

## Voting Members

Jerry Gladbach  
Chair

Donald Dear  
1st Vice-Chair

Gerard McCallum  
2nd Vice-Chair

Kathryn Barger  
Richard Close  
Margaret Finlay  
John Mirisch  
Holly Mitchell  
Vacant  
(City of Los Angeles)

## Alternate Members

Lori Brogin-Falley  
Janice Hahn  
David Lesser  
Mel Mathews  
Vacant  
(City of Los Angeles)  
Vacant  
(Cities in Los Angeles  
County)

## Staff

Paul Novak  
Executive Officer

Adriana Romo  
Deputy Executive Officer

Amber De La Torre  
Doug Dorado  
Adriana Flores  
Michael Henderson  
Alisha O'Brien

80 South Lake Avenue  
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[www.lalafco.org](http://www.lalafco.org)

# LIVE VIRTUAL COMMISSION MEETING

## LOCAL AGENCY FORMATION COMMISSION

Wednesday, March 10, 2021  
9:00 a.m.

This meeting will be conducted as a virtual meeting with telephone 1-213-306-3065 (Access Code: 145 409 7150) and web access (<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=me92a49329daed9736cf018a8885a7ded>), pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, under the modified laws of the Ralph M. Brown Act for the COVID-19 emergency, as well as the County of Los Angeles "Safer at Home Order for Control of COVID-19".

## FOR MEMBERS OF THE PUBLIC

### TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:

1-213-306-3065  
Access Code: 145-409-7150 (English)

### OR TO LISTEN VIA WEB AND PROVIDE COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=me92a49329daed9736cf018a8885a7ded>

**TO PROVIDE WRITTEN PUBLIC COMMENT:** Any interested person may submit written opposition or comments by email at [info@lalafco.org](mailto:info@lalafco.org) prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m. on the business day preceding the date set for hearing/proceedings in order to be deemed timely and to be considered by the Commission. Any written opposition and/or comments will be read during the meeting for a maximum of three (3) minutes per comment, per item.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at [www.lalafco.org](http://www.lalafco.org)

1. **CALL MEETING TO ORDER**

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**NOTICE OF CLOSED SESSION**

**CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
**(Government Code § 54957)**  
Title: Executive Officer

**CONFERENCE WITH LABOR NEGOTIATOR**  
**(Government Code § 54957.6)**  
Agency Designated Representative – Edward G. Gladbach  
Unrepresented Employee: Executive Officer

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2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR GLADBACH**

3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**

4. **SWEARING-IN OF SPEAKER(S)**

5. **INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE**

a. None.

6. **CONSENT ITEM(S)**

*All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.*

- a. Approve Minutes of February 10, 2021.
- b. Approve Operating Account Check Register for the month of February 2021.
- c. Receive and file Update on Pending Proposals.

7. **PUBLIC HEARING(S)**

- a. Proposed Draft Budget for Fiscal Year 2021-22.
- b. Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Cities of La Mirada and Whittier and California Environmental Quality Act exemption

8. **PROTEST HEARING(S)**

(None)

9. **OTHER ITEMS**

(None)

10. **LEGISLATION**

a. Legislative Update

11. **MISCELLANEOUS CORRESPONDENCE**

(None)

12. **COMMISSIONERS' REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

13. **EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

- a. Written Update
- b. Verbal Update

14. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

15. **FUTURE MEETINGS**

April 14, 2021  
May 12, 2021  
June 9, 2021

16. **ADJOURNMENT**

**DRAFT**

Young Members

Jerry Gladbach  
Chair

Donald Dear  
1st Vice-Chair

Gerard McCallum  
2nd Vice-Chair

Kathryn Barger  
Richard Close  
Margaret Finlay  
John Mirisch  
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[www.lafco.org](http://www.lafco.org)

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES  
LIVE VIRTUAL MEETING

February 10, 2021

Present:

Jerry Gladbach, Chair

Kathryn Barger  
Richard Close  
Donald Dear  
Margaret Finlay  
Gerard McCallum  
John Mirisch  
Holly Mitchell

Lori Brogin-Falley, Alternate  
Michael Davitt, Alternate  
David Lesser, Alternate  
Mel Matthews, Alternate

Paul Novak, Executive Officer  
Tiffani Shin, Legal Counsel

Absent:

Janice Hahn, Alternate

Vacant:

City of Los Angeles, Member  
City of Los Angeles, Alternate Member



## 1 CALL MEETING TO ORDER

The meeting was called to order at 9:08 a.m. as a live virtual Commission meeting, with public comment accepted via email or phone through the conclusion of public testimony.

## 2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Gladbach.

## CHAIR ANNOUNCEMENT

Chair Gladbach welcomed Michael Davitt (Mayor, City of La Cañada Flintridge) as a new LAFCO Commissioner (alternate voting member), succeeding former Commissioner Judy Mitchell.

## 3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The Executive Officer (EO) read an announcement, asking if any Commissioners had received a campaign contribution that would require disclosure or any other issue requiring recusal from any item on today's agenda (None).

## ANNOUNCEMENT

The EO noted that today's meeting was conducted pursuant to the provisions of the Governor's Executive Orders No-25-20 and N-29-20, under the modified laws of the Ralph M. Brown Act for the COVID-19 emergency, as well as the County of Los Angeles "Safer at Home Order for Control of COVID-19." LAFCO's legal counsel reviewed the notifications and agenda and has confirmed that the conduct of the meeting is consistent with State law as modified by the Governor and County orders.

The EO noted that all public hearing notices, and the agenda, clearly stated that interested persons were afforded the opportunity to submit written opposition or comments by email, or via United States mail. For any communications received after the agenda was posted, staff has forwarded copies via e-mail to the Commission (None). LAFCO staff continued to monitor e-mail and comments received during the meeting and prior to the conclusion of each hearing item were read to the Commission (None).

## 4 SWEARING-IN OF SPEAKER(S) AND PUBLIC TESTIMONY/COMMENT

The EO swore in one (1) member of the audience who planned to testify.

## 5 INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE

None.

## 6 CONSENT ITEM(S)

The Commission took the following actions under Consent Items:

- a. Approved Minutes of January 13, 2021 Regular Meeting and January 13, 2021 Special Meeting.
- b. Approved Operating Account Monthly Register Report for the months of December 2020 and January 2021.
- c. Received and filed update on Pending Proposals.

MOTION: Finlay                      SECOND: McCallum                      APPROVED: 8-0-0  
AYES: Barger, Close, Dear, Finlay, McCallum, Mirisch, Mitchell, Gladbach  
NOES: None.  
ABSTAIN: None.  
ABSENT: None.

The Commission moved to Agenda Item No. 10.a.

## 10 LEGISLATION

The following item was called up for consideration:

- a. Legislative Update and request to take a “Support” position relative to anticipated legislation to amend Government Code §56133(e).

The EO summarized the staff report on this item.

Keene Simmons (Executive Officer, San Diego LAFCO) indicated that San Diego LAFCO is in support, and requested that the Commission take a “support” position regarding amendments to Government Code §56133(e).

The Commission took the following actions:

- Received and filed the Legislative Update; and
- Took a “SUPPORT” position relative to anticipated legislation to amend Government Code § 56133(e), authorized the Chair to sign letters documenting this position, and directed staff to convey this support to the Governor, legislators, and other stakeholders.

MOTION: Barger                      SECOND: Dear                      APPROVED: 8-0-0  
AYES: Barger, Close, Dear, Finlay, McCallum, Mirisch, Mitchell, Gladbach  
NOES: None.  
ABSTAIN: None.  
ABSENT: None.

## 7 PUBLIC HEARING(S)

None.

## 8 PROTEST HEARING(S)

None.

The Commission moved back to Agenda Item No. 9.a.

## 9 OTHER ITEMS

The following item was called up for consideration:

- a. Fiscal Year 2020-21 Mid-Year Budget.

The EO summarized the staff report on this item.

The Commission took the following actions:

- Adopted a Commission Meeting Schedule for Calendar Year 2021; and
- Directed staff to post the adopted Commission Meeting Schedule for Calendar Year 2021 to the LAFCO website.

MOTION: Dear                      SECOND: Barger                      APPROVED: 8-0-0  
AYES: Barger, Close, Dear, Finlay, McCallum, Mirisch, Mitchell, Gladbach  
NOES: None.  
ABSTAIN: None.  
ABSENT: None.

## 9 OTHER ITEMS

The following item was called up for consideration:

- b. Fiscal Year 2020-21 Mid-Year Investment Report.

The EO summarized the staff report on this item.

The Commission took the following action:

- Received and filed the Fiscal Year 2020-21 Mid-Year Investment Report.

MOTION: McCallum                      SECOND: Dear                      APPROVED: 8-0-0  
AYES: Barger, Close, Dear, Finlay, McCallum, Mirisch, Mitchell, Gladbach  
NOES: None.  
ABSTAIN: None.  
ABSENT: None.

## 9 OTHER ITEMS

The following item was called up for consideration:

- c. Procurement and Reporting Policy Annual Report for 2020.

The EO summarized the staff report concerning this item.

The Commission took the following action:

- Received and filed the Professional Services Procurement and Reporting Policy for 2020.

MOTION: Finlay                      SECOND: McCallum                      APPROVED: 8-0-0  
AYES: Barger, Close, Dear, Finlay, McCallum, Mirisch, Mitchell, Gladbach  
NOES: None.  
ABSTAIN: None.  
ABSENT: None.

## 11 MISCELLANEOUS CORRESPONDENCE

- a. January 27, 2021 Letter from Executive Officer Paul Novak to the Honorable Nury Martinez, City Council President, requesting appointments of a City of Los Angeles Voting Member and Alternate Member to the Commission.

No Commission action was required.

## 12 COMMISSIONERS' REPORT

The Commission wished Commissioner Dear, Happy Birthday.

Chair Gladbach indicated that the Executive Officer's Performance Evaluation will be agendized for the March 10<sup>th</sup> meeting.

Chair Gladbach indicated that he was elected Chair to the Southern Region California

Association of Local Agency Formation Commissions (CALAFCO) at its Board of Directors meeting on February 8<sup>th</sup>.

13 EXECUTIVE OFFICER'S REPORT

- a. Written Update
- b. Verbal Update

No motion was made by the Commission.

14 FUTURE MEETINGS

March 10, 2021  
April 14, 2021  
May 12, 2021

15 FUTURE AGENDA ITEMS

None.

16 ADJOURNMENT MOTION

On motion by Chair Gladbach, the live virtual meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Paul Novak, AICP  
Executive Officer

11:44 AM  
03/02/21  
Cash Basis

**LA LAFCO**  
**Register Report**  
**February 2021**

Type	Date	Num	Name	Paid Amount	Balance
<b>Feb 21</b>					
Bill Pmt -Check	02/01/2021	10869	Bank of America*	-48.34	-48.34
Bill Pmt -Check	02/01/2021	10870	FedEx	-32.30	-80.64
Bill Pmt -Check	02/01/2021	10871	LACERA	-15,280.69	-15,361.33
Bill Pmt -Check	02/01/2021	10872	Motor Parks	-630.00	-15,991.33
Bill Pmt -Check	02/01/2021	10873	Promac Image Syst...	-4.54	-15,995.87
Bill Pmt -Check	02/01/2021	10874	County Counsel	-7,069.16	-23,065.03
Bill Pmt -Check	02/01/2021	10875	FedEx	-26.95	-23,091.98
Bill Pmt -Check	02/01/2021	10876	Wells Fargo	-385.89	-23,477.87
Check	02/03/2021	WIRE	TRPF 80 South Lak...	-9,518.72	-32,996.59
Check	02/05/2021	ADP	ADP	-172.38	-33,168.97
Check	02/11/2021	DD	Wells Fargo	-201.46	-33,370.43
Check	02/12/2021	DD	Ambar De La Torre	-2,131.02	-35,501.45
Check	02/12/2021	DD	Douglass S Dorado	-3,129.48	-38,630.93
Check	02/12/2021	DD	Adriana L Flores	-1,283.58	-39,914.51
Check	02/12/2021	DD	Michael E Henderson	-2,385.04	-42,299.55
Check	02/12/2021	DD	Paul A Novak	-5,888.08	-48,187.63
Check	02/12/2021	DD	Alisha O'Brien	-2,456.36	-50,643.99
Check	02/12/2021	DD	Adriana Romo	-3,891.76	-54,535.75
Check	02/12/2021	DD	Federal Tax Deposit	-3,897.59	-58,433.34
Check	02/12/2021	DD	State Income Tax	-1,135.31	-59,568.65
Bill Pmt -Check	02/17/2021	10877	Charter Communica...	-555.45	-60,124.10
Bill Pmt -Check	02/17/2021	10878	Certified Records M...	-777.22	-60,901.32
Bill Pmt -Check	02/17/2021	10879	CoreLogic	-28.80	-60,930.12
Bill Pmt -Check	02/17/2021	10880	CTS Clouds LLC	-637.50	-61,567.62
Bill Pmt -Check	02/17/2021	10881	FedEx	-325.34	-61,892.96
Bill Pmt -Check	02/17/2021	10882	LACERA-OPEB	-1,600.23	-63,493.19
Bill Pmt -Check	02/17/2021	10883	Office Depot*	-221.50	-63,714.69
Bill Pmt -Check	02/17/2021	10884	RSG, Inc.	-4,311.25	-68,025.94
Bill Pmt -Check	02/17/2021	10885	Total Compensation...	-1,170.00	-69,195.94
Bill Pmt -Check	02/17/2021	10886	Tropical Interior Plants	-125.00	-69,320.94
Bill Pmt -Check	02/17/2021	10887	Yvonne Green CPA	-300.00	-69,620.94
Check	02/19/2021	ADP	ADP	-141.66	-69,762.60
Check	02/26/2021	DD	Ambar De La Torre	-2,131.02	-71,893.62
Check	02/26/2021	DD	Douglass S Dorado	-3,129.49	-75,023.11
Check	02/26/2021	DD	Adriana L Flores	-1,028.31	-76,051.42
Check	02/26/2021	DD	Michael E Henderson	-2,385.05	-78,436.47
Check	02/26/2021	DD	Paul A Novak	-6,162.91	-84,599.38
Check	02/26/2021	DD	Alisha O'Brien	-2,456.36	-87,055.74
Check	02/26/2021	DD	Adriana Romo	-4,128.83	-91,184.57
Check	02/26/2021	DD	Federal Tax Deposit	-3,848.21	-95,032.78
Check	02/26/2021	DD	State Income Tax	-1,156.58	-96,189.36
Check	02/26/2021	DD	Federal Tax Deposit	-394.50	-96,583.86
Check	02/26/2021	61634...	Kathryn Barger	-133.00	-96,716.86
Check	02/26/2021	61634...	Brogan-Falley Lori	-138.53	-96,855.39
Check	02/26/2021	DD	Richard Close	-138.53	-96,993.92
Check	02/26/2021	DD	Donald Dear	-277.05	-97,270.97
Check	02/26/2021	61634...	Margaret E Finlay	-138.53	-97,409.50
Check	02/26/2021	61634...	Edward G Gladbach	-554.10	-97,963.60
Check	02/26/2021	DD	David J Lesser	-138.53	-98,102.13
Check	02/26/2021	DD	Melvin L Mathews	-138.53	-98,240.66
Check	02/26/2021	DD	Gerard McCallum II	-554.10	-98,794.76
Check	02/26/2021	DD	John A Mirisch	-138.53	-98,933.29
Check	02/26/2021	DD	Holly J Mitchell	-124.87	-99,058.16
Check	02/26/2021	ADP	ADP	-39.37	-99,097.53
<b>Feb 21</b>				<b>-99,097.53</b>	<b>-99,097.53</b>

AGENDA ITEM NO. 6.c. March 10, 2021							
PENDING PROPOSALS As of March 02, 2021							
		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	5/16/2006	Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40	New Anaverde, LLC	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete filing: CEQA, registered voter labels, and landowner labels, and approved map and legal.	10/5/2006	Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	12/1/2006	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H. And Ave. I. in the City of Lancaster. For future construction of a school.	Need BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17.	9/22/2008	Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010	Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11. Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC.	10/25/2010	Unknown
7	DD	Reorganization 2011-16 (Tesoro del Valle)	Montalvo Properties LLC	Annexation to NCWD and CLWA SOI Amendments for both districts. 801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.	Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution. Project has changed ownership. Need new application	5/5/2011	Unknown
8	DD	City of Los Angeles Annexation 2011-27	Forestar Group	685 acres of uninhabited territory located east of Browns Canyon Road and northwest of Mason Ave, in the unincorporated area just north of the City of Los Angeles.	Notice of Filing sent 2-15-12. Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, map of limiting addresses, list of limiting addresses, and approved map and legal.	12/8/2011	Unknown



