



LOCAL AGENCY FORMATION COMMISSION  
FOR LOS ANGELES COUNTY

LOCAL AGENCY FORMATION COMMISSION  
REGULAR MEETING MINUTES

Wednesday, April 10, 2002

**Present:**

Henri Pellissier, Chairman  
Yvonne Brathwaite-Burke  
James DiGiuseppe  
Beatrice Proo, Vice Chairman  
Carol Herrera  
Cindy Miscikowski  
William Wentworth  
Zev Yaroslavsky

Hal Bernson, Alternate  
Kenneth I. Chappell, Alternate  
Richard Close, Alternate  
Jerry E. Gladbach, Alternate  
Donald Knabe, Alternate  
Cristina Cruz-Madrid, Alternate

Larry J. Calemine, Executive Officer  
John Krattli, Legal Counsel

**Absent:**

Larry Connelly

HENRI F. PELLISSIER  
CHAIRMAN

YVONNE BRATHWAITE-BURKE  
LARRY CONNELLY  
JAMES DIGIUSEPPE  
CAROL HERRERA  
CINDY MISCIKOWSKI  
BEATRICE PROO  
WILLIAM WENTWORTH  
ZEV YAROSLAVSKY

ALTERNATE MEMBERS  
HAL BERNSON  
KENNETH I. CHAPPELL  
RICHARD H. CLOSE  
CRISTINA CRUZ-MADRID  
DON KNABE  
JERRY GLADBACH

STAFF  
LARRY J. CALEMINE  
EXECUTIVE OFFICER

SANDOR L. WINGER  
DEPUTY EXECUTIVE OFFICER

JUNE D. SAYALA  
EXECUTIVE ASSISTANT

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The meeting was called to order at 9:00 a.m. The Pledge of Allegiance was led by Chairman Henri F. Pellissier.

The Executive Officer requested that anyone present who has made a contribution of more than \$250 to any member of the Commission during the preceding 12 months to come forward and state for the record the Commissioner to whom such contribution was made and the item of their involvement. [No one came forward]

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On motion of Commissioner Wentworth, unanimously carried (Commissioner Burke, Connelly and Yaroslavsky being absent), the Commission took the following actions relating to Annexation No. 686 to County Sanitation District No. 21:

- a. Acting in its role as a responsible agency, with respect to the proposed annexation and under State CEQA Guidelines Section 15096, certified that it has independently considered and reached its own conclusions regarding the environmental effects of the project and the notice of exemption certified by the County Sanitation Districts of Los Angeles County (LACSD) and determined that the document adequately addresses the environmental impacts of the project. Made a findings that it has complied with the requirements of CEQA with respect to the process for a responsible agency, and adopted by reference the Notice of Exemption previously prepared by the LACSD in connection with the certification of that document for the project.
- b. Pursuant to Government Code Section 56663, made a finding that all owners of land have given written consent to the change of organization, and all affected agencies have consented in writing to the waiver of protest proceedings; and
- c. Adopted the attached resolution making determinations and ordering the annexation of certain territory designated as "Annexation No. 686 to County Sanitation District No. 21," subject to the following term and condition:

The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the County Sanitation Districts may impose.

[Commissioners Burke and Yaroslavsky in at 9:08 a.m.; Commissioner Knabe in at 9:10 a.m.]

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Hacienda Heights Incorporation Update:

The Deputy Executive Officer read into the record the Executive Officer's staff report.

Barbara Fish, Co-applicant Hacienda Heights Cityhood Organization addressed the Commission.

Commissioner Knabe expressed concern that LAFCO would hold two individuals out of a corporation personally liable for ensuring funding is available to complete the Comprehensive Fiscal Analysis (CFA).

The Deputy Executive Officer explained the mitigation payment detailed in Table 1C of the Preliminary CFA.

Gary Thompson, (Mayor Pro Tem, City of Rancho Santa Margarita), addressed the commission regarding the compressed timeline and the need strictly adhere to it.

On motion of Commissioner Yaroslavsky, unanimously carried (Commissioner Connelly being absent), the Commission approved the following recommendations:

- a. Authorized the Executive Officer to enter into a letter of agreement with the applicants, as modified to indemnify the applicants, to secure funding of \$20,000 as required for preparation of the final CFA.
- b. Authorized the Executive Officer to enter into the attached contract with the Rosenow, Spevacek Group, Inc. for preparation of a final CFA for the Hacienda Heights incorporation proposal for an amount not to exceed \$20,000.
- c. Approved staff's recommended schedule for completion of the final CFA for the Hacienda Heights Incorporation proposal.

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On motion of Commissioner Wentworth, unanimously carried, the February and March 2002 Operating Account Check Registrar Money Market Account Register and Special Reorganization Check Register were approved.

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Special Reorganization Update:

- I. The Executive Officer summarized his staff report relating to requests for adjustments to the Hollywood Special Reorganization boundary and made the following recommendations:

That the Commission direct staff and its consultants to analyze a fourth scenario, to be designated SC4, which will adjust the original special reorganization boundary as follows:

- 1) Parcel 1 – that portion of Griffith Park located west of the northerly extension of Western Avenue, to remain within the boundary as submitted by the applicants.
- 2) Parcel 2 – that portion of Griffith Park located on both sides of Fern Dell Drive, to be excluded from the boundary as submitted by the applicants.
- 3) Parcel 3 – Forest Lawn and Mount Sinai Memorial Parks, to be excluded from the boundary as submitted by the applicants.
- 4) Parcel(s) 4 – Universal Studios, to be excluded from the boundary as submitted by the Hollywood applicants and added to the San Fernando Valley territory.
- 5) Boundary line to be adjusted per agreement between the applicants – (Hollywood/San Fernando Valley Cahuenga Pass).
- 6) Parcel 6 – triangular area bounded by Melrose Avenue on the north, Hoover on the east and the 101 Freeway on the south, to remain within the boundary as submitted by the applicants.
- 7) Exclusion of all properties south of Melrose Ave between Normandy Ave on the east and Sweetzer Ave on the west.
- 8) Exclusion of all properties located north of Melrose Ave. and west of Fairfax Ave.

