from any claim, action or proceeding against the Commission and/or its agent, officers, employees and consultants to attack, set aside, void or annul the Commission's approval of this Proposal or any action relating to or arising out of such approval when such action is brought within the applicable statute of limitations.
8. Ordinance Adoption. Pursuant to Government Code section 57376(a), the City Council of the new city shall, immediately following the Effective Date and prior to performing any other official act, adopt an ordinance

providing that all County of Los Angeles ordinances, previously applicable in the Incorporation Area, shall remain in full force and effect as city ordinances for a period of 120 days thereafter or until the City Council has enacted its own ordinances superseding any or each of the previously applicable ordinances, whichever occurs first.

9. Appointive Positions. Upon and after the Effective Date, the City Manager, City Clerk, City Attorney and City Treasurer of the new city shall be appointed in accordance with Government Code sections 36511 and 34856.

10. Tax Authorization. Pursuant to Government Code section 56886(t):

- a. Subject to the confirmation of the voters as provided in condition H.1., above, and for all purposes of the California Constitution and other applicable law, the new city is by that confirmation of the voters authorized to, and shall, continue to levy all previously authorized or collected rates, charges, fees, assessments and general or special taxes collected by the County of Los Angeles within the Incorporation Area prior to the Effective Date, including without limitation the sales and use tax, utility users tax, transient occupancy tax, real property transfer tax and all other general purpose taxes presently imposed by the County of Los Angeles at the same rate as imposed by the County of Los Angeles and using substantially the same method of collection.
- b. The new city shall not reduce, repeal or rescind any existing general or special tax, fee, charge, or assessment so as to impair its ability to satisfy its financial obligations to the County of Los Angeles under the conditions of this Resolution.

11. Sphere of Influence. Pursuant to Government Code section 56886(o), and in order to conform with Government Code section 56426.5, within two hundred seventy (270) days after the Effective Date, the new city shall submit an application to the Commission proposing a sphere of influence for the new city.

12. Transition Period Services. Pursuant to Government Code section 57384, the County of Los Angeles shall continue to provide to the new city all services furnished to the Incorporation Area prior to the Effective Date until the June 30th following the Effective Date (“Transition Period”), or for a shorter period, if the new city, acting through its City Council, cancels the provision of a particular service by giving the County of Los Angeles written notice, or a service contract between the parties takes effect. The new city shall reimburse the County of Los Angeles for the “net cost of services” provided during the Transition Period, in conformity with Government Code section 57384(b), over a period of not more than five (5) years, with interest on any unpaid balance accrued annually and paid to the County of Los Angeles at the rate earned by the County’s Treasury Pool. All or part of the total obligation of the new city to the

County of Los Angeles under this condition H.12. may be prepaid at any time without penalty.

13. Election Costs. Pursuant to Government Code section 57150(b), election costs will be borne by the new city, if the incorporation is confirmed by the voters, or by the County of Los Angeles, if the proceedings are terminated. Election costs shall be paid by the new city within thirty (30) days of a written request for payment being made by the County of Los Angeles Registrar-Recorder, unless an alternative payment arrangement is agreed to by the County of Los Angeles Registrar-Recorder.
14. Mitigation Payment. Pursuant to Government Code section 56815, the Commission finds that the Hacienda Heights Incorporation has an annual negative fiscal effect on the County of Los Angeles of \$2,454,754. In order to mitigate this negative fiscal effect, the new city shall pay a total of \$18,983,278 over a period of ten (10) years in the manner set forth herein. For a period of seven (7) years, starting on the June 30th following the Effective Date, the new city shall make an annual fiscal mitigation payment to the County of Los Angeles of \$2,454,754. For a period of three (3) years thereafter, the new city shall make an annual fiscal mitigation payment to the County of Los Angeles of \$600,000. All fiscal mitigation payments shall be paid on the June 30th of the year they are owed, with the first payment being due on the June 30th following the Effective Date. All or part of the total obligation of the new city to the County of Los Angeles under this condition H.14. may be prepaid at any time without penalty.
15. Parks. Pursuant to Government Code section 56886(h), and consistent with the request of the County of Los Angeles Board of Supervisors, all local parks as specified herein, and all park facilities, including County-owned fixtures, located in said parks, in the Incorporation Area, are hereby transferred to the new city upon the Effective Date, subject to the following conditions:
 - a. That such parks and park facilities shall be equally open to residents of incorporated and unincorporated territory and there shall be no discrimination against, or preference, gratuity, bonus or other benefit given to residents of incorporated areas not equally accorded residents of unincorporated territory; and
 - b. That the new city shall comply with the requirements and conditions of all state, federal and local grant agreements applicable to the parks and their attendant facilities.