		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
9	DD	City of Palmdale Annexation 2011-19	City of Palmdale	405 acres of uninhabited territory located between Palmdale Blvd and Ave S and 80th and 85th Street East.	Notice of Filing sent 3-22-12 Incomplete filing: property tax transfer resolution, inadequate CEQA, maps of limiting addresses, list of limiting addresses, and approved map and legal. DUC adjacent	3/8/2012	Unknown
10	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution and approved map and legal.	12/10/2014	Unknown
11	DD	Annexation No. 2015-11 to the City of Palmdale (Desert View Highlands)	City of Palmdale	284 acres inhabited territory. Generally located north and south of Elizabeth Lake Road between Amargosa Creek and 10th street west, in Los Angeles County unincorporated territory surrounded by the City of Palmdale	Notice of Filing sent 9-22-15 Incomplete filing: property tax resolution, attachment 'A' plan for municipal services, CEQA (NOD), party disclosure, pre-zoning, map of limiting addresses, registered voter info	9/15/2015	Unknown
12	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	11/2/2015	Unknown
13	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way. all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown
14	AD	Annexation No. 2017-02 to the Newhall County Water District	Newhall County Water District	uninhabited territory, located west of the 5 freeway and north of the intersection of The Old Road and Calgrove Blvd.	Notice of Filing sent 06-21-17 Incomplete filing: property tax transfer resolution, CEQA, approved map and legal.	6/15/2017	Unknown
15	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	7/10/2017	Unknown
16	DD	Reorganization No. 2017-10 to the Las Virgenes Municipal Water District	Robert Douglass	5.26 acres of uninhabited territory. The affected territory is generally located northeast of the intersection of Hovenweep Lane and Schuergen Road, in the unincorporated area north of Malibu	Agenda 1-13-21	11/8/2017	Feb-2021
17	DD	Annexation No. 2018-06 to the San Gabriel Valley Mosquito and Vector Control District	San Gabriel Valley Mosquito and Vector Control District	77.55± acres of inhabited territory. The affected territory is located north of the intersection of Mountain Laurel Way and Highway Court in the City of Azusa.	Notice of Filing Sent 11-1-18 Incomplete filing: property tax transfer resolution, missing map and legal, owners and registered voter labels	10/22/2018	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
18	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of uninhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
19	AD	Annexation 429 to District No. 14	Sanitation Districts	640.07± acres of uninhabited territory. The affected territory is located on the southeast corner of Sierra Highway and Columbia Way, all within the City of Palmdale.	Notice of Filing Sent 11-29-18 Incomplete filing: property tax transfer resolution.	11/28/2018	Unknown
20	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1097	Sanitation Districts	230± acres of uninhabited territory. The affected territory is located south of Pico Canyon Road at the westerly terminus of Verandah Court, all within the unincorporated area of Los Angeles County.	Recorded COC. e-mail distribution pending	12/26/2018	Sep-2020
21	AD	Annexation 430 to District No. 14	Sanitation Districts	227.677± acres of uninhabited territory. The affected territory is located north of Avenue D, south of Avenue B, east of the Southern Pacific Railroad, and west of Edwards Air Force Base, all within the unincorporated area of Los Angeles County.	Recorded COC. e-mail distribution pending	2/12/2019	Sep-2020
22	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Chardlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
23	DD	Annexation No 2019-07 to the Greater Los Angeles County Vector Control District (Entire City of Vernon)	City of Vernon	3,301± acres of inhabited territory, entire City of Vernon	Notice of Filing Sent 8-28-19 Incomplete filing: property tax transfer resolution, approved map and legal.	7/23/2019	Unknown
24	DD	Annexation No. 2019-03 to the Santa Clarita Valley Water Agency	Santa Clarita Valley Water Agency	324± acres of uninhabited territory. The affected territory is generally located east and west of San Francisco Canyon Road approximately one mile north of the City of Santa Clarita, in Los Angeles County unincorporated territory near the City of Santa Clarita.	Notice of Filing Sent 10-23-19 Incomplete filing: property tax resolution, LAFCO fees, consent letter, CEQA, and approved map and legal	10/17/2019	Unknown
25	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditors determination and approved map and geographic description.	10/2/2019	Unknown
26	AOB	Annexation No. 2019-08 to the Santa Clarita Valley Water Agency	Santa Clarita Valley Water Agency	349± acres of inhabited territory. The affected territory is generally located southwest of the intersection of Old Rock Road and Valencia Boulevard, in Los Angeles County unincorporated territory near the City of Santa Clarita.	Notice of Filing Sent 1-15-2020 Incomplete filing: property tax resolution, approved map and legal	12/30/2019	Unknown
27	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1092	Sanitation Districts	3.77± acres of uninhabited territory. The affected territory is located on the south side of Soledad Canyon Road at Mammoth Lane, all within the City of Santa Clarita.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1096	Sanitation Districts	5.11± acres of uninhabited territory. The affected territory is located on Sand Canyon Road approximately 400 feet south of Comet Way, all within the City of Santa Clarita.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
29	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1101	Sanitation Districts	2.5± acres of uninhabited territory. The affected territory is located on Arroyo Oak Lane approximately 300 feet south of Hasley Canyon, all within the unincorporated area of Los Angeles County.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
30	AD	Annexation 434 to District no. 22	Sanitation Districts	1.21± acres of uninhabited territory. The affected territory is located on Dancove Drive approximately 100 feet northeast of the terminus of Greenville Drive, all within the City of West Covina.	Notice of Filing Sent 02-4-20 Incomplete filing: property tax transfer resolution.	2/4/2020	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
31	DD	Reorganization No. 2020-01 to the City of Santa Clarita (Tesoro del Valle)	City of Santa Clarita	1609± acres of uninhabited territory. The affected territory is generally located north of the intersection of Copper Hill Drive and Avenida Rancho Tesoro, in the Unincorporated area of Los Angeles County adjacent to the City of Santa Clarita.	Notice of Filing sent 02-18-20 Incomplete filing: property tax transfer resolution, approved map and legal. Reorg area within DUC.	1/27/2020	Unknown
32	AD	Annexation 436 to District no. 22	Sanitation Districts	6,356± acres of uninhabited territory. The affected territory is located on the north side of Mt. Olive Drive approximately 500 feet east of Woodlyn Lane, all within the City of Bradbury.	Notice of Filing Sent 03-12-20 Incomplete filing: property tax transfer resolution.	3/12/2020	Unknown
33	AD	Annexation 428 to District no. 14	Sanitation Districts	2,51± acres of uninhabited territory. The affected territory is located on the southwest corner of Avenue N and 10th Street West, all within the City of Palmdale.	Notice of Filing Sent 06-8-20 Incomplete filing: property tax transfer resolution.	5/28/2020	Unknown
34	AOB	Formation No. 2020-05 of the Inglewood Transportation Management Community Services District	City of Inglewood	5,804± acres (or 9.07± square miles) of inhabited territory, all within the City of Inglewood.	The Applicant requested (on 10-15-20) to postpone scheduling a hearing date on this proposal.	6/15/2020	Unknown
35	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1094	Sanitation Districts	79,084± acres of uninhabited territory. The affected territory is located north of Antelope Valley Freeway west of Oak Springs Canyon Road and east of Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
36	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1095	Sanitation Districts	26,882± acres of uninhabited territory. The affected territory is located northwest of Sierra Highway, extending north of Dockweiler Drive, east of Oakleaf Canyon Drive, west of Antelope Freeway, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
37	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1099	Sanitation Districts	2,077± acres of uninhabited territory. The affected territory is located on the west side of Sand Canyon Road south of Comet Way, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
38	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1100	Sanitation Districts	1,823± acres of uninhabited territory. The affected territory is located on Soledad Canyon Road approximately 400 feet north of Sandy Drive, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
39	AD	Annexation 300 to District no. 15	Sanitation Districts	9,573± acres of uninhabited territory. The affected territory is located on Palm Hill Lane approximately 500 feet north of Deodar Lane, all within the City of Bradbury.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown
40	AD	Annexation 301 to District no. 15	Sanitation Districts	0.31 acres of uninhabited territory. The affected territory is located on Shrode Avenue approximately 550 feet east of California Avenue, all within the Unincorporated area of Los Angeles County.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown
41	AD	Annexation 437 to District no. 22	Sanitation Districts	0.31 acres of uninhabited territory. The affected territory is located on Covina Hills Road approximately 300 feet north of Rancho Creek Road, all within the City of Covina.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown

## Staff Report

March 10, 2021

### Agenda Item No. 7.a.

#### Proposed Draft Budget for Fiscal Year 2021-22

##### **Background**

Government Code Section 56381 requires the Commission to adopt a proposed budget for the upcoming fiscal year (July 1 to June 30) by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup> of each year. The Commission is further required to hold a noticed public hearing for both the proposed and final budget, and to distribute copies of the proposed and final budget to the County of Los Angeles, the eighty-eight (88) cities in Los Angeles County, and the fifty-one (51) independent special districts in Los Angeles County.

##### **Proposed Draft Budget**

The Final Budget for the current fiscal year, FY 2020-21, which was adopted by the Commission on June 10, 2020 is \$1,658,753. The Draft Budget for FY 2021-22 proposes that the Commission maintain the budget level at \$1,658,753. Although the draft budget anticipates increases in some of the expenditure categories and cost savings in others, there would be no net change to total appropriations.

##### **Proposed Assessments**

The Proposed Draft Budget for FY 2021-22 anticipates that the **assessments will not be increased over the FY 2020-21 Budget for the County of Los Angeles, the eighty-eight (88) cities, and the fifty-one (51) independent special districts. The assessments will be maintained at \$1,539,753, the same level as the last two fiscal years (FY 2019-20 and FY 2020-21).** (Note: The Auditor-Controller allocates the LAFCO assessments upon the eighty-seven (87) cities (separately of the City of Los Angeles) and the fifty-one (51) independent special districts based upon annual revenues reported in each agency's Annual Report submitted annually to the State Controller's Office. For this reason, an individual city or district's LAFCO assessment may be adjusted slightly).

*Further explanation on budget categories of interest is included below.*

##### **Expenditures**

**Employee Salaries (50001):** The proposed salaries amount accounts for contractually-required cost of living increases (anticipated at this time to be two-percent, or less) and a small contingency.

**Employer Paid Pension Contributions (50015):** As a LACERA participatory agency, LAFCO is subject to employer paid pension contribution rate increases. In accordance with LACERA's pension valuation reports, LACERA increased employer contribution rates by approximately by 1.5 %.

Worker's Compensation Insurance (50018): A slight increase was included to reflect current fiscal year rates and a CPI increase of 3%.

Insurance (Health, Disability, Life) (50019): This account includes health, disability and life insurance, and is subject to increases outside of the Commission's control. A 3% CPI increase is projected for the upcoming fiscal year.

Other Post-Employment Benefits (OPEB) – Existing Retirees (50022): The proposed budget for FY 2020-21 reflects actual OPEB invoices for the current fiscal year. Costs for OPEB are less than the current year budget due the passing of one (1) retiree.

LACERA OPEB Administrative Costs (50022.2): This budget line-item reflects the estimated administrative fee quoted by LACERA for managing existing retiree health benefits.

Rent (50025): LAFCO's current ten-year lease for office space (at 80 South Lake avenue in Pasadena) is scheduled to expire in December of 2021. The proposed budget reflects an estimated rent increase of approximately 20% and an increase to common area maintenance (CAM) fees of approximately 4%, should LAFCO extend its lease for an additional five years. The significant potential increase reflects where office lease rates are, today, versus where office lease rates were in 2011, at the time the existing lease was approved by the Commission. Pursuant to the direction of the Ad Hoc Lease Extension Committee, staff has initiated negotiations with the landlord. The projected amount in the budget is, therefore, subject to change.

Employee & Guest Parking Fees (50031): Parking charges for guest parking in the office parking structure were reduced to account for limited office visits, as staff anticipates that this trend will continue for the first few months of the upcoming fiscal year.

Property/Liability Insurance (50032): The Commission recently retained a new insurance carrier for property and liability insurance, resulting in significant cost savings of over 40% (approximately \$10,000).

Information Technology/Programming (50040): Expenses in this category are primarily for the routine maintenance of office computer equipment. In addition, a nominal amount is included for services required outside of the routine monthly maintenance.

Conferences/Travel (50057 & 50058): A placeholder (\$10,000) was included in two budget categories to allow for remote attendance at events/conferences by Commissioners/staff, and eventually for full participation. Staff reduced the amount from the prior year (\$13,000) to the proposed \$10,000. Given the current year restrictions, staff notes the inherent challenge associated with projecting travel expenses associated with the CALAFCO Annual Conference (Fall of 2021) and the CALAFCO Annual Staff Workshop (Spring of 2022).



Miscellaneous-Others (50065): This account includes charges from the County of Los Angeles for the use of the Board of Supervisors hearing room and County services such as assessor fees, monthly bank charges, and other miscellaneous charges.

Computer-Copier-Misc Equipment (50067): This account is used to replace computer equipment such as laptops, monitors, printers, and keyboards.

**Professional Services**: *Professional Services expenditures are expected to be similar to the 2020-21 fiscal year, with the exception of audit services.*

### **Expenditures (continued)**

Legal services (50076): LAFCO utilizes two attorneys from the County of Los Angeles County Counsel's Office for legal services. The proposed budget amount is consistent with the amount charged in the prior fiscal years.

Audit/Financial Statements (50077.2): The amount included is consistent with the amount quoted for new auditing services, as approved by the Commission at the January 13<sup>th</sup> Meeting.

Contract Services (50078): This account is used for miscellaneous services for various contracts.

Municipal Service Reviews (MSRs) (50081): Staff does not anticipate utilizing consultants for completion of MSRs in the upcoming fiscal year.

### **OPEB Liability**

OPEB Liability – Reserves (20020): The Commission has expressed interest to resume funding the Commission's OPEB liability. The proposed budget includes an allocation of a transfer of \$200,000 to the Commission's trust fund, the California Public Employees Retirement System (CalPERS)—California Employees Retiree Benefit Trust (CERBT). By the close of the 2020-21 fiscal year, approximately \$400,000 would be allocated for LAFCO's estimated \$575,000 OPEB Liability. The proposed contribution in FY 2020-21 would mean that LAFCO's pre-funded OPEB obligation is approximately 70% of the documented OPEB Liability, approaching the targeted pre-funded goal of 85%. Staff anticipates placing the matter on the Commission's Meeting Agenda within the next 2-3 months for a more comprehensive report.

### **Revenues**

Filing Fees (40005): Since filing fees are dependent on the actions of third parties, anticipating filing fee revenue is the most difficult projection in the annual budget. The figure included in the FY 2021-22 Proposed Draft Budget includes a modest amount, similar to the prior fiscal year.

Processing Fees (40006): This account is used for the reimbursement of noticing charges and the County Assessor's parcel fees.

Interest Income (40008): This account is used for interest income earned for funds held in the County of Los Angeles Treasury.

### **Local Agency Apportionment**

LAFCO's annual apportionment—that is, the assessments upon the County of Los Angeles, the City of Los Angeles, the other eighty-seven (87) cities, and the fifty-one (51) independent special districts within the County of Los Angeles, will be maintained at FY 2019-20 and FY 2020-21 levels.

Staff notes that these assessment projections are based on the reported budgets for cities and independent special districts; the actual assessments are calculated annually by the Los Angeles County Auditor-Controller, and may therefore be slightly different.

**Conclusion:** The Proposed Budget maintains the status quo, maintaining total appropriations and the local agency apportionment at prior year levels, while allowing the Commission to continue to fulfill its purpose and perform its core functions. **The approach to the proposed FY 2021-22 Budget is sensitive to the fiscal challenges facing the County of Los Angeles, cities in Los Angeles County, and the independent special districts of Los Angeles County.**

### **Staff Recommendation:**

1. Open the budget hearing, receive public comments, and close the budget hearing;
2. Approve the attached Proposed Draft Budget for Fiscal Year 2021-22;
3. Pursuant to Government Code Section 56381, direct staff to forward the Proposed Budget for Fiscal Year 2021-22 to the County of Los Angeles, as well as the 88 cities and 51 independent special districts in Los Angeles County, for their comment; and
4. Set April 10, 2021, for hearing on adoption of the Recommended Final Budget for Fiscal Year 2021-22.

Enclosure: Proposed Draft Budget for Fiscal Year 2021-22 Spreadsheet



## 7.a. PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2021-22

ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET 2020-21	PROJECTED YEAR END (PYE) 2020-21	PROPOSED DRAFT BUDGET 2021-22	\$ Variance From FY 2020-21 Adopted	PYE % Variance From FY 2020-21 Adopted
		A	B	C	D	E
<b>EXPENSES</b>						
<b>50000</b>	<b>Salaries and Employee Benefits</b>					
50001	Employee Salaries	\$ 691,477	\$ 660,000	\$ 685,000	\$ (6,477)	-0.9%
50015	Employer Paid Pension Contribution	131,832	130,000	142,100	10,268	7.8%
50016	Accrued vacation and sick cashout	10,000	19,271	13,000	3,000	30.0%
50017	Commissioner Stipends	20,000	18,550	20,000	-	0.0%
50018	Worker's Compensation Insurance	9,500	10,114	10,500	1,000	10.5%
50019	Insurance (Health, Disability, Life)	138,000	137,040	142,132	4,132	3.0%
50020	Payroll Taxes	13,000	13,000	13,000	-	0.0%
50022	OPEB - Existing Retirees	23,000	25,686	20,000	(3,000)	-13.0%
50022.2	LACERA OPEB Administration Costs	\$ 20,000	\$ -	\$ 20,000	\$ -	0.0%
<b>Total Salaries &amp; Employee Benefits</b>		<b>\$ 1,056,809</b>	<b>\$ 1,013,661</b>	<b>\$ 1,065,732</b>	<b>\$ 8,923</b>	<b>0.8%</b>
<b>50000A</b>	<b>Office Expense</b>					
50025	Rent	\$ 112,300	\$ 113,028	\$ 132,571	20,271	18.1%
50026	Communications	10,000	11,424	11,000	1,000	10.0%
50027	Supplies	7,400	6,000	7,400	-	0.0%
50029	Computer Software	6,200	4,400	6,200	-	0.0%
50030	Equipment lease	6,500	6,700	6,500	-	0.0%
50031	Employee & Guest Parking Fees	9,200	7,560	8,000	(1,200)	-13.0%
50032	Property/Liability Insurance	24,000	13,300	14,000	(10,000)	-41.7%
50033	Agency Membership Dues	13,844	12,003	14,000	156	1.1%
50040	Information Technology/Programming	7,000	8,000	8,000	1,000	14.3%
50052	Legal Notices	4,000	900	4,000	-	0.0%
50054	Postage	4,000	6,000	4,000	-	0.0%
50056	Printing/Copy Charges	4,400	1,800	4,400	-	0.0%
50057	Conferences/Travel - Commissioners	13,000	500	10,000	(3,000)	-23.1%
50058	Conference/Travel - Staff	13,000	500	10,000	(3,000)	-23.1%
50060	Auto Reimbursement	7,000	7,000	7,000	-	0.0%
50061	Various Vendors	11,000	9,470	11,000	-	0.0%
50065	Miscellaneous - Other	8,000	4,000	7,500	(500)	-6.3%
50067	Computer-Copier-Misc Equipment	2,000	1,500	2,000	-	0.0%
<b>Total Office Expenses</b>		<b>\$ 262,844</b>	<b>\$ 214,085</b>	<b>\$ 267,571</b>	<b>4,727</b>	<b>1.8%</b>
<b>50000C</b>	<b>Professional Services</b>					
50076	Legal services	80,000	68,172	80,000	-	0.0%
50077	Accounting & Bookkeeping	20,000	13,806	20,000	-	0.0%
50077.2	Audit/Financial Statements	8,500	8,500	7,850	(650)	-7.6%
50077.1	Payroll Service	5,600	4,000	5,600	-	0.0%
50078	Contract Services	12,000	2,500	12,000	-	0.0%
50081	Municipal Service Reviews	113,000	62,015	-	(113,000)	-100.0%
<b>Total Professional Services</b>		<b>\$ 239,100</b>	<b>\$ 158,993</b>	<b>\$ 125,450</b>	<b>(113,650)</b>	<b>-47.5%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,558,753</b>	<b>\$ 1,386,739</b>	<b>\$ 1,458,753</b>	<b>\$ (100,000)</b>	<b>-6.42%</b>
20020	<b>OPEB Liability - Reserves</b>	\$ 100,000	\$ 100,000	\$ 200,000	100,000	100%
<b>Total Contingencies and Reserves Set Aside</b>		<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 200,000</b>	<b>100,000</b>	<b>100%</b>
<b>Total Appropriations</b>		<b>\$ 1,658,753</b>	<b>\$ 1,486,739</b>	<b>\$ 1,658,753</b>	<b>\$ 0</b>	<b>0.0%</b>

### 7.a. PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2021-22

ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET 2020-21	PROJECTED YEAR END (PYE) 2020-21	PROPOSED DRAFT BUDGET 2021-22	\$ Variance From FY 2020-21 Adopted	PYE % Variance From FY 2020-21 Adopted
		A	B	C	D	E
<b>40000</b>	<b>REVENUES</b>					
40005	Filing Fees	\$ 100,000	\$ 73,950	\$ 100,000	-	0.0%
40006	Processing Fees	4,000	-	4,000	-	0.0%
40007	Interest Income	15,000	9,166	15,000	-	0.0%
40008	Other Income	500	1,669	500	-	0.0%
	<b>Total Revenues</b>	<b>\$ 119,500</b>	<b>\$ 84,785</b>	<b>\$ 119,500</b>	<b>0</b>	<b>0.0%</b>
	<b>NET OPERATING COSTS</b>	<b>\$ 1,539,253</b>	<b>\$ 1,401,954</b>	<b>\$ 1,539,253</b>	<b>0</b>	<b>0.0%</b>
	<b>Local Agency Apportionment</b>					
						<b>FY 2021-22 Final Budget Estimates*</b>
40001	City of Los Angeles	236,812	236,812	236,812	100%	100%
40002	County of Los Angeles	592,021	592,021	592,021	100%	100%
40003	Other Cities (87)	355,210	355,210	355,210	100%	100%
40004	Special Districts	355,210	355,210	355,210	100%	100%
	<b>Total Local Agency Apportionment</b>	<b>\$ 1,539,253</b>	<b>\$ 1,539,253</b>	<b>\$ 1,539,253</b>	<b>100%</b>	<b>100%</b>

\*Estimates based on FY 2020-21 Billing. Invoices for FY 2021-22 are generated by the County Auditor Controller's Office.

## **Staff Report**

**March 10, 2021**

**Agenda Item No. 7.b.**

**MSR No. 2020-08**

### **Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier**

#### **EXECUTIVE SUMMARY:**

The Commission retained a consultant (RSG) to prepare a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Cities La Mirada and Whittier. This agenda package includes this Staff Report, draft MSR and SOI determinations, resolution of approval, copies of correspondence, maps, and related documents.

Staff recommends approval of the MSR, determinations, and SOI Update, which meet the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act). Staff has provided the notice of public hearing as required by the Act. The recommended actions are not a project and/or exempt under the California Environmental Quality Act (CEQA).

Consultant and staff jointly conducted a public outreach effort to various stakeholders, including representatives of both cities, other public agencies, business groups, community associations, homeowner associations, and members of the public. Staff emailed all stakeholders with a link to the draft MSR on February 4, 2021. All comments provided to LAFCO are attached to this staff report.

The consultant recommended changes to the Joint SOI (a specific geographic area within the SOIs of both cities) so as to reduce the SOI for the City of Whittier to exclude the Joint area. The consultant did not recommend any changes for the City of La Mirada SOI.

The consultant recommendation for changes to the City of Whittier SOI is anticipated to be non-controversial, given that LAFCO staff is supportive, and public input is supportive, neutral, and/or non-existent.

All SOI recommendations are consistent with the Commission's existing SOI Policy (adopted by the Commission on November 13, 2019).

Staff is recommending approval of the MSR No. 2020-08 Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier, consistent with the draft resolution making determinations attached to this staff report.

**MUNICIPAL SERVICES REVIEW BACKGROUND:**

On June 12, 2019, the Commission awarded a contract to RSG (consultant) to prepare a Draft MSR and SOI Update of the Cities of La Mirada and Whittier.