Minute Order No. 5 - Special Reorganization Update (Continued)

The following individuals addressed the commission:

Gene LaPietra, President Hollywood VOTE  
Ferris Wehbe, Chief Petitioner  
Richard c. Mankiewicz, Melrose Neighborhood Association  
James Kemp, Melrose Hills Neighborhood Association  
Arturo Martinez, Melrose Neighborhood Association  
Harvey Wehrmeister, Hope Lutheran Church  
Jim McQuiston, East Hollywood Community Association  
Geoffrey Saldivar, Rampart Rangers/East Hollywood Neighborhood Watch  
Hank Hilty, President of AF Gilmore Company  
Sander Alvarez, Melrose Neighborhood Association  
William Delvac, Forest Lawn Memorial Park and Universal Studios  
M. Milo Mandel, Mount Sinai Memorial Park  
The Honorable Tom LaBonge, Councilman Fourth District,  
City of Los Angeles

Discussion ensued regarding the municipal boundary location of Griffith Park and Mt. Lee, and the issue fire service responsibility. Craig Hoshijima responded to questions from the commission.

Commissioner Miscikowski recommended that the Commission approve staff's recommendation for a fourth scenario and to also include a fifth scenario that would exclude Item No. 1; and move the area in Item No. 8 easterly of La Brea.

Gene La Pietra addressed the commission.

After discussion, and on motion of Commissioner Yaroslavsky, unanimously carried, the commission approved staff's recommendation 1 - 8 (Scenario No. 4).

On motion of Commissioner Yaroslavsky, unanimously carried, the commission approved exclusion of Parcel 1 - the portion of Griffith Park located west of the northerly extension of Western Avenue (Scenario No. 5).

On motion of Commissioner Yaroslavsky, unanimously, the commission approved creation of an additional scenario (No. 6) which would move the area, detailed in Item No. 8 of staff's recommendation, easterly of La Brea.

Minute Order No. 5 - Special Reorganization Update (Continued)

II. State Controller's Review of San Fernando Valley and Harbor Area Comprehensive Fiscal Analysis.

Craig Hoshijima of Public Financial Management addressed the Commission regarding the State Controller's finding that the San Fernando Valley would experience a thirty million dollar loss in revenue due to the reduced documentary transfer tax. Mr. Hoshijima disagreed with the Controller's findings and stated that the loss would not need to be borne on the San Fernando Valley but on the City of Los Angeles. He further stated that the State's determination that the City of Los Angeles' mitigation payments would be reduced by the 30.9 million dollars, which would have the end result of putting the loss of tax revenue on the City of Los Angeles, is primarily a legal determination, an evaluation of the State Code. The current comprehensive fiscal analysis (CFA) and supplemental CFA assumed that the San Fernando Valley would incur the loss and would have to pay for that loss of mitigation payments.

Mr. Hoshijima also commented on the State Controller's findings regarding an allocation of debt costs. Mr. Hoshijima pointed out that the CFA assumed the City of Los Angeles would provide services on behalf of the new city and would allocate the cost of providing those services, including the cost of debt. He indicated that the CFA used a formula to allocate the debt, but the Controller felt the formula should be increased, which would result in four million dollars more in costs allocated to the new city. The Controller made a finding that this increase in four million dollars in annual cost would eliminate the valley city general fund reserves. Mr. Hoshijima stated that he does not believe this is a fair conclusion because the valley city is also making a mitigation payment to the city to ensure that the city is made whole. In the event the city is paid four million dollars more because of an increase in allocated costs its mitigation payment would go down because it would be four million dollars less to mitigate. He stated the net effect would be zero and the reallocation of debt would not eliminate the valley city's general funds that are reserves. In conclusion, Mr. Hoshijima stated that overall he does not believe any of the Controller's findings would materially impact any of PFM's analysis or findings made in the CFA or supplemental CFA.

Executive Officer informed the Commission that he spoke with the State Controller's representative and it was agreed that the State was in error on the debt issue.

Minute Order No. 5 - Special Reorganization Update (Continued)

Patrick Quinlan, PDQ Demographics, addressed the commission regarding the effect the Cahuenga Pass and the two universal studios properties would have on the council district boundaries.

[Commissioner Miscikowski out at 11:10 a.m.]

- III. The Executive Officer reported on the San Fernando Valley revenue neutrality negotiation sessions.

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On motion of Commissioner Proo, unanimously carried (Commissioner Miscikowski being absent), the Minutes of the meeting held March 27, 2002 were approved.

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The following individuals spoke under the item allowed for public comment:

John Walker, Applicant, San Fernando Valley Special Reorganization - regarding the State Controller's Report.

Alan Clayton, representing the California Latino Districting Coalition, regarding a Voting Rights Section II issue. Mr. Clayton was requested to enumerate his allegations in writing and submit to the LAFCO Legal Counsel.


Jim McQuiston

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On motion of Commissioner Proo, unanimously carried, the Regular Meeting was adjourned at 11:30 a.m.

Next meeting: April 24, 2002.

Respectfully submitted,



LARRY J. CALEMINE