Those parks to be transferred are: Thomas S. Burton, Countrywood, Pepperbrook, Manzanita, Los Robles, and Steinmetz, including the Steinmetz Senior Center. Upon the Effective Date, the County of Los Angeles shall transmit to the City Clerk of the new city quitclaim deeds transferring to the new city the real property interests transferred by this condition. The City Council of the new city shall promptly act by

resolution to accept the above-transferred property interests and shall arrange for recordation of those documents.

16. Streets and Highways. Pursuant to Government Code section 57385, upon the Effective Date, all roads and highways in the Incorporation Area which had been accepted into the County road system pursuant to Streets & Highways Code section 941, shall become city streets, and all right, title, interest and responsibility for said roads and highways and all adjacent slopes, medians, sidewalks, trails, bikeways, landscaped areas, street lights, signals, and bridges owned, operated and maintained by the County of Los Angeles, that are located within the public rights of way within the Incorporation Area, shall vest in the new city.
17. “AS IS” Transfer. Real or personal property of the County of Los Angeles transferred to the new city pursuant this Resolution shall be accepted by the new city “AS IS.”
18. Provisional Appropriations Limit. The provisional appropriations limit, as required by Article XIII B of the California Constitution, shall be \$12,790,900.
19. Property Tax Exchange. Pursuant to Government Code sections 56375(o) and 56810(c), the Commission determines that the amount of base year (fiscal year 2000-01) property tax transferred to the new city shall be \$1,163,401. In accordance with Government Code section 56810(c), the County of Los Angeles Auditor-Controller shall adjust the base year property tax by the annual tax increment to the fiscal year in which the new city receives its initial allocation of property taxes.
20. Hacienda Recreation and Park District. Upon the Effective Date, the City Council of the new city shall be the governing body of the Hacienda Recreation and Park District, and the City Council shall be responsible thereafter for all property owned by the District and all obligations of the District. On the June 30th following the Effective Date or on the date the County of Los Angeles closes its books for that fiscal year, whichever is later, all unencumbered funds of the District shall be transferred to the City Council to be used exclusively for the purposes of the District.
21. Landscaping and Lighting Act District No. 2, Zone 34, Hacienda. Upon the Effective Date, pursuant to Streets and Highways Code Section 22613, Zone 34 of the County’s Landscaping and Lighting Act District No. 2, comprising the Incorporation Area (hereinafter “Zone 34”), shall be excluded from said District, and ownership of all property of the District within the Incorporation Area shall vest in the new city. On the June 30th following the Effective Date or on the date the County of Los Angeles closes its books for that fiscal year, whichever is later, all unencumbered funds of Zone 34 shall transfer to the new city. The new city shall have the authority to levy, fix and collect Zone 34 assessments with the Incorporation Area as the County was previously authorized to do. The maximum amounts of Zone 34 assessments authorized for purposes of

Government Code section 53739 shall be the maximum assessments amounts previously levied by the County of Los Angeles with respect to Zone 34.

22. Development Agreements. The new city shall succeed to the benefits and be bound by the obligations and duties of the County of Los Angeles with respect to all development agreements entered into prior to the Effective Date, and the County of Los Angeles shall be relieved of any obligation under those agreements which is within the legal power of the new city to perform. The new city shall indemnify and hold the County of Los Angeles harmless from any claims or actions based on the new city's failure to fulfill or enforce any such terms of a development agreement or conditions of its approval, including, without limitation, terms or conditions related to environmental mitigation.
23. Restricted Funds. On the June 30th following the Effective Date, or on the date the County of Los Angeles closes its books for that fiscal year, whichever is later, the County shall transfer to the new city, and provide accounting for, any and all unencumbered funds that must by law be spent solely within the Incorporation Area for services that become the responsibility of the new city upon incorporation, including but not limited to Quimby and other park fees, development impact fees, state and federal grants, and fees paid to the County for services not yet delivered.
24. Conducting Authority. The Commission shall be the Conducting Authority and shall conduct protest proceedings for the Hacienda Heights Incorporation in compliance with Government Code Section 57000, *et seq.*, and this Resolution.
25. Severability. Should any term or condition of this Resolution be found unlawful, unenforceable, invalid or void by a final judgment of a court of competent jurisdiction, all other terms and conditions of this Resolution shall remain in full force and effect and the Hacienda Heights Incorporation shall remain in effect and shall not be void or invalidated by reason of said term or condition being unlawful, unenforceable, invalid or void.

BE IT FURTHER RESOLVED by the Local Agency Formation Commission for Los Angeles County that the Commission shall initiate appropriate proceedings in compliance with this Resolution and State Law and that the Executive Officer of this Commission is authorized and directed to:

- a. Mail a certified copy of this Resolution to the chief petitioners; and
- b. Mail a certified copy of this Resolution to the governmental agencies whose boundaries are affected by the Resolution.

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The foregoing Resolution was adopted by the Local Agency Formation Commission for Los Angeles County on this 11th day of December, 2002, by the following vote:

AYES:

NOES:

ABSTAIN:

Larry J. Calemine
Executive Officer