The consultant has analyzed the Cities of La Mirada and Whittier consistent with all requirements of Government Code Section 56430, and drafted the corresponding determinations in the Draft MSR and SOI Update (attached). Their methodology includes data collection and interviews with the representatives of the cities.

In the course of its work, the consultant considered and analyzed information and documents from LAFCO; representatives of the two cities; the Los Angeles County Departments of the Auditor-Controller, Assessor, and Environmental Health; the State of California Departments of Public Health, Regional Water Quality Control Board, Water Resources Control Board, and Department of Water Resources; and the United States Bureau of Reclamation and the Census Bureau. The consultant performed data collection; reviewed audits and budgets; communicated with representatives of the two cities; prepared a public review draft document; considered public input from stakeholders; and prepared a revised draft for today's meeting. The consultant will present its findings and recommendations to the Commission during today's meeting.

**MUNICIPAL SERVICE REVIEW DETERMINATIONS:**

Since 2000, LAFCOs have been required to prepare MSRs pursuant to Government Code Section 56430. In order to prepare and to update a Sphere of Influence which meets the requirements of Section 56425, "the Commission shall conduct a review of the municipal services in that particular county or other appropriate area designated by the commission . . . and shall prepare a written statement of its determinations." LAFCO's consultant has provided a draft of these determinations, which staff also recommends for approval by the Commission (see "Draft Municipal Service Review Determinations, attached).

**SPHERE OF INFLUENCE BACKGROUND:**

Since 1971, LAFCOs have been required to develop and adopt a SOI for each city and special district. Government Code Section 56076 defines a SOI as "a plan for the probable physical boundaries and services area of a local agency, as determined by the Commission." Determining SOIs is central to the Commission's purpose. As Stated in Government Code Section 56425:

"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the Sphere of Influence of each city and special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."



Section 56425(g) further requires that the Commission review and update SOI's "every five years, as necessary."

#### **SPHERE OF INFLUENCE DETERMINATIONS**

Pursuant to Government Code Section 56425(e), and in order to prepare and to update a Sphere of Influence, "the Commission shall consider and prepare a written statement of its determinations." LAFCO's consultant has provided a draft of these determinations, which staff also recommends for approval by the Commission (see "Draft Sphere of Influence Determinations," attached).

#### **PUBLIC HEARING REQUIREMENT FOR SOI UPDATE:**

The Executive Officer, pursuant to Government Code Section 56427, set March 10, 2021, as the hearing date on this SOI update, and gave the required notice of public hearing pursuant to Government Code Section 56427. Notice of the public hearing for the proposed Sphere of Influence update was given pursuant to Government Code Sections 56150-56160. The public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 11, 2021.

#### **PUBLIC OUTREACH:**

Staff posted the Draft MSR and SOI Update LAFCO's website on Thursday, February 4, 2021. Staff also emailed approximately 20 stakeholders (representatives of cities, business associations, homeowners associations, and residents who expressed an interest in previous LAFCO actions in this region) about the availability of the Draft MSR and SOI Update as well as the upcoming public hearing at the March 10, 2021 Commission Meeting. All such outreach is separate and apart from any required legal notice.

#### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

MSRs and SOI Updates are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded. The preparation and adoption of an MSR and SOI Update is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15262 as a feasibility and planning study for possible future action.

In addition, the MSR and SOI Update for the Cities of La Mirada and Whittier is exempt from the provisions of CEQA under the common sense exemption in Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the recommended studies of the Cities of La Mirada and Whittier will have a significant effect on the environment. In the alternative, the MSR and SOI Update is not a project for the purposes of CEQA because it is an organizational activity of government with no direct or indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

The Joint SOI is proposed to be removed by excluding the area from the City of Whittier SOI and retaining within the City of La Mirada SOI, and they are subject to the common sense

exemption 15061(b)(3) of the Guidelines. No development is proposed, and there is no change in land use resulting from the proposed reduction in Sphere of Influence. The common sense exemption applies because the reduction and retention SOIs results in no changes in regulation, no changes in land use, and no development will result from the adoption of the SOIs.

**COMMENTS FROM PUBLIC AGENCIES, LANDOWNERS, AND REGISTERED VOTERS:**

Staff received comments from:

- E-mail of February 16, 2021 from Kyle Cason, PE, (Director of Public Works for the City of Whittier) offering technical revisions and clarifications to the Draft MSR.

**PROPOSED SOI CHANGES**

Within the Draft MSR, the consultant makes recommendations concerning the SOI for the Cities of La Mirada and Whittier. LAFCO staff supports the consultant's recommendations.

**Consultant's proposed SOI changes:**

- **Joint SOI** Study XV Area 2(C) is the Joint SOI with the Cities of La Mirada and Whittier, and the subject of this MSR. Area 2(C) was established in 1976 and is generally bound by an extension of Valley Home Avenue on the east (also the County of Orange boundary), Imperial Highway on the south, Santa Gertrudes Avenue on the west, and Lambert Road on the north. This area is commonly referred to as East La Mirada but is also referenced on some maps as East Whittier. The consultant recommends that the Joint SOI be removed by excluding the area from the City of Whittier SOI and retaining within the City of La Mirada SOI, due to the fiscal health indicators, taken in context of the size and nature of the unincorporated SOIs in both cities, clearly demonstrate that La Mirada is in a better position to absorb additional residents and property within the joint SOI.

**CONCLUSIONS:**

Staff believes that the consultant has provided an accurate, comprehensive, and well-documented review of the municipal services provided by the cities of La Mirada and Whittier, consistent with all MSR requirements in Government Code Section 56430. The Draft MSR also provides the draft determinations necessary for the Commission to adopt the MSR and SOI Update (attached).

As noted herein, staff concurs with the consultant's SOI recommendations of removal of the Joint SOI by excluding the area from the City of Whittier SOI and retaining within the City of La Mirada SOI.

**RECOMMENDED ACTION:**

In consideration of the information gathered and evaluated for the service review of the Cities of La Mirada and Whittier, staff recommends that the Commission:

1. Open the public hearing and receive testimony on the MSR and SOI update for the Cities of La Mirada and Whittier;
2. There being no further testimony, close the public hearing;
3. Adopt and approve the MSR (Cities of La Mirada and Whittier Municipal Service Reviews and Sphere of Influence Updates Draft Final dated March 2, 2021), as enclosed;
4. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving MSR 2020-08—Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier, which amends the existing Sphere of Influence of the City of Whittier;
5. Adopt the Proposed SOI Map for the City of Whittier (attached);
6. Reconfirm the existing SOI for the City of La Mirada, and adopt the Proposed SOI Map for the City of La Mirada, which shows that reconfirmation (attached);
7. Direct the Executive Officer to add the words “Amended March 10, 2021” to the official LAFCO SOI maps for the City of La Mirada and the City of Whittier.

**ATTACHMENTS:**

- Municipal Service Review Determinations
- Sphere of Influence Update Determinations
- Resolution Making Determinations
- Draft Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier dated March 2, 2021.
- Current/Proposed SOI Maps
- Correspondence received from public agencies, landowners, or registered voters.



**MSR NO. 2020-08**  
**PROPOSED MUNICIPAL SERVICE REVIEW DETERMINATIONS:**

**POPULATION, GROWTH, AND HOUSING:**

As described in this MSR, both cities are anticipated to see additional growth in population and housing in the coming decades, likely in greater numbers than what has been experienced in the past decade. See Figure 2 on page 6 for these historic and projected population growth rates. Based on SCAG projections, population growth rates may be three or four times greater than recent trends. While both SOIs are generally developed, redevelopment opportunities do exist, including the potential redevelopment of the former correctional facility in Whittier where several hundred housing units have been proposed (though not yet entitled).

State housing is shaping how communities grow more than ever. In the current 5th Housing Element Cycle, both La Mirada and Whittier have fallen well short of production goals, and developers may take advantage of streamlining projects under SB 35 provided they include at least affordable units in 10 percent of the proposed project.

The next 6th Round RHNA cycle may likely cause even further pressures on the local housing market with more ambitious housing production targets for both cities. Currently, La Mirada has an annual production goal of approximately 29 units annually, while Whittier's production goals are approximately 75 units annually. Under SCAG's draft proposed housing production allocations for these two cities, La Mirada's annual production may increase from 29 units to 245 units each year, while Whittier's could see an increase production goal increase from 75 units to 429 units annually.

While SCAG, HCD, and all cities wrestle over the proposed 6th Round allocations, it is clear that SB 35 project streamlining may be a continued reality for both cities and provided sites can be assembled additional population growth is very likely.

**DISADVANTAGED UNINCORPORATED COMMUNITIES IN SOI:**

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community ("DUC") is defined as an area of inhabited territory located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. State law considers an area with 12 or more registered voters to be an inhabited area. LAFCO designated the DUCs in the County using 2014-2018 ACS Census data, meaning any unincorporated area wherein the median household income is less than \$56,982.

As discussed earlier and shown on Appendix 4, a portion of the unincorporated Whittier SOI is a designated DUC. With the upcoming Census, LAFCO's designations may change the location and number of DUCs in these and other unincorporated areas of the County.

**PRESENT AND PLANNED CAPACITY OF FACILITIES:**

The 2005 MSR identified concerns related to the capacity of existing sewer capacity to handle rainfall overflows in both cities, while an additional concern regarding solid waste diversion

rates in Whittier. In Whittier, the City's 5-year Capital Improvement Summary includes estimated annual expenses ranging from \$3.4 to 3.7 million annually for the Sewer Repair Program, adding up to more than \$17.7 million over the next 5 years.

In our interviews with staff, capacity of existing and planned facilities was not voiced as a concern. However, accommodating SCAG's proposed housing production will indeed be a significant challenge for both La Mirada and Whittier given the lack of available land today. La Mirada's recent RHNA Appeal letter stated that "the majority of the City's neighborhoods would require major water and sewer upgrades to accommodate the new infill development that would total approximately 2,000 new units... The existing infrastructure is unable to support the water and wastewater requirements of the existing and previous RHNA".

#### **FINANCIAL ABILITY TO PROVIDE SERVICES:**

Both La Mirada and Whittier are regarded as relatively fiscally healthy cities but face difference challenges in coping with the COVID-19 Pandemic. Both cities have historically relied heavily on sales taxes to fund General Fund and (in the case of La Mirada) infrastructure investments. Now that Measure I has sunset, future funding for infrastructure will need to rely on other sources such as federal or state dollars. Both cities also have to face additional potential revenue reductions, use of cash reserves, and possibly service reductions if the Pandemic continues to force businesses to close as has been occurring during this difficult period. However, these issues are not unique to the two cities, and there remains hope for additional Federal stimulus funds to help small businesses and local government cope with the economic challenges they face.

#### **OPPORTUNITIES FOR SHARED FACILITIES:**

Despite their close proximity, the cities have not embarked on any shared services between them or other jurisdictions, with the exception of the public safety services Whittier Police Department provides to the City of Santa Fe Springs. La Mirada generally relies heavily on contracts with the County for law enforcement, building and safety, public works and other services, so opportunities for shared services may be generally limited and of less value given the economies of scale the County brings.

RSG did not find specific areas where shared services should be explored but encourages LAFCO and the cities to be open to this in the face of the current fiscal challenges the cities face with the COVID-19 Pandemic.

#### **ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS:**

Both cities employ best practices for outreach to the community, having recently shifted to district elections in recent years. Both La Mirada and Whittier exercise transparency by employing active social media and website updates to inform the general public of city events and activities and have embraced the use of online meetings during the COVID-19 Pandemic. Both of the cities use their official websites and social media to communicate with the public and share relevant information and news about their activities.

## **LA MIRADA**

The La Mirada website includes posted agenda material, meeting dates, links to departments including planning projects, Measure I transparency, and audit/budget information. Users may interact with City Hall by providing messages through the website, as well as access public services and provide service questions through the City's "My La Mirada" mobile application. The website also offers users the option to register for email alerts on a variety of topics of interest.

Within the Community Development Department, project applicants may open and track permit applications electronically, while residents have access to information on major projects. Two such major projects were listed on the La Mirada website, but it is not clear how frequently this information is updated or maintained.

The City website also contains extensive information on the functions of the City, including backgrounds on City Council members, rosters of city commissions, and general information on the proceedings of local government to aid the public in understanding how their city functions. According to the City website, the city uses Twitter and Facebook as its official social media communication channels.

## **WHITTIER**

Similar to La Mirada, Whittier's website includes extensive information and links of primary interest to residents, businesses, and the general public. Visitors may receive notification of agenda postings, view agenda materials, obtain budget and audit documents, and learn about department and services offered by the City. Whittier also provides a smartphone app (Whittier 24/7) that allows users to access services and communicate with City Hall directly.

Applications for many city permits are available on the City's website, although it does not appear Whittier has yet accommodated digital submittals thorough the website or another portal. As for resident transparency on development projects, the City's website does not appear to offer project-specific pages for major projects, but does contain information on specific plans within the city as well the access to the municipal code and General Plan.

Whittier's website provides information about the current elected officials and appointees to City boards and commissions, access to the City's television municipal access channel (where council meetings are broadcast), as well as extensive information as to how to access various public services.

Whittier is active on three social media networks: Twitter, Instagram, and Facebook.

**MSR NO. 2020-08**  
**PROPOSED SPHERE OF INFLUENCE DETERMINATIONS 56425(e):**

- (1) The present and planned land uses in the area, including agricultural and open-space lands.**

The respective La Mirada and Whittier SOIs contain a mix of single and multifamily residential, commercial, industrial, public and institutional uses. Both jurisdictions contain passive and active recreational and open space areas, and a very limited amount of agricultural land. Future development would be governed by each city's General Plan and Zoning ordinance, including unincorporated areas once annexed.

- (2) The present and probable need for public facilities and services in the area.**

With respect to both La Mirada Whittier, and as developed communities which includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses, the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.

- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The current public facilities and infrastructure existing within the communities is generally sufficient to meet future planned growth in both jurisdictions, with the exception of water and wastewater infrastructure in La Mirada, who has reported that additional upgrades and expansion are necessary to meet the potential demand from new housing units proposed in the preliminary SCAG 6th Round RHNA cycle. The City of La Mirada filed an appeal to SCAG's housing allocation to the city.

- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

There are no significant social or economic communities of interest in La Mirada and Whittier.

- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

One disadvantaged unincorporated community presently exists within the subject SOIs. Within the Whittier SOI, a portion of territory immediately west of Gunn Avenue, between Mulberry Drive and the Union Pacific Right of Way, is designated by LAFCO as a DUC, because it is an inhabited area with a median income of less than 80 percent of the County median income. Future Census data may alter the size and location of DUCs within the County, including within the subject SOIs.

Because the territory within this SOI includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses; the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.

RESOLUTION NO. 2021-00RMD  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS ADOPTING  
THE “MSR NO. 2020-08  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE  
FOR THE CITIES OF LA MIRADA AND WHITTIER”

WHEREAS, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), provides that a Local Agency Formation (LAFCO) shall develop and determine a Sphere of Influence (SOI) for each special district (Government Code Section 56425(a)) and that every five years thereafter, the Commission shall, as necessary, review and update each SOI (Government Code Section 56425(g)); and

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, Section 56430 requires that, in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review (MSR) prior to, or in conjunction with, action to update or adopt an SOI; and

WHEREAS, the Commission has undertaken the MSR and SOI Update for the Cities of La Mirada and Whittier; and

WHEREAS, this proposed MSR and SOI Update consists of inhabited territory and is assigned the following short-form designation: “MSR No 2020-08—Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier;” and

WHEREAS, the Executive Officer has submitted to the Commission “Cities of La Mirada and Whittier Municipal Service Review and Sphere of Influence Updates Draft Final” including recommendations relative to any potential changes to the existing SOI for the Cities of La Mirada and Whittier; and

WHEREAS, the MSR and SOI Update reflects input provided by representatives of the Cities of La Mirada, Whittier and other stakeholders; and

WHEREAS, the MSR and SOI Updates for the Cities of La Mirada and Whittier contains the determinations required by Section 56430 for the municipal services provided by the cities; and

WHEREAS, the MSR and SOI Updates for the Cities of La Mirada and Whittier contain the determinations required by Section 56425 for the proposed SOIs; and

WHEREAS, maps of the final SOIs of the Cities of La Mirada and Whittier; which reflect the Commission’s determinations on March 10, 2021; are attached hereto and incorporated by reference herein; and

WHEREAS, the Executive Officer set March 10, 2021, as the hearing date for this MSR and SOI update, and gave notice of public hearing pursuant to Government Code Section 56427, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 11, 2021; and

WHEREAS, on March 10, 2021, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral and written testimony, objections, and evidence which were made, presented or filed,



and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, for the Cities of La Mirada and Whittier, and pursuant to Section 56425(d)(5), the Commission has considered the impacts of the proposed MSR and SOI Update relative to Disadvantaged Unincorporated Communities (DUCs); and

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that any such reorganizations will not further the goals of orderly development and affordable service delivery, and therefore did not recommend reorganization of the Cities La Mirada and Whittier; and

WHEREAS, the March 10, 2021 action consists of the adoption of the Cities of La Mirada and Whittier Municipal Service Review and Sphere of Influence Updates Draft Final; and

WHEREAS, the Commission has carefully considered the Cities of La Mirada and Whittier Municipal Service Review and Sphere of Influence Updates; the Executive Officer's written report, including all draft determinations required by Government Code Sections 56425 and 56430; the written testimony submitted in advance of the public hearing; the written testimony submitted during the public hearing; and the oral testimony presented at the public hearing on March 10, 2021; and



WHEREAS, the Commission approved the Cities of La Mirada and Whittier Municipal Service Review and Sphere of Influence Updates at the public hearing on March 10, 2021; and

WHEREAS, the Commission approved the following actions and amendments regarding the Spheres of Influence of the Cities of La Mirada and Whittier: remove the Joint SOI by excluding the area from the City of Whittier SOI and retaining within the City of La Mirada; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. At the public hearing on March 10, 2021, the Commission found that MSR No. 2020-08 Municipal Service Review and Sphere of Influence Updates for the Cities of La Mirada and Whittier are exempt from the provisions of the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the update of the Spheres of Influence of the Cities of La Mirada and Whittier will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). The Commission found that the preparation and adoption of a Municipal Service Review and Sphere of Influence Update is also statutorily exempt from the provisions of the CEQA pursuant to State CEQA Guidelines Section 15262 as a feasibility and planning study for possible future action. In the alternative, the Commission found that these actions are not a project for the purposes of CEQA because they are an organizational activity of government with no direct or indirect effects on the

physical environment and therefore is excluded from the definition of a project, pursuant to § 15378(b) of the State CEQA Guidelines.

2. The Commission adopted the Cities of La Mirada and Whittier Municipal Service Review, as prepared by RSG, and determined the final Sphere of Influence Updates.
3. The Commission determined that the Sphere of Influence for the City of Whittier is amended to exclude the Joint SOI area.
4. The Commission reconfirmed the La Mirada SOI, which is a Larger than SOI.
5. The Commission made the following determinations in accordance with Government Code Section 56425(e):

**(1) The present and planned land uses in the area, including agricultural and open-space lands.**

The respective La Mirada and Whittier SOIs contain a mix of single and multifamily residential, commercial, industrial, public and institutional uses. Both jurisdictions contain passive and active recreational and open space areas, and a very limited amount of agricultural land. Future development would be governed by each city's General Plan and Zoning ordinance, including unincorporated areas once annexed.

**(2) The present and probable need for public facilities and services in the area.**

With respect to both La Mirada Whittier, and as developed communities which includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses, the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.

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

The current public facilities and infrastructure existing within the communities is generally sufficient to meet future planned growth in both jurisdictions, with the exception of water and wastewater infrastructure in La Mirada, who has reported that additional upgrades and expansion are

necessary to meet the potential demand from new housing units proposed in the preliminary SCAG 6th Round RHNA cycle. The City of La Mirada filed an appeal to SCAG's housing allocation to the city.

**(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

There are no significant social or economic communities of interest in La Mirada and Whittier.

**(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

One disadvantaged unincorporated community presently exists within the subject SOIs. Within the Whittier SOI, a portion of territory immediately west of Gunn Avenue, between Mulberry Drive and the Union Pacific Right of Way, is designated by LAFCO as a DUC, because it is an inhabited area with a median income of less than 80 percent of the County median income. Future Census data may alter the size and location of DUCs within the County, including within the subject SOIs.

Because the territory within this SOI includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses; the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.

6. The affected territory is inhabited and is assigned the following short form designation: "MSR No. 2020-08—Municipal Service Review and Sphere of Influence Updates for the Cities of La Mirada and Whittier."
7. Maps of the final SOIs of the Cities of La Mirada and Whittier; which reflect the Commissions' determinations on March 10, 2021; are attached hereto and incorporated by reference herein.
8. The Executive Officer's staff report of March 10, 2021, and recommendations for

adoption of the MSR and adoption of SOI Updates for the Cities of La Mirada and Whittier, are incorporated by reference herein.

9. The Executive Officer is hereby directed to add the words “Amended March 10, 2021” to the official LAFCO SOI maps for the City of Whittier.
10. The Executive Officer is hereby directed to add the words “Reconfirmed March 10, 2021” to the official LAFCO SOI map for the City of La Mirada.
11. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in § 56882 of the Government Code.
12. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

CONFIRMED AND ADOPTED this 10th day of March, 2021.

MOTION:

SECOND:

APPROVED: 0-0-0

AYES:

NOES:

ABSTAIN:

ABSENT:

LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES

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Paul A. Novak, AICP  
Executive Officer

Local Agency Formation Commission for the County  
of Los Angeles  
80 S Lake Ave #870

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# **Municipal Service Review and Sphere of Influence Update**

**City of La Mirada  
City of Whittier**

**Public Hearing Draft – March 2, 2021**

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## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
Legal Requirements and Purpose .....	1
Summary of MSR Findings .....	2
COVID-19 Pandemic and Potential Consequences .....	2
<b>INTRODUCTION .....</b>	<b>4</b>
LAFCO Responsibilities .....	7
Sphere of Influence .....	7
Disadvantaged Unincorporated Communities .....	8
Sphere of Influence Updates and LAFCO Policy .....	8
Municipal Service Review (MSR) Requirements .....	9
Previous MSR Findings .....	10
Purpose of this MSR and Scope of Work .....	11
Methodolgy .....	11
<b>SERVICE REVIEW – CITY OF LA MIRADA .....</b>	<b>16</b>
History and Incorporation .....	17
Form of Government and Staffing .....	17
Current Sphere of Influence .....	19
Extraterritorial Services .....	22
Services Provided .....	22
Fiscal Health .....	29
Annual Audit Findings .....	29
Operating Revenues .....	30
Operating Expenditures .....	35
Performance Standards .....	36
Reserve Fund Balance .....	36
Pension and OPEB Obligations .....	37
COVID-19 Pandemic Response .....	39
California State Auditor Fiscal Health Evaluation .....	40
Housing Needs and Housing Element Reporting .....	40
<b>SERVICE REVIEW – CITY OF WHITTIER .....</b>	<b>42</b>
History and Incorporation .....	43
Form of Government and Staffing .....	43



Current Sphere of Influence .....	45
Extraterritorial Services Provided.....	48
Services Provided .....	48
Fiscal Health .....	55
Annual Audit Findings .....	55
Operating Revenues .....	56
Operating Expenditures .....	61
Performance Standards .....	62
Reserve Fund Balance .....	62
Pension and OPEB Obligations .....	62
COVID-19 Pandemic Response .....	64
California State Auditor Fiscal Health Evaluation .....	66
Housing Needs and Housing Element Reporting .....	66
<b>SPHERE OF INFLUENCE .....</b>	<b>68</b>
Methodology .....	68
Determination.....	69
City Interest.....	69
Public Facilities in Proximity.....	70
Proximity of Local Shopping .....	70
School Attendance .....	71
City Fiscal Condition .....	71
Conclusion .....	73
<b>MSR DETERMINATIONS .....</b>	<b>74</b>
Population, Growth, and Housing .....	74
Disadvantaged Unincorporated Communities in SOI .....	76
Present and Planned Capacity of Facilities .....	77
Financial Ability to Provide Services .....	78
Opportunities for Shared Facilities .....	78
Accountability for Community Service Needs .....	78
La Mirada .....	79
Whittier.....	80
SOI Determinations and Recommendations.....	82
<b>APPENDICES .....</b>	<b>84</b>
Appendix 1: Current La Mirada and Whittier Spheres of Influence.....	85

Appendix 2: City of La Mirada Organizational Chart.....	86
Appendix 3: City of Whittier Organizational Chart.....	87
Appendix 4: Whittier SOI and Disadvantaged Unincorp. Communities .....	88
Appendix 5: Park and Recreational Facilities near Joint SOI .....	89
Appendix 6: School Attendance Boundaries in Joint SOI Area .....	90
Appendix 7: Recommended Sphere of Influences.....	91

## TABLE OF FIGURES

Figure 1: Locator Map .....	4
Figure 2: Demographic Comparison - La Mirada and Whittier .....	6
Figure 3: Land Use Summary - La Mirada .....	17
Figure 4: Demographic Summary of La Mirada SOI .....	21
Figure 5: La Mirada Service Provider Matrix .....	23
Figure 6: City of La Mirada Operating Revenue History.....	30
Figure 7: La Mirada General Tax Revenues as Compared to All California Cities .....	32
Figure 8: City of La Mirada Operating Expenditure History .....	35
Figure 9: La Mirada Department Expenditures and Personnel .....	36
Figure 11: La Mirada Pension and OPEB Liabilities .....	37
Figure 12: La Mirada Pension Ratios .....	38
Figure 13: La Mirada OPEB Ratios .....	38
Figure 14: La Mirada 5th Housing Element Cycle Production.....	41
Figure 15: Land Use Summary - Whittier .....	43
Figure 16: Demographic Summary of Whittier SOI .....	47
Figure 17: Whittier Service Provider Matrix.....	49
Figure 18: Whittier Operating Revenue History.....	56
Figure 19: Whittier Revenues as Compared to Average California City .....	58
Figure 20: City of Whittier Operating Expenditure History .....	61
Figure 21: Whittier Department Expenditures .....	62
Figure 23: Whittier Pension and OPEB Liabilities .....	63
Figure 24: Whittier Pension Ratios .....	64
Figure 25: Whittier 5th Housing Element Cycle Production .....	67
Figure 24: Current and Potential Annual RHNA Housing Goals - La Mirada .....	75
Figure 25: Current and Potential Annual RHNA Housing Goals - Whittier.....	76

Figure 26: Screenshot of City of La Mirada Website Home Page..... 80

Figure 27: Screenshot of City of Whitter Website Home Page ..... 81

## LIST OF ABBREVIATIONS USED

ACS	American Community Survey
CAFR	Consolidated Audited Financial Report
CalPERS	California Public Employees' Retirement System
CDBG	Community Development Block Grant(s)
CFPD	Consolidated Fire Protection District
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
COVID-19	Coronavirus Disease
DOF	California Department of Finance
DUC	Disadvantaged Unincorporated Community
GIS	Geographic Information System
HCD	California Department of Housing and Community Development
LAFCO	Local Agency Formation Commission
LMHIF	Low and Moderate Income Housing Fund
MSR	Municipal Service Review
MVLF	Motor Vehicle License Fees
OPEB	Other Post-Retirement Benefits
RHNA	Regional Housing Needs Allocation
RPTTF	Redevelopment Property Tax Trust Fund
SCAG	Southern California Association of Governments
SOI	Sphere of Influence
TRA	Tax Rate Area

## EXECUTIVE SUMMARY

The Local Agency Formation Commission (“LAFCO”) for the County of Los Angeles is preparing this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) review for the cities of La Mirada and Whittier. LAFCO acts as the county-wide oversight agency that coordinates logical and timely changes to local government boundaries.

The last time La Mirada and Whittier were reviewed by LAFCO was part of a larger MSR (LAFCO’s Gateway Municipal Services Review, prepared by Burr Consulting dated November 30, 2005 and adopted by LAFCO on December 14, 2005, herein referred to as the “2005 MSR”). Since that time, the cities have experienced several changes but neither has annexed or modified their SOI. This MSR reviews both cities’ corresponding services within the requirements of State law and LAFCO policies, including their corresponding SOIs. A primary objective for this MSR is to provide LAFCO a recommendation on an existing joint SOI over the East La Mirada/East Whittier<sup>1</sup> unincorporated area, which both La Mirada and Whittier have for some time retained in their respective spheres jointly.

## LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., (“CKH”) requires that LAFCOs prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission may go about undertaking these reviews. These reviews are instrumental in making

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<sup>1</sup> The 2005 Gateway MSR referred to this area as “East La Mirada” although it is commonly referred to as “East Whittier” as well

determinations on jurisdictional and SOI boundaries, informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

## SUMMARY OF MSR FINDINGS

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- Both La Mirada and Whittier face increasing pressures on housing supply and potentially increased demands for new housing and population growth under the growth forecast in the 6<sup>th</sup> Round Housing element cycle.
- Meeting these growth forecasts will be challenging not only from a processing standpoint but also from an infrastructure perspective. For example, La Mirada reports concern over the capacity of current sewer infrastructure to accommodate future growth.
- Both La Mirada and Whittier are relatively sound fiscally, with La Mirada considered overall a low risk city by the State Auditor and its condition of retirement liabilities and reserves. Whittier is less favorable but still relatively healthy overall.
- RSG did not identify opportunities for shared facilities or services beyond what is currently occurring in these communities today.
- Both cities employ best practices to provide transparency and accountability to meeting the municipal service needs of the public they serve.
- RSG recommends removing the joint SOI from the Whittier SOI and reconfirming the existing La Mirada SOI. An analysis of the joint SOI is contained beginning on page 68. See page 82 for SOI recommendations in their entirety.

## COVID-19 PANDEMIC AND POTENTIAL CONSEQUENCES

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During the time of preparation of this MSR, the COVID-19 virus pandemic has continued its spread across the world and the United States, resulting in the infection of nearly 2,973,174 Californians as of the writing of this MSR. As of January 17, 2021, LA County had a total of



1,024,190 confirmed cases of COVID-19. La Mirada had a total of 3,471 confirmed cases and Whittier had a total of 9,295 confirmed cases.

Efforts to control the spread of the coronavirus have included a statewide stay-at-home order by Governor Newsom on March 19, 2020, the ensuing shutdown of many parts of the State economy, and a nationwide spike in unemployment with nearly 40 million Americans filing for unemployment by the end of May 2020. State and Federal resources have been directed to support the economic effects of the pandemic as well, and the long-term economic consequences of an apparent recession are not yet known.

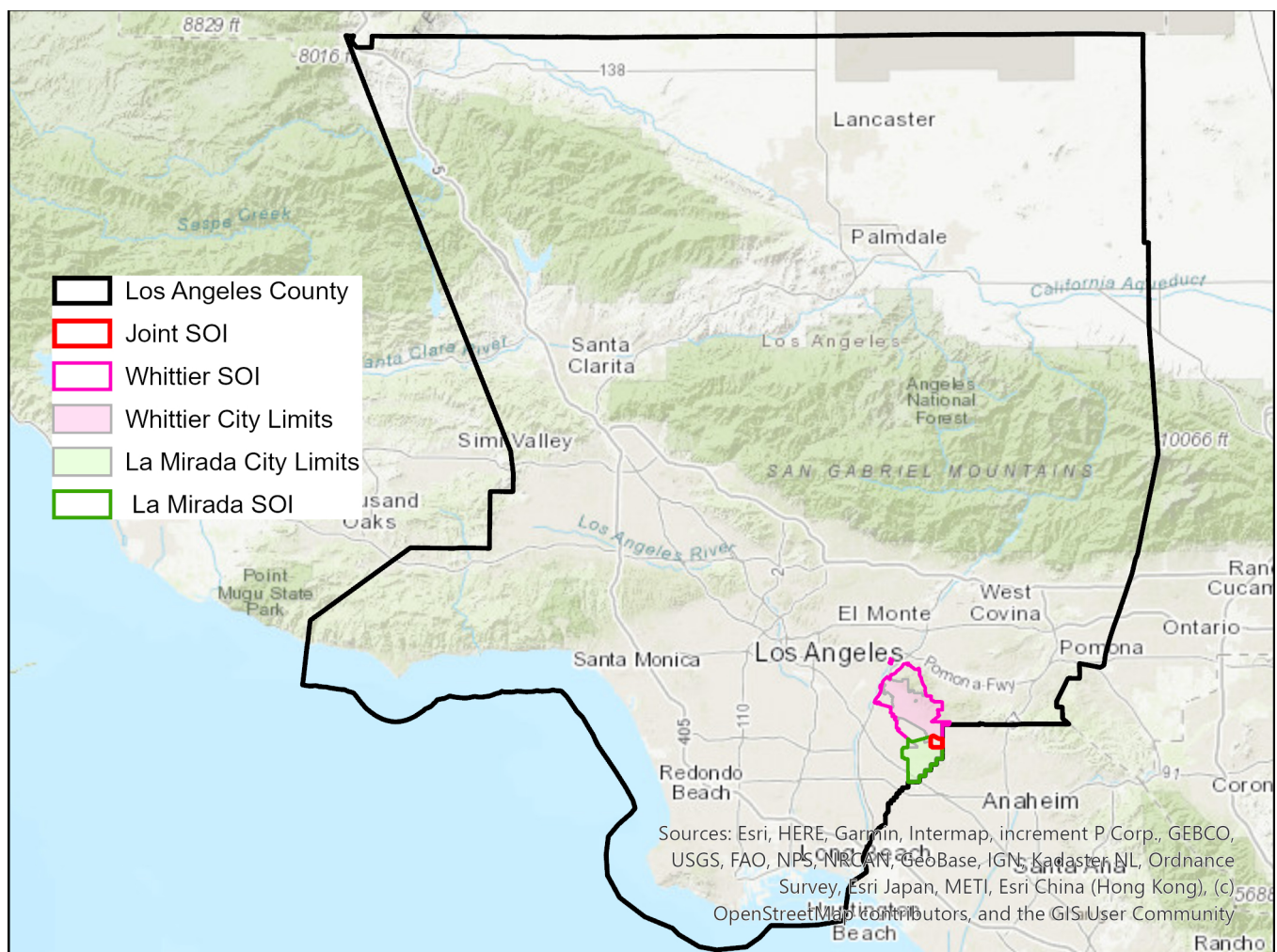
Along with the uncertainty of these health and economic impacts, public agencies are likely to experience more fiscal challenges in the coming months, if not much longer, due to the ongoing pandemic. Due to these evolving circumstances, RSG cannot provide a complete determination regarding the forthcoming fiscal and operational impacts on the two cities studied in this MSR, or any public agency, at this time. Rather, the findings in this MSR should be contextualized with the ongoing COVID-19 pandemic and its possible consequences by LAFCO, City management, and the respective elected officials.

## INTRODUCTION

Both La Mirada and Whittier are located in the 4<sup>th</sup> Supervisorial District in southeastern Los Angeles County (“County”), east of Interstate 605 between State Route 60 and Interstate 5. Notable landmarks in La Mirada include Biola University, and the City-operated La Mirada Theatre for the Performing Arts and Splash! La Mirada Regional Aquatics Center. Within Whittier, major landmarks include Uptown Whittier, the Presbyterian Intercommunity Hospital, the ~~closed~~ historic Fred C. Nelles Youth Correctional Facility (currently being redeveloped), and Whittier College.

Figure 1 shows the general location of the two cities studied in this MSR.

Figure 1: Locator Map



The City of La Mirada is located in the southeastern portion of Los Angeles County, along the border shared with Orange County. La Mirada shares borders with the cities of Buena Park and Fullerton to the south, La Habra to the east, Norwalk and Santa Fe Springs to the west, and unincorporated County lands within its sphere of influence to the immediate north. La Mirada is home to 48,877 residents<sup>2</sup>, 1,406 business, and a workforce of 15,353 employees<sup>3</sup>.

The City was incorporated on March 23, 1960 under the name Mirada Hills, which was changed to La Mirada following the 1960 November elections. At present, La Mirada spans an area of approximately 7.8 square miles and four unincorporated sphere of influence areas totaling another 1.5 square miles. All four unincorporated SOI areas border the northern edge of La Mirada. La Mirada's current 9.3 square mile SOI was initially established in 1976, expanded in 1977, and reconfirmed in 2005.

Located north of La Mirada's sphere of influence is the City of Whittier. The Whittier city limits share borders with unincorporated Hacienda Heights to the north, the cities of La Habra Heights and La Habra to the east, unincorporated County to the south, and Pico Rivera and Santa Fe Springs to the west. As of the beginning of this year, Whittier contains 86,801 residents, 2,903 businesses, and 34,388 employed persons.

Whittier incorporated by charter in 1898, making it one of the oldest cities in the County. Whittier city limits span a total of 14.8 square miles and together with 6 unincorporated areas has a SOI of approximately 23.7 square miles. The 9 square mile unincorporated SOI area consists of three areas to the south of the City, two areas to the west, and one large area north of the City.

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<sup>2</sup> Department of Finance Population Estimates, January 2020

<sup>3</sup> ESRI Business Analyst Online, November 2020

Whittier's current SOI was initially established in 1975, expanded in 1976 & 1980, and reconfirmed in 2005.

Figure 2 presents a demographic and land use profile of both cities reviewed in this MSR.

*Figure 2: Demographic Comparison - La Mirada and Whittier*

	La Mirada	Whittier
Population as of 2020	48,877	86,801
Population in 2010	48,527	85,331
Annual Growth Rate (2010-2020)	0.07%	0.17%
Housing Units	15,285	30,021
Persons / Unit	3.20	2.89
City Area (sq mi)	7.8	14.7
Persons / Sq Mi	6,234	5,925
Median HH Income	\$ 96,403	\$ 81,547
Projected Population in 2035	51,000	93,700
Annual Proj. Growth 2020-2035	0.28%	0.51%
Projected Population in 2040	52,100	96,900
Annual Proj. Growth 2020-2040	0.32%	0.55%

Sources: California Department of Finance, Southern California Association of Governments, US Census, ESRI Business Analyst Online (Growth rates are presented as annual growth rates)

As illustrated in Figure 2, Whittier's population and land area are roughly twice as large as La Mirada's. Population growth was moderate between 2010 and 2020 in both communities, however populations over the next 15 to 20 years are expected to grow 3 to 4 times the recent annual growth rate based on 2014 projections from the Southern California Association of Governments ("SCAG"). Housing development will be a necessity to accommodate this growth; SCAG has proposed significantly higher production targets for both cities for the 2021-2028 6<sup>th</sup> Round regional housing needs allocation ("RHNA") which are discussed later in this MSR.

Additionally, the two cities differ in terms of their governance model (La Mirada is a General Law city, while Whittier is a Charter City) and service model (La Mirada is generally regarded as a

contract service city while Whittier is more of a full service city). These differences are discussed later in this MSR.

## LAFCO RESPONSIBILITIES

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CKH directs LAFCOs in California to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and to preserve agricultural land. LAFCOs act as the county-wide oversight agency that is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as a municipal service review and sphere of influence update. These processes are described below.

## SPHERE OF INFLUENCE

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In 1972, LAFCOs throughout the state were tasked with determining and overseeing the sphere of influence for local government agencies. A sphere of influence is a planning boundary that may be outside of an agency's jurisdictional boundary (such as a special district service area or city limits) that designates the agency's probable future boundary and service area. Factors considered in a sphere of influence include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, a sphere of influence shall consider and prepare a written statement of its determinations on the following factors:

1. the present and planned land use in the area, including agricultural and open space lands;

2. the present and probable need for public facilities and services in the area;
3. the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. the existence of any social or economic communities of interest in the area; and
5. the present and need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of a sphere of influence is to ensure the of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community through reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners.

## **DISADVANTAGED UNINCORPORATED COMMUNITIES**

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined as an area of inhabited territory located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. State law considers an area with 12 or more registered voters to be an inhabited area.

LAFCO designated the DUCs in the County using 2014-2018 ACS Census data, meaning any unincorporated area wherein the median household income is less than \$56,982.

## **SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY**

From time-to-time, a sphere of influence may be modified as determined by the Commission; the procedures for making sphere amendments are outlined in CKH, and in some cases, further



refined by a Commission's own guidelines. Pursuant to Government Code Section 56430, a Commission must first conduct a municipal services review prior to updating or amending a SOI.

The Commission adopted a "Sphere of Influence Policy" on November 13, 2019, which provides a framework for SOI updates considered after an MSR is completed. The policy defines three types of SOIs for cities and special districts:

- Coterminous Sphere of Influence: A SOI for a city or special district that includes the same physical territory as the jurisdictional boundaries of that city or special district. The Commission adopts a Coterminous SOI if there is no anticipated need for services outside the jurisdictional boundaries of a city or special district, or if there is insufficient information to support inclusion of additional territory within the sphere.
- Larger than Sphere of Influence: A SOI for a city or special district which includes territory that is larger than the jurisdictional boundary of the subject city or special district. The Commission adopts a Larger than SOI if there is an expectation of future growth of the agency's physical boundaries and associated service area.
- Zero Sphere of Influence: A SOI for a city or special district that includes no territory. The Commission adopts a Zero SOI if the functions, services assets, and liabilities of that city or special district should ultimately be re-assigned to another public agency or service provider.

RSG analyzes the spheres in the "SOI Recommendations" section (page 82) of this MSR.

## **MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS**

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, or as necessary; and the vehicle for doing this is known as a Municipal Service Review. Pursuant to Government Code Section 56430, Municipal Service Reviews are to make determinations considering the seven (7) required topics based on the Cortese-Knox-Hertzberg Act. These seven topic areas include the following:

1. Growth and population projections for the affected area;

2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s);
3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by Commission Policy.

The focus of an MSR is to ensure that public services are being carried out efficiently and the residents of any given area or community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes be made through making sphere changes and dissolution or consolidation of service providers to provide the best service possible to the population.

## PREVIOUS MSR FINDINGS

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The 2005 MSR made several findings with respect to the two cities but recommended no changes to either SOI. For context, these findings are identified below:

- With little vacant land available, La Mirada had been experiencing modest growth at the time and expected a commensurate increase in service demands.

- The 2005 MSR indicated that La Mirada did have a number of recent sewage overflows as a result of rainwater inflow into the sewage collection system, pointing out a concern about the wastewater infrastructure in the city at the time.
- Growth in Whittier was projected to be “at a moderate rate” with comparable increasing demand in services. The 2005 MSR concluded that municipal services (were) adequate, except for wastewater and solid waste.
- Specifically, the 2005 MSR reported that Whittier’s sewer system experiences a relatively high overflow rate due to rainwater inflows and may need system improvements.
- The 2005 MSR also indicated that solid waste disposal rates per capita within Whittier were relatively high compared other jurisdictions and the City had not met required diversion rates.

## **PURPOSE OF THIS MSR AND SCOPE OF WORK**

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The primary objective of this MSR is to meet the periodic review requirements of La Mirada and Whittier pursuant to the CKH and LAFCO guidelines. In addition, this MSR studies in particular the joint SOI area in East La Mirada/East Whittier that has been shared by the two cities.

## **METHODOLOGY**

RSG worked in coordination with LAFCO staff throughout the duration of this MSR. Key tasks and activities in the completion of this MSR include data collection, interviews, city profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

### **Data Collection**

To fully understand key factors and current issues involving the two cities, RSG conducted an initial working session with LAFCO staff to determine the project scope and process and formalize overall MSR objectives, schedules, policy and fiscal criteria, city service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents. In collecting data, adopted budgets, comprehensive financial reports, capital

improvement plans, strategic plans, and general plans were assessed to develop a comprehensive overview of both cities. In addition, various reports and documents were utilized from SCAG, California Department of Finance, California State Controller, the Census Bureau, LAFCO, Costar (a commercial real estate database), and ESRI Business Analyst.

Population growth rates were determined by utilizing Department of Finance estimates through 2020 and projected figures from SCAG for the years 2035 and 2040.

### Interviews

In coordination with LAFCO, during the month of December 2019, RSG met with the executive leadership of both cities including the City of Manager for La Mirada, and the Assistant City Manager and Director of Community Development for Whittier. These interviews allowed RSG to gain insight on the current operations and any unique challenges of each city.

The content of these interviews included the following topics:

- Financing constraints and opportunities;
- Growth and population projections, including RHNA allocations and long-term strategy for service delivery;
- Infrastructure needs or deficiencies;
- Cost avoidance opportunities;
- Opportunities for rate restructuring regarding services provided;
- Opportunities for shared facilities with other cities or agencies;
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and

- Local accountability and governance, specifically the structures in place to support public engagement and participation.

In November 2020, RSG staff conducted telephone interviews with the City Manager of Whittier and the Assistant City Manager of La Mirada to follow up on outstanding questions and receive an update on the current issues facing the cities, including the COVID-19 crisis.

### **Agency Profiles**

Following Data Collection and Interviews, RSG developed city profiles based on the criteria noted prior and required for the completion of the MSR per the Cortese-Knox-Hertzberg Act. This includes key characteristics including services offered, staffing levels, population and growth, service providers, infrastructure, financial condition, and boundary areas and maps. Department profiles can be found in the following sections of this MSR.

### **California State Controller's Office Raw Data**

Cities in California are required by Government Code Section 53891 to provide the State Controller's Office ("SCO") with an annual report of all financial transactions, commonly known as the Cities Financial Transactions Report. According to the SCO, the purpose of this report is to collect and compile statewide financial and statistical data on as uniform a basis as possible. Cities are required to submit information about financial balances and transactions within seven (7) months of the end of the fiscal year. The reported balances and transactions are derived from audited financial statements prepared in accordance with generally accepted accounting principles.

The data collected in the Financials Transactions Report is published on the SCO's "By the Numbers" website and in raw data format. The raw dataset is reports general revenues, functional tax revenues, and other revenue sources, including charges for services, special benefit assessments, use of money, and intergovernmental revenues. The dataset provides current expenditures by department (general government, public safety, community development,

transportation, etc.), and operating expenditures (salaries and wages, retirement benefits, materials and supplies, contract services, debt service, and capital outlay).

RSG utilized the State Controller's raw data to review historical operating revenues and expenditures for each city and compare local revenues and expenditures to statewide averages. From this data, RSG can make generalizations about each city's fiscal health, including tax revenue and expenditure trends.

### **Housing Estimate Methodologies**

The California Department of Finance ("DOF") prepares annual population and housing estimates using the Housing Unit Method. The Housing Unit Method is a commonly used methodology for estimating housing units for small areas. To produce these estimates annually, DOF distributes housing estimates according to the US Census into five housing categories, including single family detached, single family attached, two to four units, five or more units, and mobile homes. Housing unit estimates are adjusted by unit additions, as a result of new construction or annexations, and demolitions, as reported by local jurisdictions and the US Census. Because DOF's estimate of housing units is not an actual inventory of units, figures are likely to vary from other sources.

Since 1969, local governments in California have been required to plan to meet the housing needs of their community. As such, cities adopt housing elements as part of the general plan and must provide opportunities to fulfill housing needs through zoning. The City's regional government, SCAG, develops and allocated housing for each jurisdiction. Housing Elements are prepared in cycles and cities submit Annual Progress Reports to the California Department of Housing and Community Development ("HCD") by April 1 of each year. The 5<sup>th</sup> Cycle for SCAG, the most recent cycle, spanned from January 1, 2014 through October 31, 2021.

Comparatively, HCD's inventory of housing units is based on Annual Progress Reports, which includes an inventory of the number of housing units permitted by cities annually. HCD's housing estimates fail to account for units that are permitted but not developed and units that are permitted in years that a city fails to submit an Annual Progress Report. Between 2013 and 2018, HCD



received 2,354 Annual Progress Reports from cities and counties in California. However, 51 percent of cities (275 cities) failed to submit all six Annual Progress Reports due between 2013 and 2018, and a total of 874 Annual Progress Reports (27 percent) were not submitted to HCD.

## SERVICE REVIEW – CITY OF LA MIRADA

The City of La Mirada was incorporated as a general law city in 1960<sup>4</sup> and currently has a population of 48,887<sup>5</sup>. The City's incorporated area includes 7.8 square miles and is bounded by unincorporated territory, the cities of Cerritos and Santa Fe Springs, unincorporated areas of Los Angeles County, and the County of Orange.

The largely urbanized City of La Mirada consists mostly of residential areas, including planned residential developments, recreational and open space, and neighborhood-serving commercial land uses. The southern portion of the City of La Mirada, south of the Burlington Northern Santa Fe Railroad tracks, is primarily industrial with freeway-oriented commercial uses adjacent to the Santa Ana Freeway (Interstate Highway 5).<sup>6</sup>

The City's major employers include the Norwalk-La Mirada Unified School District (3,457 employees), Biola University (1,383 employees), US Food Service (650 employees), Kindred Hospital (216 employees), Home Depot (180 employees), and Makita USA Inc (169 employees). The two largest employers are educational institutions.

Figure 3 provides a land use summary of residential and commercial development in La Mirada. As compared to the greater County, single family housing is the predominant residential building type, representing over 85 percent of the 15,175 housing units in the City. Only 83 of these 15,175 units have been constructed since 2010, or less than 0.5 percent. Among commercial uses, industrial makes up over 81 percent of the commercial building area in La Mirada.

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<sup>4</sup> Source: City of La Mirada Adopted Budget Fiscal Year 2020-21

<sup>5</sup> Source: California Department of Finance Demographic Research Unit Population Estimates for Cities, Counties, and the State January 1, 2020

<sup>6</sup> Source: City of La Mirada Zoning Map

Figure 3: Land Use Summary - La Mirada

	La Mirada		LA Co. %
Residential Units /1	Units	%	
Single Family	12,922	85.2%	54.8%
Multifamily	2,081	13.7%	43.6%
Mobile Home	172	1.1%	1.6%
Total	15,175	100.0%	100.0%
Units Built Since 2010	83	0.5%	
Commercial /2	Gross SF	%	
Retail	1,801,870	11.1%	
Industrial	13,155,046	81.2%	
Office	432,920	2.7%	
Other	809,869	5.0%	
Total	16,199,705	100.0%	
New Construction Since 2010	721,546	4.5%	

1/ Source - DOF (2020)

2/ Source - Costar

## HISTORY AND INCORPORATION

After two unsuccessful attempts to incorporate, the City of La Mirada (originally under the name Mirada Hills) voted in favor of incorporation on March 23, 1960, becoming the 68<sup>th</sup> City in Los Angeles County.

## FORM OF GOVERNMENT AND STAFFING

The City of La Mirada is a general law city that is governed by a five (5) member City Council that is elected by eligible registered voters according to five (5) district boundaries. Each year, the City Council select a Mayor and Mayor Pro Tem to preside over meetings. City Council

Districts 1 and 2 vote for Councilmembers during Congressional Midterm Elections (the next being 2022) and Districts 3, 4, and 5 vote during Presidential Elections (the most recent being 2020). City Councilmembers are elected to four (4) year terms.<sup>7</sup>

The City Council appoints a City Manager to serve as the administrative head of the City government responsible for the efficient operation of the City.<sup>8</sup> Additionally, the City Council appoints a City Attorney, City Clerk, Community Services Commission, Planning Commission, Public Safety Commission, Community Foundation, Historical Preservation Advisory Council, Senior Council, and Youth Council.

According to the 2020-21 budget, the City of La Mirada operates with an annual general fund budget of \$33 million and employs a total of 76 full-time employees and an additional 230 hourly employees. La Mirada is generally regarded as a contract city, meaning that it outsources administration of many municipal services rather than using staff. La Mirada largely contracts out with other agencies to provide services such as law enforcement and fire suppression to its residents, but it also provides other services in house such as planning and parks and recreation.

The City of La Mirada is organized into several departments operating under the direction of the City Manager, including Administrative Services, Community Development, Community Services, Public Safety and Public Works.

The City Council of La Mirada also serves as the Successor Agency of the former Redevelopment Agency, as well as the governing body for four (4) blended component units<sup>9</sup> including the Public

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<sup>7</sup> Source: La Mirada Municipal Code Chapter 2.02 City Council Elections

<sup>8</sup> Source: La Mirada Municipal Code Chapter 2.08 City Manager

<sup>9</sup> Definition: The California Secretary of State defines a blended component unit as a legally separate entity that is in substance part of the primary government's operations.

Financing Authority, Parking Authority, Housing Successor Agency, and Theatre for the Performing Arts Foundation.

The City prides itself on providing a safe, attractive, and family-friendly community for residents to enjoy quality recreational programs, beautiful parks, and well-maintained civic facilities.<sup>10</sup> The City's 2020-21 Adopted Budget, which is branded with the phrase "Dedicated to Service", is decorated with photographs of the civic center, park playgrounds, the City-operated Aquatics center, and public works storm and wastewater improvements. The City's Vision Statement is to offer a "safe, well-maintained, responsive, innovative, and financially sound community that celebrates families, businesses, and an exceptional quality of life."

Appendix 2 contains the current organization chart of City of La Mirada from the Adopted Budget for Fiscal Year 2020-21.

## CURRENT SPHERE OF INFLUENCE

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Appendix 1 shows the La Mirada boundaries and SOI as of November 2020.

La Mirada's 9.3 square mile SOI is larger than the current city limits, encompassing a total of 7.8 square miles within the city boundaries and four (4) adjacent unincorporated areas of approximately 1.5 square miles generally located north of the city limits.

LAFCO's adopted La Mirada SOI includes a portion of the unincorporated community of East La Mirada/East Whittier, which was adopted as a joint SOI between the City of La Mirada and City of Whittier.<sup>11</sup> (See more below under the Sphere of Influence section.)

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<sup>10</sup> La Mirada Living newsletter, Winter 2020

<sup>11</sup> Source: LAFCO Gateway Final Municipal Service Review, November 30, 2005

The four (4) areas include Study XV Area 1-C(1), 1-C(2), 2(A), and 2(C), as indicated on La Mirada's SOI map<sup>12</sup> by LAFCO and dated September 16, 2014. The SOI areas are described below:

- Study XV Area 1-C(1) was established in 1976 and is a triangular area that is generally adjacent to the City's north western boundary and is bound roughly by Imperial Highway to the south, Telegraph Road to the north east, and Burgess Avenue to the west.
- Study XV Area 1-C(2) was established in 1977 and is immediately to the west of Area 1-C(1) on the City's north western boundary, and extends from Burgess Avenue on the east, Imperial Highway on the south, Valley View Avenue on the west, and Telegraph Road on the north.
- Study XV Area 2(A) was established in 1976 and is a rectangular area on the northern boundary of the City that extends to the City of Whittier boundary, and is generally bound by Santa Gertrudes Avenue on the east, Lemon Drive on the south, Stamy Road on the west, and Leffingwell Road on the north.
- Study XV Area 2(C) is the Joint SOI with the City of Whittier, and subject of this MSR. Area 2(C) was established in 1976 and is generally bound by an extension of Valley Home Avenue on the east (also the County of Orange boundary), Imperial Highway on the south, Santa Gertrudes Avenue on the west, and Lambert Road on the north. This area is commonly referred to as East La Mirada but is also referenced on some maps as East Whittier.

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<sup>12</sup> LAFCO City Maps, La Mirada Sphere of Influence Map, revised September 16, 2014. <https://lalafo.org/en/city-maps/>



According to LAFCO designations, none of La Mirada’s unincorporated SOI areas are designated a Disadvantaged Unincorporated Community, including but not limited to the joint SOI in East La Mirada/East Whittier.

Figure 4 presents a summary of the demographics of the La Mirada city limits as compared to the unincorporated SOI and County overall.

*Figure 4: Demographic Summary of La Mirada SOI*

	City	SOI	County
Population as of 2020	48,877	14,916	10,173,432
Population in 2010	48,527	13,559	9,818,605
Population Growth Since 2010	0.07%	0.96%	0.36%
Housing Units	15,285	4,723	3,571,222
Persons / Unit	3.20	3.16	2.85
Land Area (sq mi)	7.8	1.5	4,057.9
Persons / Sq Mi	6,234	10,147	2,507
Median HH Income	\$ 96,403		\$ 69,795
Projected Population in 2025	49,641	14,451	10,311,054
Annual Proj. Growth 2020-2025	0.31%	-0.63%	0.27%
Projected Population in 2035	51,000		11,145,100
Annual Proj. Growth 2020-2035	0.28%		0.61%
Projected Population in 2040	52,100		11,514,800
Annual Proj. Growth 2020-2040	0.32%		0.62%

Sources: California Department of Finance, Southern California Association of Governments, US Census, ESRI Business Analyst Online (Growth rates are presented as annual growth rates)

Approximately 14,916 people reside in the City’s unincorporated SOI as compared to 48,877 residents inside the city limits. While the city limits and unincorporated SOI are similar in terms of average persons per household, population densities are higher in the SOI because it is more residential in character. RSG also notes that population within the unincorporated SOI has grown by nearly 1 percent annually compared to 0.07 percent within the city limits.

According to LAFCO designations, none of the La Mirada SOI are within a designated Disadvantaged Unincorporated Community. These designations are subject to change as new Census data is released.

## **EXTRATERRITORIAL SERVICES**

Based on consultation with City management, RSG understands that La Mirada does not provide any extraterritorial services at the present time.

## **SERVICES PROVIDED**

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In the City of La Mirada general government, culture and leisure, and public works services are provided largely by City staff. Public safety and community development services are primarily provided by contractors, other government agencies, or private entities. The following section discusses municipal services provided within La Mirada and identifies the service provider.

Figure 5 provides an inventory of the primary services offered within La Mirada and how they are provided to City residents.

Figure 5: La Mirada Service Provider Matrix

Public Service	Responsible Agency	Provider
General Government	City	La Mirada City Council and City Manager
Law Enforcement	City (Contract)	Los Angeles County Sheriff's Department
Traffic & Accident Investigation	City (Contract)	Los Angeles County Sheriff's Department
Animal Services	City (Contract)	Los Angeles County Department of Animal Care and Control
Fire Protection/EMS	CFPD	Consolidated Fire Protection District of Los Angeles County
Ambulance / Transport	City (Contract)	American Medical Response
Mosquito Control	LA County VCD	Greater Los Angeles County Vector Control District
Land Use Planning	City	Community Development Department - Planning Division
Building and Safety	City (Contract)	County of Los Angeles Building and Safety Division
Code Enforcement	City	Code Enforcement Division
Engineering	City (Contract)	County of Los Angeles Building and Safety Division
Parks and Recreation	City	Community Services Department
Road Maintenance	City (Contract)	Los Angeles County Department of Public Works
Streetlighting	City (Contract)	Los Angeles County Department of Public Works
Sewer	LA Co. Sanitation Districts	Los Angeles County Sanitation District 18
Storm Drainage	City (Contract)	Los Angeles County Department of Public Works
Domestic Water	CBMWD / Suburban Water	Central Basin MWD and Suburban Water Systems
Solid Waste Disposal	City (Contract)	Contract - EDCO Disposal
Cable / Communications	City (Contract)	AT&T, Frontier Communications, and Time Warner
Transit	City (Contract)	MV Transportation, Inc., Norwalk Transit, and Whittier Transit
Gas	City (Contract)	Southern California Gas Company
Public Education	NLMUSD	Norwalk - La Mirada Unified School District
Library	LA County	County of Los Angeles Public Library System

## Government Services

General government services are primarily provided by elected officials and city management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services. In addition to the City Council, the City's legislative bodies include special citizen advisory commissions and other bodies, including the Community Services Commission, Planning Commission, and Public Safety Commission. The City Clerk and City Attorney provide support to the City's legislative bodies.

Other general government services are provided by the City's administration and support staff, which is responsible for implementing the policies and legislation created by the City Council and other legislative bodies, administering the daily operations, and promoting economic development in La Mirada. These functions are performed by city administration, support

services, human resources, risk management, finance administration, information technology, and the economic development and housing staff.

### **Police Services**

City of La Mirada contracts with the County Sheriff's Department for the provision of policing services. The Sheriff's La Mirada substation is located in the Civic Center and provides office facilities and a staging area for deputies and civilian public safety officers. La Mirada provides public safety administration. La Mirada provides public safety administration and emergency preparedness services. The City's public safety administration includes planning, organization, and coordination of public safety activities. Emergency preparedness includes coordination of a comprehensive emergency management program, on-going planning and training of City personnel, educational programs for residents, and maintenance of a network of communication and cooperation within the community and with outside agencies.

### **Fire Protection and Ambulatory Services**

La Mirada is within the Consolidated Fire Protection District of Los Angeles County. The CFPD Stations 49 and 194 are located in the city limits. The City separately contracts with American Medical Response for ambulatory services.

### **Animal Services**

Under contract with the City, the County Animal Care and Control Department provides animal control and rescue services to La Mirada.

### **Vector Control**

The Greater Los Angeles County Vector Control District, an independent special district of the County, provides ongoing mosquito and vector control within La Mirada.

## **Community Development**

The City's Community Development Department oversees the physical development of the City and includes the Planning and Building and Safety Divisions. La Mirada contracts with Los Angeles County for planning and building services, but the department also employs several personnel with planning and building expertise. These divisions are responsible for implementing the City's land use and building policies, including the General Plan, Zoning Ordinance, California Environmental Quality Act and building codes. The Planning Department also prepares the City's Housing Element and Housing Annual Progress Reports. The City also acts as the Housing Successor Agency, overseeing the assets of the former Redevelopment Agency's Low and Moderate Income Housing Fund ("LMIHF"). Income generated from the LMIHF are reinvested for housing purposes.

## **Code Enforcement**

The City of La Mirada provides code enforcement services, including elimination of blight, and improvements to appearances and safety within the community. The Code Enforcement Division monitors landscaping and vegetation, trash cans and recycling, animal maintenance, signs, and graffiti. The Code Enforcement Division is partially funded with Community Development Block Grant funds.

## **Public Works**

The City's Public Works Department performs general maintenance for the City's fleet, road medians, parks, public facilities, streets, and capital projects. Until it sunset in 2018, Measure I was responsible for funding approximately \$28 million in neighborhood infrastructure repairs. The Public Works Departments includes administration and engineering, Civic Center maintenance, street and right-of-way maintenance, fleet and equipment maintenance, parks maintenance, right-of-way landscape maintenance, and Resource Center and Sheriff Station custodial services, maintenance and preparation for community events. Administrative and engineering functions include environmental management and compliance reporting, and planning, management, and control of all activities related to Public Works.

La Mirada's adopted budget for FY 2020-21 budgeted \$10.1 million for Capital Improvements. A majority of this was designated for streets, sidewalks, and storm drains (\$7.3 million), public facilities (\$1.5 million), and parks and recreation areas (\$1.2 million). The 2020-2 Capital Improvement budget represents 30.5% of total General Fund expenditures and equates to \$206.11 per capita based on 2020 population. The FY 2019-20 adopted budget allocated \$23.3 million for capital improvements, with a majority of funding designated for streets, sidewalks, and storm drains (\$12.4 million), public facilities (\$4.1 million), and medians/landscaping and panels (\$3.7 million). Capital Improvements for 2019-20 represent 63.75% of General Fund Expenditures and \$748 per capita (2020 population).

The FY 2018-19 adopted budget allocated \$24.8 million for Capital Improvements. The majority of this funding was designated for streets, sidewalks, and storm drains (\$13.1 million), medians/landscaping and panels (\$3.95 million), and public facilities (\$3.4 million). Capital Improvements for 2018-19 represent 69.7% of total General Fund expenditures and \$508 per capita (2020 population). The FY 2018-19 and 2019-20 capital improvements relied on Measure I funding that was allocated for street and road improvements. Measure I is no longer generating revenue, but it will not create a hole in the General Fund due to a majority of the street improvements being complete.

Public Works oversees all National Pollutant Discharge Elimination System ("NPDES") permits for all City facilities that require NPDES permits. Public Works does not handle the permits for commercial businesses within the City but is now responsible for ensuring that businesses have the required NPDES permits and reporting on the status of the permit through Senate Bill 215.

## Water

La Mirada is within the Water Replenishment District Central Groundwater Basin Division 3. The Water Replenishment District of Southern California was formed in 1959 to protect and manage groundwater resources. Additionally, the Central Basin Municipal Water District provides wholesale water in the City of La Mirada. Finally, water is provided to retail customers in the City by Suburban Water Systems, a subsidiary of South West Water Company, an investor-owned

water utility with a 42-square mile service area covering portions of Los Angeles and Orange counties with a population of over 300,000 people.

### **Storm Drainage**

Under contract with the city, the County Public Works Department primarily manages the City's storm drain system, including channels, drains, laterals, and catch basins. La Mirada manages and maintains a limited number of drains, laterals, and catch basins. Additionally, other entities, such as Caltrans, maintain individual storm water drains, laterals, and catch basins. The City has concerns about the affordability of the Los Angeles County Municipal Separate Storm Sewer System (MS4) permit as well as with group sampling as opposed to sampling at each City discharge point.

### **Wastewater**

Wastewater services are provided by the County Sanitation District No. 18, a dependent special district that has provided wastewater management services since 1923. County Sanitation District No. 18 is a member of the Los Angeles County Sanitation District, which is a public agency that consists of 24 separate independent special districts. The LA County Sanitation District covers 850 square miles and 78 cities to provide wastewater services to 5.6 million citizens of Los Angeles County. All wastewater improvements are handled through the LA County Sanitation District and the LA County Sewer Maintenance District.

### **Solid Waste**

The City of La Mirada approved a franchise agreement with EDCO Disposal Service in 2009 for the provision of solid waste collection services. EDCO Disposal Service provides residential and commercial recycling and refuse collection services within the City. The City's Public Works department oversees and ensures that the City complies with AB 939, which sets diversion goals that cities must meet in recycling and solid waste diversion programs. The City's CalRecycle Annual Report for 2019 shows that La Mirada's recycling and diversion programs are in compliance with AB 939 requirements.



## **Utilities**

Utilities are provided by third parties under franchise agreements with the City. This includes Southern California Edison (electricity) and Southern California Gas Company (natural gas). La Mirada is eligible to join a community choice aggregate, which shifts more energy decision-making to local control and can accelerate the adoption of renewables. According to the Clean Power Exchange website, La Mirada is considered in the earliest stage of adoption by virtue of other countywide efforts underway.

## **Communications**

Under franchise agreements with the City; AT&T, DirecTV, Frontier Communications, and Spectrum provide communications services within La Mirada.

## **Community Services**

One of the City's larger departments, the Community Services Department provides recreational facilities management and recreation services; organizes community events; offers family, youth and senior services; and manages the aquatics center. The facility management function includes scheduling the use of city facilities and providing supervisory oversight of over 1,000 annual facility reservations and bookings for a variety of events including meetings, weddings, receptions, baby and bridal showers, birthday parties, banquets, picnics, and private parties. The recreation and community events components provide a variety of services, including administration of Summer Day Camp, Tiny Tots, and Leaders in Training programs, and various holiday events. La Mirada's recreational facilities includes the community gymnasium, activity center, and Splash! Regional Aquatics Center. The family services component provides social services information and referrals to La Mirada residents, including family health services, Helping Hands program information and referrals, employment related services, and funding support to partner agencies providing direct service.

## **Performing Arts**

The Theatre for the Performing Arts is also operated by the City, providing theatre programming, administration, and rental services of the 1,250 seat live performance theater. The City's Theatre department oversees maintenance, operations, and promotion of the theatre. The theatre's productions function is offset by revenues and includes the organization and promotion of major production events, which run for several weeks. Presentations are largely single-night special events include Programs for Young Audiences. Theatre department provides rental services to the community, civic and local organizations on a year-round basis. Resident groups, including the La Mirada Symphony and Phantom Projects, hold performances at the Theatre as well.

## **Cemetery**

Portions of southern and eastern La Mirada are located within the Little Lake Cemetery District, an independent special district that provides burials, endowment care vaults, cremation, grave sites, marker setting, and services for all religions and denominations. Residents of the Little Lake Cemetery District benefit from lower fees compared to residents outside the district's boundaries.

## **FISCAL HEALTH**

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The sections that follow evaluate the City's fiscal health, inclusive of revenue sources and major expenditure categories.

## **ANNUAL AUDIT FINDINGS**

La Mirada is required to undergo an annual financial audit with the results published in an annual Comprehensive Annual Financial Report ("CAFR") where the auditors are required to issue a report of whether the financial statements of the city accurately present the financial position of the city. The CAFRs from FY 2016-17 through FY 2018-19 did not present any findings and stated that La Mirada's financial statements accurately presented the financial position of the City.

As of the date of this MSR, the 2019-20 CAFR (due by December 31, 2020) had not yet been released to the public.

## OPERATING REVENUES

RSG compiled three (3) years of financial history, plus the City's current fiscal years' 2019-20 and 2020-21 adopted budgets. The primary source of the City's financial history was the California State Controller's Office ("SCO"). The SCO's dataset was compared to the City's audited financial reports for accuracy. While categorization of revenues and expenditures varied in some cases, the SCO's dataset and City's audited financial reports yielded identical results. In the City's last audited fiscal year of 2018-19, General Fund revenues exceeded \$35.1 million.

Figure 6 illustrates the City's General Fund revenue sources.

Figure 6: City of La Mirada Operating Revenue History

Revenues	2016-17	2017-18	2018-19
<b>General Tax Revenues</b>			
<i>Sales Tax</i>	16,374,977	15,038,776	11,123,367
<i>Property Tax</i>	6,371,690	6,745,788	5,950,111
<i>Property Tax in-lieu of MVLFF</i>	4,614,439	4,836,980	5,100,667
<i>Franchise Tax</i>	2,795,690	3,025,456	3,043,023
<i>Utility User Tax</i>	-	-	-
<i>Other Taxes</i>	2,108,613	1,984,226	3,234,740
<b>Total General Tax Revenues</b>	<b>32,265,409</b>	<b>31,631,226</b>	<b>28,451,908</b>
<b>Functional Tax Revenues</b>	<b>2,215,526</b>	<b>2,790,403</b>	<b>3,822,028</b>
<b>Total Tax Revenues</b>	<b>34,480,935</b>	<b>34,421,629</b>	<b>32,273,936</b>
Charge for Services	9,707,253	9,702,420	10,556,105
Intergovernmental	6,114,415	3,045,941	3,608,300
Special Benefit Assessments	-	-	-
Revenue from Use of Money	799,674	990,143	3,742,267
Fines and Forfeitures	412,549	392,532	367,195
Licenses and Permits	1,606,646	1,749,347	1,448,976
Miscellaneous	109,932	75,720	98,412
<b>Total Revenues</b>	<b>53,231,404</b>	<b>50,377,732</b>	<b>52,095,191</b>

Source: California State Controller's Office

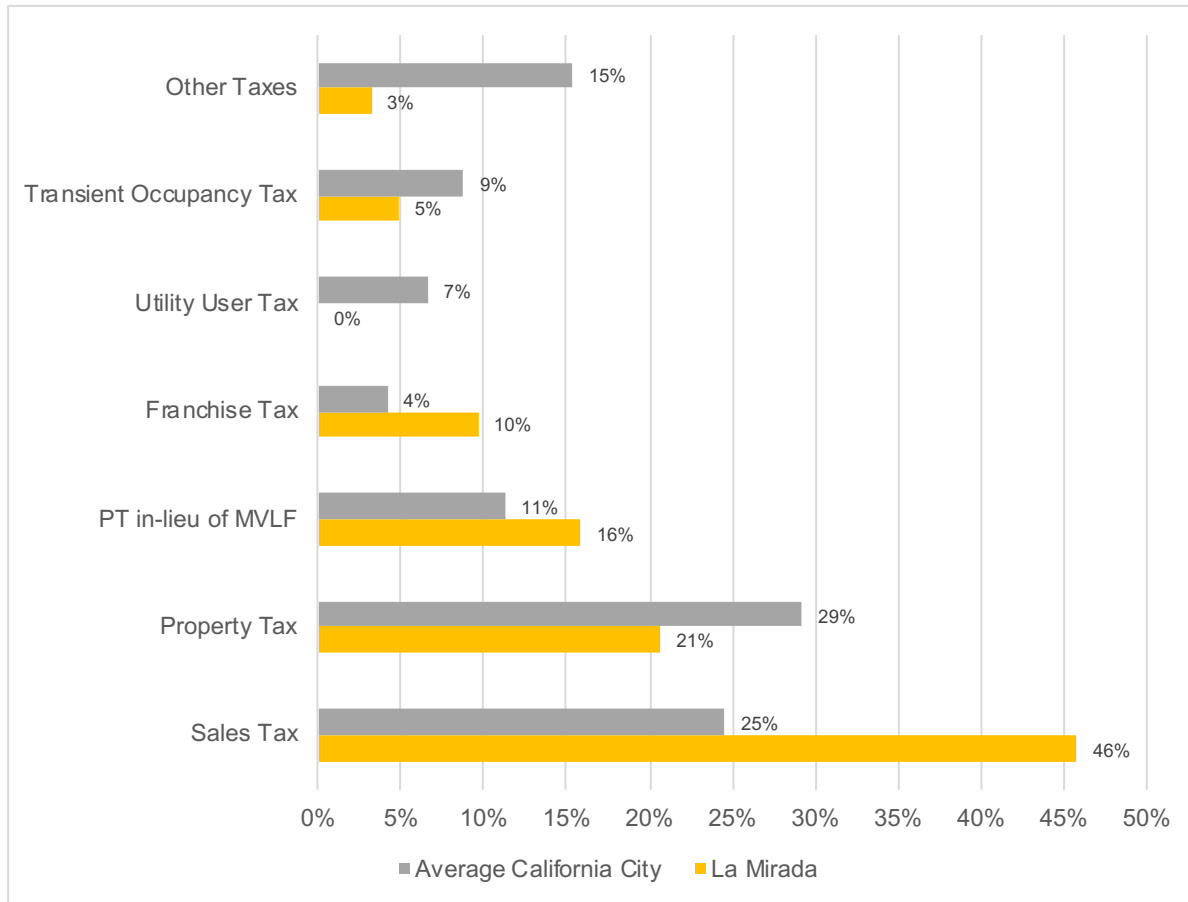
Tax revenues have historically averaged about 65 percent of all revenues collected by the City of La Mirada, inclusive of sales tax, property tax, property tax in-lieu of motor vehicle license fees, franchise tax, and other taxes. As shown in Figure 6, sales tax is consistently the City's greatest

single revenue source, averaging about 46 percent of general tax revenues annually. The City's functional tax revenues, averaging about 5.7 percent of historical annual revenues, came mostly from the City's Measure I sales tax override (discussed in more detail later in this report), which sunset collections in March 2018.

The City's second largest revenue source are charges for services, which include zoning fees, contract policing services, infrastructure repairs, and other revenues, but is largely derived from charges for parks and recreation services – including operations of the City's theatre and aquatics center.

As seen in Figure 7, the City of La Mirada has a unique general tax revenue profile. Most surprising is La Mirada's dependence on sales tax revenues. Unlike most cities in California, that rely more heavily on property tax revenue, La Mirada's single largest revenue source is from sales tax – by a significant margin. While this may be a sign of either successful economic development efforts, geographic fortune, or some other favorable characteristic, it also leaves the City of La Mirada exposed to sharp changes in market conditions, such as the impact of the COVID-19 pandemic.

Figure 7: La Mirada General Tax Revenues as Compared to All California Cities<sup>13</sup>



### Sales Tax

Cities receive one percent of gross receipts from the sale of tangible personal property sold within city municipalities. Approximately 46 percent of general tax revenues collected by the City of La Mirada is derived from sales tax. According to the City's 2017-18 CAFR, La Mirada's sales tax base is largely due to companies engaged in business-to-business sales and several larger

<sup>13</sup> California State Controller's Office, Local Government Financial Data FY 2018-19

retailers, including Living Spaces and Home Depot. As noted in the CAFR, a relocation of any major sales tax producer to or from the City of La Mirada would have a significant impact on sales tax revenue.

The City's 2020-21 Adopted Budget provides forward-guidance on future sales tax revenues. During the budget process, the City's 2019-20 budget sales tax revenues were revised downward by \$265,000 (2.5 percent), and the 2020-21 adopted budget sales tax revenues project a 22 percent decline in sales tax revenues.

### General Sales Tax Measure I

The voters of La Mirada approved Measure I in 2012, which became effective April 1, 2013. Measure I generated over \$29 million through March 31, 2018. The expiration of Measure I in the first quarter of 2018 explains the three-year decline in sales tax revenues. The sales tax revenues from Measure I were primarily appropriated to infrastructure improvements in the City's residential neighborhoods. As per the Measure, the City formed a citizens advisory committee to oversee the expenditure of these proceeds on infrastructure projects and continues to post updates on the City's websites even after the Measure sunset.

### Property Tax

The City receives approximately 6.71 percent of the property tax collected within the City, as a general tax revenue, and 2.76 percent of property tax for the former Southeast Park and Recreation District which was dissolved in 1980 with its property taxes within the cities of La Mirada and Norwalk distributed proportionately. Property taxes for unincorporated areas within the former district are received by the City for the provision of park and recreational services outside the City limits.

**Approximately 21 percent**, or about \$6.3 million annually, **of the City's general tax revenues are derived from property taxes**. At the time La Mirada adopted the 2020-21 Budget, the effects of COVID-19 on the housing market and taxable assessed value were unclear. The City opted to take a conservative approach to property tax projections. While the City projected an increase in

property tax revenue in 2019-20, the 2020-21 adopted budget projects a \$2.3 million (18 percent) year-over-year decline in property tax revenues.

### **Charges for Services**

Charges for services account for an average of almost \$10 million per year. While the City of La Mirada charges for services related to planning and zoning services, police services, emergency responses, damages to City property, and miscellaneous administrative charges, a vast majority of the City's charges for services are derived from theatre revenues and community service fees.

Approximately \$3.3 million is attributed to revenues from the City's Splash! Regional Aquatics Center. The Aquatics Center is operated by the Community Services Department and includes a family-oriented water park, a 50-meter competition pool, 25-meter recreation pool, and spa. The Community Services Department also charges for services related to contract services for special interest activities, reservations of City facilities, revenues from child supervision and equipment use at City playgrounds, community event fees, gymnasium memberships and league fees, and courses and events held at the City's Activity Center.

Almost \$5.5 million is derived from theatre operations, including theatrical production ticket sales, presentations for young audiences and single night events, processing fees charged for ticket sales sold over the internet, telephone or mail, credit card convenience fees, and theatre rental fees.



## Intergovernmental Revenues

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By their nature, these revenues tend to fluctuate more than other revenue sources. The City of La Mirada receives intergovernmental revenues related to road maintenance and rehabilitation act, vehicle license fees in excess, homeowner's property tax exemption reimbursement, Community Development Block Grant funds, Air Quality Management District funds, California Oil Recycling Enhancement Act funds, Beverage Container Recycling grants, State COPS grants, and other appropriations from the Federal government, State of California, and Los Angeles County. The City received between \$3.0 and \$6.1 million annually between 2016-17 and 2018-19.

The City's Adopted Budget also treats Property Tax in-lieu of motor vehicle license fees ("MVLF") as intergovernmental revenues. Property tax in-lieu of VLF averages about \$4.8 million in revenues annually.

## **OPERATING EXPENDITURES**

Figure 8 shows the actual City of La Mirada expenditures from 2016-17 through 2018-19, based on the State Controller's Office dataset and City CAFR for these respective years. Total operating expenditures amounted to \$31.7 million 2016-17 increasing to \$35.4 million in 2018-19.

As shown in Figure 8, the City's major expenditure categories include private contract services, salaries and wages, governmental agencies, retirement benefits, and materials and supplies.

*Figure 8: City of La Mirada Operating Expenditure History*

Operating Expenditures	2016-17	2017-18	2018-19
Private Contract Services	6,963,726	16,807,248	10,237,170
Salaries and Wages	8,328,408	8,840,229	9,061,051
Governmental Agencies	7,565,593	470,180	8,647,968
Retirement Benefits	3,632,006	3,980,010	4,112,272
Materials and Supplies	1,379,106	3,411,753	3,307,254
Other Operating Expenditures	3,809,149	-	-
Other Employee Benefits	-	-	-
<b>Total Operating Expenditures</b>	<b>31,677,988</b>	<b>33,509,420</b>	<b>35,365,715</b>

Source: California State Controller's Office

The City of La Mirada contracts with contractors, other public agencies, and private firms for services provided in the City. As a result of outsourcing for contract services, the City of La Mirada has historically (2010 through 2019) carried between 72 and 85 full time equivalent government employees. The City contracts for public safety services with the County Sheriff, and for building and safety services with the County Public Works department, among other contract services.

Figure 9 breaks down the City’s departmental operating expenditures and full time equivalent employment by function or program between 2016-17 and 2018-19.

*Figure 9: La Mirada Department Expenditures and Personnel*

Department Expenditures and Employment	2016-17	FTE	2017-18	FTE	2018-19	FTE
General Government	3,403,925	19	4,089,825	21	4,209,300	22
Public Safety	8,450,901	6	8,737,816	6	9,139,757	6
Community Development	1,209,563	4	1,298,584	4	1,425,437	3
Culture and Leisure	12,432,003	20	12,894,242	20	13,904,251	22
Public Works	6,181,596	29	6,488,956	28	6,686,987	32
<b>Total Expenditures</b>	<b>31,677,988</b>	<b>78</b>	<b>33,509,423</b>	<b>79</b>	<b>35,365,732</b>	<b>85</b>

Source: 2018-19 La Mirada CAFR

## PERFORMANCE STANDARDS

RSG utilized three different methodologies to evaluate the City of La Mirada’s performance. The three approaches to evaluating performance include reserve fund balances, pensions and other post-employment benefits (“OPEB”), and third-party fiscal health evaluations. The methodologies and findings are outlined below.

### RESERVE FUND BALANCE

The City of La Mirada has an emergency uncertainty fund balance policy for General Fund reserves, requiring 20 percent of operating expenditures to be held in reserve. The City’s projected economic uncertainty reserve is about \$7 million for fiscal year 2020-21. The City’s remaining unreserved or undesignated General Fund reserve balance is \$21.6 million.

La Mirada’s General Fund reserve balance is approximately 30 percent of the 2019-20 estimated revenues and 24 percent of the 2019-20 estimated expenditures.

## PENSION AND OPEB OBLIGATIONS

The City of La Mirada contributes toward a California Public Employees’ Retirement System (“CALPERS”) pension plan. Over the last two decades, demographic shifts, underfunding, changing economics, and changes to retirement plan accounting and monitoring have directed considerable scrutiny towards public pension plans. The City’s efforts to take proactive corrective action to pension plan health have included a tiered contribution plan including higher employee contributions and later retirement dates for new plan members. Additionally, by relying heavily on contract services, the City has mostly avoided the pension problem. The City implemented its OPEB program in 2018.

The City had a long-term net pension liability of \$1.3 million and net OPEB asset of \$4.8 million at the end of fiscal year 2018-19. The City’s historical pension liability and OPEB liability are outlined in Figure 10.

*Figure 10: La Mirada Pension and OPEB Liabilities*

Liability	2017-18	2018-19	2019-20
Net Pension Liability	1,535,316	1,455,615	1,331,061
Net OPEB Liability/(Asset)	-	(4,991,670)	(4,848,257)
Net Pension and OPEB Liability	1,535,316	(3,536,055)	(3,517,196)

Source: 2017-18 and 2018-2019 CAFR

RSG evaluated the City of La Mirada’s pension plan and OPEB funded ratio and funding policies independently. The funded ratio measures pension plan assets as a proportion of pension liability. While the funded ratio is a point-in-time measure of whether a pension plan was adequately funded, it is worth reviewing changes to funded ratios over time. Additionally, the City’s funding policies provide insight into the City’s efforts to correct funding deficiencies, if any exist. The City’s actuarially determined contribution is provided as well, as a recommended employer contribution based on the pension plan-specific economic and demographic assumptions.

The City of La Mirada’s pension and OPEB evaluations are outlined in Figure 11 and Figure 12, respectively.

Figure 11: La Mirada Pension Ratios

Pension Ratios	2017-18	2018-19	2019-20
Plan Fiduciary Net Position	8,990,302	9,595,723	10,239,134
Total Pension Liability	10,525,618	11,051,338	11,570,195
Funded Ratio	85.41%	86.83%	88.50%
Actuarially Determined Contribution	591,611	432,747	531,374
Employer Contribution	591,611	432,747	531,374
Covered Payroll	4,699,822	4,592,516	4,416,054
Employer Contribution Rate	12.59%	9.42%	12.03%

Source: 2017-18 and 2018-2019 CAFR

The City of La Mirada’s pension plan is considered well-funded with pension funded ratios between 85.4 and 88.5 percent over the last three years. Furthermore, while the employer contribution rate is relatively low, the City has made contributions equal to the actuarially determined contribution over the last three years.

Figure 12: La Mirada OPEB Ratios

OPEB Ratios	2017-18	2018-19	2019-20
OPEB Fiduciary Net Position	-	20,699,467	21,670,584
Total OPEB Liability	-	15,707,797	16,822,327
Funded Ratio	0.00%	131.78%	128.82%
Actuarially Determined Contribution	-	294,620	213,881
Employer Contribution	-	397,582	317,080
Covered Payroll	-	5,380,000	5,500,000
Employer Contribution Rate		7.39%	5.77%

Source: 2017-18 and 2018-2019 CAFR

La Mirada’s OPEB program was implemented in 2018, therefore only two years of historical audited financials are available at this time. Over the two year history of the program, the funded ratio has exceeded 100 percent, indicating that the City’s OPEB program is over-funded. Relative to covered payroll, the employer contribution is relatively low, however, the City’s contributions have been greater than the actuarially determined contribution.

## COVID-19 PANDEMIC RESPONSE

On March 16, 2020, the City of La Mirada City Council proclaimed the existence of a local emergency and outlining special actions related to the COVID-19 pandemic.<sup>14</sup> The Council followed up by closing public facilities on April 14, 2020. The City was allocated \$157,648 in Community Development Block Grant funding from the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, and allocated it to a new mortgage and rental assistance grant program.

On May 12, 2020, City staff provided City Council with a fiscal year 2019-20 budget update and revised projections for the fiscal year 2020-21 budget. As a result of non-essential businesses closing, non-essential travel ceasing, restaurants operating at very limited capacities, and the City’s community services and Theatre operations closing, the City projected significant revenue declines. Sales tax and transient occupancy tax revenues were expected to decline for the remainder of the 2019-20 fiscal year and property tax and sales tax were conservatively projected for fiscal year 2020-21. The City typically takes a conservative approach to projecting tax revenues.

The largest budget impacts, however, are expected to be on charges for services. For fiscal year 2019-20, the City projected a \$4.4 million decrease in revenues as a result of cancellations of Theatre productions, single-night events, and private rentals. Additionally, the community services department ceased all spring and summer recreation classes, aquatics programs, and sports activities.

The County Department of Public Health released guidelines and protocols for re-opening of restaurants in May 2020. In July, as a result of an increase in COVID-19 cases, the County

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<sup>14</sup> City of La Mirada, City Council Resolution 20-08 adopted March 16, 2020, “A resolution of the City Council of the City of La Mirada proclaiming the existence of a local emergency and taking certain actions due to that emergency.”

suspended indoor operations of a variety of commercial businesses, including gyms, barber shops, and personal care businesses. Between June and September, the City implemented programs to allow for outdoor dining and outdoor commercial operations for existing businesses.

On September 22, 2020, the City Council directed staff to use a portion of the City's \$600,000 CARES Act funding for a small business relief program. The small business relief program was allocated \$175,000 that would be available to eligible small businesses as \$5,000 grants. Small businesses can use the grants for payroll, capital or equipment expenses, and operational costs including utilities, loans, lease and mortgage payments.

## **CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION**

The California State Auditor completed an audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, general fund revenues, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 471 cities in California on each fiscal indicator, with 1 being the highest risk, and 471 the lowest risk.

The City of La Mirada ranked 461 out of 471 cities and is considered low risk. Two fiscal indicators, revenue trends and pension funds, were ranked moderate risk by the State Auditor. All other fiscal indicators were ranked as low risk.

## **HOUSING NEEDS AND HOUSING ELEMENT REPORTING**

Since 1969, local governments in California have been required to plan to meet the housing needs of their community. As such, cities adopt housing elements as part of the general plan and must provide opportunities to fulfill housing needs through zoning. SCAG, the City's regional government, develops and allocates housing for each jurisdiction. Housing Elements are prepared in cycles and cities submit Annual Progress Reports to HCD by April 1 of each year. The 5<sup>th</sup> Cycle for SCAG, the most recent cycle, spanned from January 1, 2014 through October 31, 2021.

As previously discussed, the City of La Mirada submitted its 5<sup>th</sup> Cycle Housing Element to HCD on February 25, 2014. The Housing Element was reviewed by HCD on April 30, 2014 and was ruled in compliance with Housing Element law. However, the City does not have a consistent record of submitting Housing Element Annual Progress Reports. La Mirada submitted an annual progress report in 2017. HCD did not report receipt of the City's Annual Progress Report in 2013, 2014, 2015, 2016 and 2018. Because Annual Progress Reports were not received consistently throughout the 5<sup>th</sup> Cycle, the number of permitted units presented in Figure 13 may vary from other housing production estimates (such as those reported in Figure 3).

As previously stated, SCAG allocates housing needs within the region to each member city through a process called the Regional Housing Needs Assessment ("RHNA"). The City's progress towards meeting its RHNA allocation is a component of the Annual Progress Report. HCD reports every city's progress towards meeting its RHNA allocation annually. The City's RHNA progress is outlined in Figure 13.

Figure 13: La Mirada 5th Housing Element Cycle Production

5th Cycle Housing Needs	Very Low Income	Low Income	Moderate Income	Above Moderate Income
RHNA Allocation	62	37	40	96
Permitted Units	0	0	1	31
Allocation Surplus/(Shortage)	(62)	(37)	(39)	(65)

Source: HCD Annual Progress Report September 24, 2020

The City has only developed one (1) unit for moderate income households, and 31 units for above moderate income households. With the 5<sup>th</sup> Cycle nearly complete, the City has not made progress on encouraging the development of very low or low income housing. The forthcoming 6<sup>th</sup> Housing Element cycle is expected to have much higher production targets at all income levels for most cities in the County.



## SERVICE REVIEW – CITY OF WHITTIER

The City of Whittier is a charter city that was incorporated in 1898<sup>15</sup> and has a population of 86,801<sup>16</sup>. The City's incorporated area includes 14.8 square miles<sup>17</sup> and is bounded by the cities of Pico Rivera, La Habra Heights, and Santa Fe Springs, unincorporated areas of Los Angeles County as well as the County of Orange. The City's existing SOI includes six (6) distinct study areas, which includes some areas designated by LAFCO as Disadvantaged Unincorporated Communities.

The City of Whittier is bound on the east by the Puente Hills and includes a significant amount of open space. The City includes a variety of land uses, including residential, planned residential, historic downtown commercial, neighborhood-serving commercial, manufacturing, and hospitality.

The largest employers in the City include PIH Health Hospital (3,500 employees), Interhealth Corporation (2,600 employees), Rio Hondo Community College (1,800 employees), Los Angeles County Sanitation District (1,000 employees), Whittier Hospital Medical Center (850 employees), Rose Hills Memorial Park (600 employees), FedEx Freight (525 employees), Los Angeles Freightliner Inc (400 employees), and Humana Inc (373 employees). Four of the largest employers listed provide healthcare services.

As shown in Figure 14, Whittier has approximately 29,721 residential units, of which over 69 percent are single family dwellings. Since 2010, the Whittier has seen the number of new units

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<sup>15</sup> Source: City of Whittier Adopted Budget Fiscal Year 2020-21

<sup>16</sup> Source: California Department of Finance Demographic Research Unit Population Estimates for Cities, Counties and the State, January 1, 2020

<sup>17</sup> Source: City of Whittier website "About – A Short History" accessed November 10, 2020

increase by 130, or 0.9 percent. Whittier also has over 15.9 million square feet of commercial buildings, of which retail is the largest share at over 39 percent of the total.

Figure 14: Land Use Summary - Whittier

	Whittier		LA Co. %
Residential Units /1	Units	%	
Single Family	20,629	69.4%	54.8%
Multifamily	8,899	29.9%	43.6%
Mobile Home	193	0.6%	1.6%
Total	29,721	100.0%	
Units Built Since 2010	130	0.9%	
Commercial /2	Gross SF	%	
Retail	6,333,365	39.7%	
Industrial	4,592,224	28.8%	
Office	2,102,683	13.2%	
Other	2,943,567	18.4%	
Total	15,971,839	100.0%	
New Construction Since 2010	400,925	2.5%	

1/ Source - DOF (2020)

2/ Source - Costar

## HISTORY AND INCORPORATION

Whittier is a charter law city and was incorporated in 1898. The charter form of city government was ratified in 1955.

## FORM OF GOVERNMENT AND STAFFING

The City of Whittier City Charter established a municipal government colloquially known as a “Council – Manager” form of government. In 2016, the City converted to a district election from

an “at-large” election structure. The City Council is a five (5) member board elected by district. Beginning in 2016, Councilmembers for Districts 1 and 3 were elected to four (4) year terms. In 2018, Councilmembers for Districts 2 and 4 were elected to four (4) year terms. Beginning in 2016, the City’s Mayor was elected citywide “at-large” to a two-year term, although the City Council continues to appoint a Mayor Pro Tempore.

The City Council is responsible for selecting a City Manager. The City Manager is the head of the administrative branch of the City Government and reports to the City Council. Several boards and commissions carry out assignments at the request of the City Council, including the Board of Appeals, Board of Library Trustees, Design Review Board, Personnel Board, Cultural Arts Commission, Historic Resources Commission, Parking and Transportation Commission, Parks, Recreation and Community Services Commission, Planning Commission, and Social Services Commission. Additionally, several committees, task forces, and foundations cooperate with the City Council on specific functions, such as accessibility or art in public places.<sup>18</sup>

The City Manager oversees the day-to-day operations of the City, including a General Fund budget of nearly \$75 million and a total of 490.64 positions, 410.24 positions solely from the General Fund. The City provides a majority of services, including law enforcement and planning, but also contracts out many services such as fire suppression and animal services.

The City Council also serves as the Whittier Redevelopment Successor Agency, Whittier Public Financing Authority Board, Whittier Utility Authority, and the Whittier Housing Authority.

The City’s 2020-21 Adopted Budget is adorned with the slogan “People, Pride, Progress” and features a photo of a well-maintained City park with trees showing fall colors. Whittier has a

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<sup>18</sup> City of Whittier website, Government accessed November 13, 2020

strong sense of history and vision for the future, making it an upscale and dynamic residential community. The City proudly provides a healthy and safe community and a well-maintained infrastructure enhanced by planned patterns of growth and development. The City strives to balance economic, social, political, cultural, and recreational opportunities.<sup>19</sup>

Appendix 3 contains the current organization chart for the City of Whittier from the Adopted Budget for the Fiscal Year 2020-21.

## **CURRENT SPHERE OF INFLUENCE**

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Appendix 4 presents a map of the Whittier SOI, including the corporate city boundaries and unincorporated areas. LAFCO's adopted Whittier SOI encompasses an area of approximately 23.7 square miles consisting of the 14.7 square mile city limits and a 9 square mile unincorporated SOI that includes portions of unincorporated communities commonly referred to as West Whittier-Los Nietos, South Whittier, East La Mirada/East Whittier, a few small unincorporated islands and peninsulas near the 605 Freeway, and a large area mostly consisting of open space north of the City. The City's SOI was established in 1975, expanded in 1976<sup>20</sup> & 1980,<sup>21</sup> and reconfirmed in 2005<sup>22</sup> [OBJ].

The unincorporated areas include Study XIV Areas 2(A) and 2(B), Study XV Areas 1(A-1), 1(A), and 2(A), and Puente Hills Study area as outlined by LAFCO's Whittier SOI map<sup>23</sup>. The SOI areas are described below:

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<sup>19</sup> City of Whittier website, "About – A Short History" accessed November 19, 2020

<sup>20</sup> Sphere of Influence Study XV Re Those Unincorporated Areas Surrounded by the Cities of La Mirada, Santa Fe Springs, and Whittier, December 8, 1976

<sup>21</sup> Whittier Sphere of Influence Map, Revised August 3, 2016

<sup>22</sup> Gateway Final Municipal Service Review, November 30, 2005

<sup>23</sup> LAFCO City Maps, Whittier Sphere of Influence Map, revised August 3, 2016. <https://lalafco.org/en/city-maps/>

- Study XIV Area 2(A) was established in 1975 and is an irregularly shaped area commonly known as West Whittier-Los Nietos and is generally to the west of the City. Area 2(A) is roughly bound by Whittier Boulevard to the north, Sorenson Avenue to the east, Washington Boulevard to the south, and Interstate 605 to the west.
- Study XIV Area 2(B) was established in 1975 and includes two small islands or peninsulas generally north west of the City between the City limits and Interstate 605.
- Study XV Area 1(A-1) was established in 1976 and is an area generally south west of the City between the City's boundary and the municipal boundary of Santa Fe Springs.
- Study XV Area 1(A) was established in 1976 is an area commonly known as South Whittier and is generally south of Lambert Road, west of Scott Avenue, north of Leffingwell Road and Telegraph Road, and east of the City of Santa Fe Springs.

Within this Study Area, a portion of territory immediately west of Gunn Avenue, between Mulberry Drive and the Union Pacific Right of Way, is designated by LAFCO as a DUC, because it is an inhabited area with a median income of less than 80 percent of the County median income. The Gunn Avenue/Mulberry Drive area is the only DUC located within the Whittier SOI, Appendix 4.

- Study XV Area 2(C) was established in 1976 and is the East La Mirada/East Whittier joint SOI with the City of La Mirada, described earlier in this MSR.
- Puente Hills Study Area was established in 1980 and includes a large area of undeveloped hillside known as the Hellman Wilderness Park, and a sub-urban housing development off Workman Mill Road to the north of Whittier.

Figure 15 provides a summary of the demographics of the Whittier city limits and unincorporated SOI as compared to the County as a whole.

Figure 15: Demographic Summary of Whittier SOI

	City	SOI	County
Population as of 2020	86,801	53,009	10,173,432
Population in 2010	85,331	51,933	9,818,605
Population Growth Since 2010	0.17%	0.21%	0.36%
Housing Units	30,021	15,396	3,571,222
Persons / Unit	2.89	3.44	2.85
Land Area (sq mi)	14.7	9	4,057.9
Persons / Sq Mi	5,925	5,877	2,507
Median HH Income	\$ 81,547		\$ 69,795
Projected Population in 2025	87,203	52,383	10,311,054
Annual Proj. Growth 2020-2025	0.09%	-0.24%	0.27%
Projected Population in 2035	93,700		11,145,100
Annual Proj. Growth 2020-2035	0.51%		0.61%
Projected Population in 2040	96,900		11,514,800
Annual Proj. Growth 2020-2040	0.55%		0.62%

Sources: California Department of Finance, Southern California Association of Governments, US Census, ESRI Business Analyst Online (Growth rates are presented as annual growth rates)

Approximately 53,009 persons reside in the Whittier unincorporated SOI, compared to 86,801 within the City limits. As noted earlier, a portion of the Whittier unincorporated SOI is within a LAFCO-designated DUC, specifically the area in the vicinity of Gunn Avenue and Mulberry Drive. As compared to demographics within the City, Whittier's unincorporated SOI has a higher average number of persons per household (3.44 as compared to 2.89), but a similar population density (persons per square mile). Population growth rates have been relatively close since 2010, and below the overall rate of growth in the County overall.

As noted earlier, the DUC designations are updated periodically by LAFCO based on the release of Census data, so designations noted in this MSR are subject to change.

## EXTRATERRITORIAL SERVICES PROVIDED

Based on consultation with the City of Whittier, RSG identified one instance of extraterritorial services provided by the City of Whittier. In 1995, the City of Whittier began providing police services to the City of Santa Fe Springs, including 35 sworn and 6 support Whittier Police personnel who are assigned directly to the City. The City of Whittier operates a Police Services Center as the Whittier Police Sub Station in the City of Santa Fe Springs at 11576 Telegraph Road.

Government Code Section 56133 require LAFCO approval, in advance, for a city or special district to extend services outside of the involved city or district's own jurisdictional boundary. There are several exemptions, one of which, in Government Section 56133(e)(4), exempts "an extended service that a city or district was providing on or before January 1, 2001." Because Whittier extended police services to Santa Fe Springs in 1995, it falls under this exemption. Going forward, should Whittier desire to extend any additional service outside its jurisdictional boundary, advance approval from LAFCO is required pursuant to Government Code Section 56133.

## SERVICES PROVIDED

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The City of Whittier city staff provides public safety, culture and leisure, transportation, general government, and community development services. The following section describes municipal services provided within Whittier and identifies the service provider.

Figure 16 presents a matrix summarizing the services provided by Whittier including the department or contractor/franchisee responsible for doing so.



Figure 16: Whittier Service Provider Matrix

Public Service	Responsible Agency	Provider
General Government	City	Whittier City Council and City Manager
Law Enforcement	City	Whittier Police Department
Traffic & Accident Investigation	City	Whittier Police Department
Animal Services	City (Contract)	Los Angeles County Department of Animal Care and Control
Fire Protection/EMS	CFPD	Consolidated Fire Protection District of Los Angeles County
Ambulance / Transport	City (Contract)	American Medical Response
Mosquito Control	Greater LA County VCD	Greater Los Angeles County Vector Control District
Land Use Planning	City	Comm Dev Dept - Planning Division
Building and Safety	City	Comm Dev Dept - Building and Safety Division
Code Enforcement	City	Whittier Police Department - Code Enforcement Division
Engineering	City	Public Works Department - Engineering Division
Parks and Recreation	City	Parks Division
Road Maintenance	City	Public Works Department
Streetlighting	City	City, SCE, & Assessment District No. 01-91
Sewer	LA Co. Sanitation Dist. / City	County Sanit District 18, City Sewer Maintenance Division
Storm Drainage	LA Co. Flood Cntrl/City	Los Angeles County Department of Public Works
Domestic Water	City/SWS/SGVWC	City, Suburban Water Systems& SGValley Water Co City Water Department, and Suburban Water Systems
Solid Waste Disposal	City (Contract)	Athens Services and Republic Services
Cable / Communications	City (Contract)	Charter Communications and Frontier Communications
Transit	City (Contract)	MTA, Southland Transit, Whittier Transit
Gas	City (Contract)	Southern California Gas Company
Public Education	Several	Whittier City SD, Lowell Joint SD, WUHSD, and EWCSO
Library	City	Whittier Public Library

## Government Services

General government services are primarily provided by elected officials and city management. The City provides community development services, which provides building and safety, planning, community development, and economic development services. The City Council is Whittier's primary policy-making legislative body, setting goals policies and directives, which are implemented by the City Manager and staff. Four City Council members are elected by district on staggered four-year terms, and the Mayor is directly elected citywide on biennially. The City Manager is appointed by the City Council as the administrative head of municipal government operations, and is responsible for planning and implementation, city administration, and public information services.

The City Attorney represents the City Council and City officials in all matters of law. The City Attorney is appointed by the City Council on a contractual basis. The City Clerk administers

processes such as elections, access to city records, and legislative actions ensuring transparency to the public. Other functions under administrative and general government services includes public information services, non-departmental actions, support for the chamber of commerce, employee special events, elections and information technology.

Whittier's Administrative Services Department oversees the City's accounting, budgeting, human resources, risk management, emergency management, revenues, and treasury functions. The accounting function includes budgeting, general ledger and fund accounting, financial planning and analyses, financial management system maintenance and operations, utility billing, bond administration, accounts payable and accounts receivable, and payroll accounting. The revenue management function includes cashiering, issuance and renewal of business licenses, banking, investing, cash management, and animal control management. The risk management function oversees worker's compensation compliance, general liability, property insurance, safety coordination, emergency management, and wildlife management. The human resources function includes human resources management, non-industrial medical disability, and the health insurance flex-rap program.

### **Police Services**

City of Whittier provides policing services throughout the limits and in the City of Santa Fe Springs as noted on page 22. The largest City department by expenditure and employment, the Police Department is organized into several divisions, including investigation, patrol services, support services, and administration. The investigation team oversees criminal investigations, special enforcement, the narcotics team, forensics, S.W.A.T., and crime analysis. The patrol operations manage PSA policing teams, the K-9 unit, special enforcement team, code enforcement, and traffic and parking enforcement. The support services function provides organization and management of communications, records, property and evidence, information systems, and grants management. The Police Department's administration function operates the professional standards function, training and recruitment, and the City's jail operations. Additionally, the Santa Fe Springs Policing Team operates under the City of Whittier Police Department.

### **Fire Protection and Ambulatory Services**

Whittier is within the territorial jurisdiction of CFPD, which is responsible for fire protection and emergency medical services. The City contracts with American Medical Response for ambulance services. The Los Angeles County Fire Department Stations 17, 28, and 59 are located in the City of Whittier. Fire Station 28 also serves as the Battalion 8 headquarters.

### **Animal Services**

Under contract with the City, the County Animal Care and Control Department provides animal control and rescue services to Whittier.

### **Vector Control**

The Greater Los Angeles County Vector Control District, an independent special district, provides ongoing mosquito and vector control within Whittier.

### **Community Development**

The City's Community Development Department is responsible for planning, building and safety, economic development, and activities related to the former Redevelopment Successor Agency and Housing Successor Agency. Each division has separate responsibilities. The Building and Safety Division is responsible for establishment and enforcement of minimum building standards for safeguarding public health, safety and general welfare. The Planning Division handles administration of City ordinances and policies related to land use and development such as zoning changes, design standards, historic preservation, environmental review procedures, congestion management programs, and attainment of housing goals.

The Economic Development Division creates and preserves economic opportunities, including advantageous development of commercial property. The Community Development Department also oversees the administration of the City's HUD and CDBG grant programs, housing rehabilitation, HOME Program, and non-housing capital projects that were previously within the Whittier Redevelopment Agency's responsibilities.

Additionally, the City reactivated the Whittier Housing Authority in 2012. The Housing Authority is responsible for managing existing housing assets, including bond funds, notes receivable, and real property.

### **Code Enforcement**

The Code Enforcement division is within the City of Whittier's Police Department. The Code Enforcement division enforces the City municipal code with regard to public nuisances, safety, and zoning violations.

### **Public Works**

Whittier's Public Works Department is divided into three divisions – street maintenance, mobile equipment, and engineering. The street maintenance function involves street division management, greenway and trail maintenance, public works inspections, weed abatement, graffiti removal, street lighting, toxic waste disposal programs, and the uptown maintenance district. The mobile equipment function primarily manages and maintains the City's fleet of vehicles and equipment. The engineering function manages traffic, capital improvements, permitting, underground utility districts, construction inspections, civic center maintenance, and maintenance of the City's parking lots. The Public Works department seeks funds for capital improvement projects through the annual budget process.

### **Water**

The City of Whittier is within the Water Replenishment District Central Groundwater Basin Division 5. The Water Replenishment District of Southern California was formed in 1959 to protect and manage groundwater resources.

Domestic water supply is provided by the City, San Gabriel Valley Water Company, and Suburban Water Systems. The San Gabriel Valley Water Company provides water service to several small areas on the western boundary of the City. Suburban Water Systems is a subsidiary of South West Water Company, an investor-owned water utility with a 42-square mile service area covering portions of Los Angeles and Orange counties with a population of over 300,000 people.

The City of Whittier Utility Authority provides water, sewer maintenance and solid waste disposal services. The Utility Authority's Water Division provides nearly 2.5 billion gallons of water per year to over 11,500 residents and businesses in the City of Whittier, and has approximately 12,000 total customers serving just under 50,000 residents.

### **Wastewater**

Wastewater services are provided by the County Sanitation District No. 18 and the City of Whittier. The County Sanitation District is a public agency that has provided wastewater management services since 1923. The County Sanitation District No. 18 is one of 24 member dependent districts of the Los Angeles County Sanitation Districts, a public agency that covers approximately 850 square miles within 78 different cities and unincorporated areas of Los Angeles County. The LA County Sanitation Districts provide wastewater services to 5.6 million citizens of Los Angeles County. The City's sewer maintenance division also maintains approximately 194 miles of sewer lines and 5,012 manholes within the City. The City's system is a 100 percent gravity collection system that feeds into the County's trunk mains throughout the City.

The 2005 MSR identified concerns related to the capacity of existing sewer capacity to handle rainfall overflows in both cities, while an additional concern regarding solid waste diversion rates in Whittier. In Whittier, the City's 5-year Capital Improvement Summary includes estimated annual expenses ranging from \$3.4 to 3.7 million annually for the Sewer Repair Program, adding up to more than \$17.7 million over the next 5 years.

### **Storm Drainage**

The County Public Works Department primarily manages the City's storm drain system, including channels, drains, laterals, and catch basins. The City manages maintenances of a limited number of drains, laterals, and catch basins. In rare instances there are privately maintained catch basins within the City's boundaries.

According to the Public Works Director, the City oversees wastewater runoff management including the NPDES permit, in conjunction with the Lower San Gabriel River Watershed

Management Group of which the City is one of 14 member agencies. The City reports concerns about the Los Angeles County Municipal Separate Storm Sewer System permit charges as well as group sampling as opposed to sampling at each discharge for the City, but they have not taken issues with any of the contaminants.

### **Solid Waste**

Whittier eliminated the Solid Waste Collection Enterprise Fund in 2018-19 and solid waste collection is now the responsibility of two private refuse collection haulers under exclusive franchise agreements. Under two separate franchise agreements, Athens Services provides solid waste collection services to the western side of the City, and Republic Services provides solid waste collection services to the eastern side of the City.

According to the City's Public Works Manager who files the Electronic Annual Report to CalRecycle, the City is in compliance with diversion rates under AB939. Staff provided a copy of the 2019 Electronic Annual Report to RSG that demonstrated compliance for that year.

### **Utilities**

Whittier has franchise agreements with Southern California Edison for electricity services and Southern California Gas Company for natural gas services. Whittier is also a member of the Clean Power Alliance, a community choice aggregate in Southern California that is the locally-operated electricity provider across Los Angeles and Ventura counties, offering clean renewable energy at competitive rates.

### **Communications**

Pursuant to their respective franchise agreements with the City; Charter Communications provides cable broadband services, and Frontier Communications provides telephone and cable broadband services.

## **Parks, Recreation and Community Services**

The City's Parks, Recreation and Community Services Department administers park operations and maintenance, patriotic events, social services, senior and youth services, and air quality improvement. The Department's transit services include administering the transit programs, fixed route system, dial-a-ride services, and air quality program. Senior and youth services include organizing and implementing recreation classes, special events, senior social services, Whittier Youth Network, family special events, after school programs for teenagers, developmental programs, and inter-agency youth committee programs. In addition to parks operations and tree management, the Department also provides aquatic and tennis program services, city-wide special events programming, recreational classes and activities, cultural arts, therapeutic programs and sporting programs.

## **City Library**

The City's Library Department provides branch services, information services, children's services, support services, and audio-visual services. The Public Library has provided over 120 years of service to residents of Whittier and is the City's most popular and essential resource for learning and information.

## **FISCAL HEALTH**

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The City of Whittier is funded by tax revenues and charges for services. As an older city in Los Angeles County, the City operates many of its services internally rather than contracting with other providers. The sections that follow evaluate the City's fiscal health, inclusive of revenue sources and major expenditure categories.

## **ANNUAL AUDIT FINDINGS**

The CAFRs from FY 2016-17 through FY 2018-19 did not present any findings and stated that Whittier's financial statements accurately presented the financial position of the City.



## OPERATING REVENUES

RSG compiled three (3) years of financial history, plus the City's current 2019-20 and 2020-21 adopted budgets. The financial history was largely derived from SCO reports and then compared to the City's audited financial reports for accuracy. While categorization of revenues and expenditures varied in some cases, the SCO's dataset and City's audited financial results yielded similar results. In the City's last audited fiscal year of 2018-19, General Fund revenues exceeded \$84 million.

Figure 17 illustrates the City's General Fund revenue sources.

Figure 17: Whittier Operating Revenue History

Revenues	2016-17	2017-18	2018-19
<b>General Tax Revenues</b>			
Sales Tax	9,395,957	10,266,545	10,432,988
Property Tax	5,466,917	6,194,936	6,277,305
Property Tax in-lieu of MVLF	8,663,199	8,957,680	9,646,050
Franchise Tax	2,828,545	2,795,486	2,936,158
Utility User Tax	6,800,830	6,694,671	6,524,856
Transient Occupancy Tax	831,643	1,070,661	1,097,585
Other Taxes	1,824,165	1,414,980	1,342,939
<b>Total General Tax Revenues</b>	<b>35,811,256</b>	<b>37,394,959</b>	<b>38,257,881</b>
<b>Functional Tax Revenues</b>	<b>4,417,919</b>	<b>5,714,371</b>	<b>7,821,141</b>
<b>Total Tax Revenues</b>	<b>40,229,175</b>	<b>43,109,330</b>	<b>46,079,022</b>
Charge for Services	19,429,948	17,861,023	17,845,472
Intergovernmental	4,322,915	8,240,520	4,324,629
Licenses and Permits	1,495,650	1,458,171	1,578,918
Revenue from Use of Money	864,783	1,156,306	5,352,921
Fines and Forfeitures	781,779	766,490	815,492
Miscellaneous	2,867,276	3,800,209	7,854,455
<b>Total Revenues</b>	<b>70,240,789</b>	<b>76,824,990</b>	<b>84,141,176</b>

Source: California State Controller's Office

Taxes represent approximately 56 percent of historical revenues collected by the City, inclusive of sales tax, property tax, property tax in-lieu of MVLF, utility user tax, franchise taxes, transient occupancy tax and other taxes. While the City's sales tax revenues have been the largest tax revenue source over the last three (3) years, averaging 27 percent of total tax revenues, the City also receives substantial tax revenues from property tax in-lieu of MVLF (24 percent of total tax revenues), utility user tax (18 percent of total tax revenues), and property tax (16 percent of total

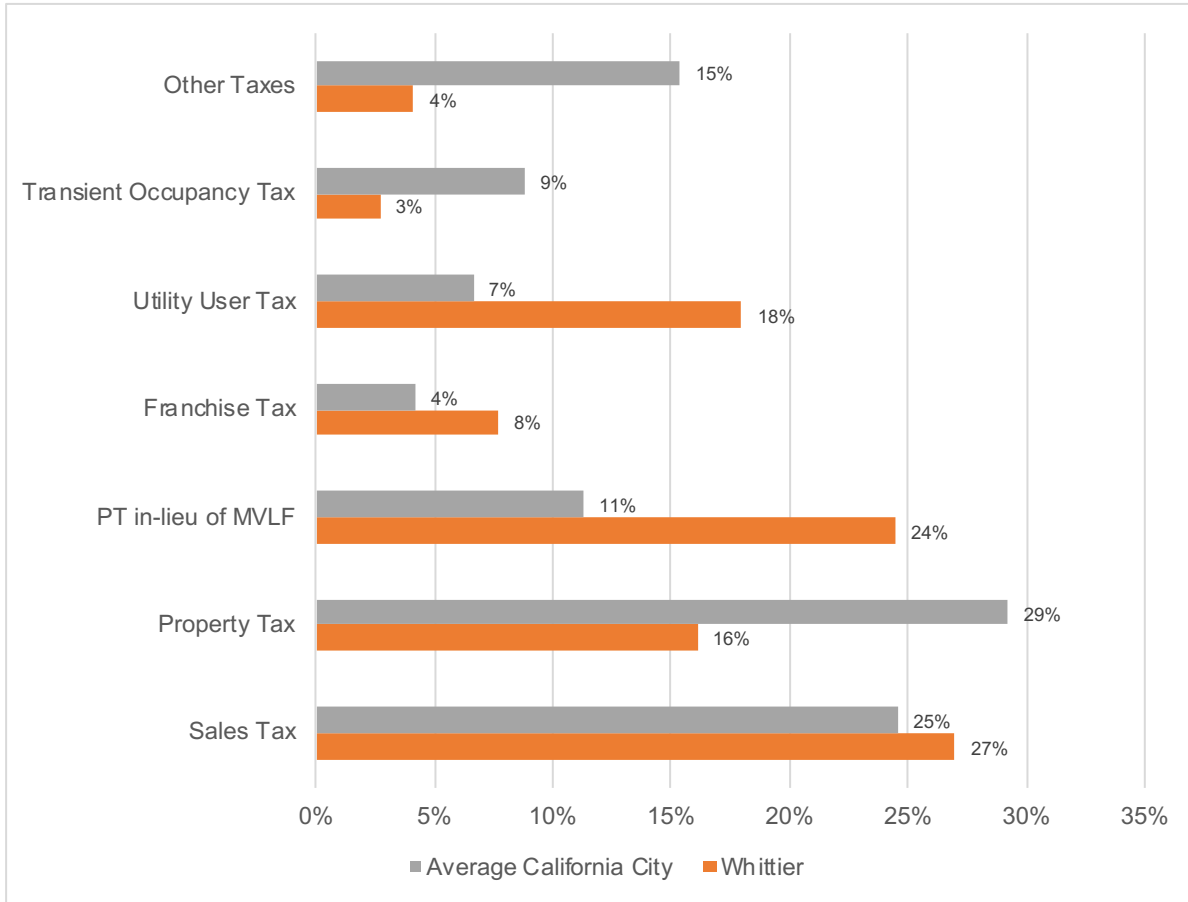
tax revenues). The City's functional tax revenues, representing an average of 8 percent of total revenues, are derived from transportation taxes.

The City's second largest revenue source is derived from charges for services. One of the largest charges for services is the City's contract policing service provided to the City of Santa Fe Springs. The City also charges for zoning, plan check, engineering fees, library fines and fees, parking facility charges, parks and recreation fees, and transit services.

As illustrated in Figure 18, Whittier receives a disproportionate amount of property tax in-lieu of MVLF, when compared to all other California city revenues. Also noteworthy, the City's utility user tax generates substantial income for the City compared to the average California city. With that said, the City of Whittier has a relatively diverse tax base.

With approximately 40 percent of tax revenues coming from property tax and property tax in-lieu of MVLF, and an additional 18 percent of tax revenues derived from utility user tax, the City of Whittier has a stronger fiscal foundation than other California cities. While sales tax makes up a large portion of tax revenues, the City is not overly reliant on transient occupancy tax – these two categories are expected to be most affected by economic shifts, such as the impact of the COVID-19 pandemic.

Figure 18: Whittier Revenues as Compared to Average California City<sup>24</sup>



<sup>24</sup> California State Controller's Office, Local Government Financial Data FY 2018-19

### **Property Taxes and Property Tax in-lieu of Motor Vehicle License Fees**

The City of Whittier receives between 7.29 and 7.41 percent of property tax revenues collected within the City's boundaries annually. As stated, about 40 percent of the City of Whittier's tax revenues are derived from property tax and property tax in-lieu of MVLF. The City's property tax revenues have remained stable throughout the past decade.<sup>25</sup> For the fiscal years 2019-20 and 2020-21, the City projects a 5.1 and 1.1 percent decline in property tax revenues. At the direction of the City's budget consultant, the City is projecting a 6.9 and 0.7 percent increases in property tax in-lieu of MVLF in 2019-20 and 2020-21 respectively.

### **Sales Tax, Measure R, Measure H, Measure M, and Measure W**

Cities receive one percent of gross receipts from the sale of tangible personal property sold within their municipalities. Approximately 27 percent of general tax revenues collected by the City of Whittier is derived from sales tax revenues. Aside from the general sales tax revenues, the City has passed four sales tax measures, known as Measures R, H, M, and W. Measure R is a 0.5 percent sales tax designated for traffic relief and transportation projects. Measure H is a 0.25 percent sales tax designated for prevention and support services for individuals experiencing homelessness in Los Angeles county. Measure M is an additional 0.5 percent sales tax designated for transportation upgrades.

Measure W was approved by voters in March 2020 and adds 0.75 percent sales tax on taxable sales within the City of Whittier. Measure W is expected to generate about \$6.4 million annually and funds will be designated for a variety of uses, including policing and crime reduction, 911

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<sup>25</sup> City of Whittier, Adopted Budget 2020-21

response times, addressing homelessness, streets, sidewalk, and parks maintenance, senior services, afterschool programs, and general services.

### **Utility Users Tax**

The City imposes a 5 percent tax on all charges for telephone, electricity, gas, water and cable television services. The City recognizes that this revenue source has fluctuated in recent years, likely due to changes in consumer conservation, green energy generation, utility rates, and consumption projections. This revenue source represents an average of 18 percent of general tax revenues annually. In 2018-19, the City recognized a negative variance of \$625,000 below the budget projections for the utility user's tax. The City does not project increases in utility user tax revenues for the fiscal year 2020-21.

### **Charges for Services**

Whittier's charges for services account for 24 percent of annual total revenues. While the City's single-largest charge for services is associated with the contract policing services it provides to the City of Santa Fe Springs, the City also charges for zoning, plan check, engineering fees, library fines and fees, parking facility charges, parks and recreation fees, and transit services. Charges for services account for almost \$18.4 million annually.

As stated, the City's single largest charge for services is related to the contract policing services provided to Santa Fe Springs. Over the last three years, this contract has resulted in between \$10.6 and 11.9 million in revenues – varying according to use of overtime.

The City's other charges for services can vary from year to year, but the largest categories in 2018-19 included public works (\$5.9 million) and general government (\$4.4 million). The general government was largely attributed to a \$1.6 million lease of excess water rights.

### **Intergovernmental Revenues**

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By nature, these revenues tend

to fluctuate the more than other revenue sources. The City of Whittier has averaged about \$5.6 million in annual intergovernmental revenues. The City receives intergovernmental revenues from a variety of sources, including Community Development Block Grants, Workforce Investment Act, homeowners property tax relief, gasoline tax, Peace Officers standards and training, Off-Highway Motor Vehicle in-lieu fees, Public Safety Proposition 172, and other appropriations from the Federal government, State of California, and County of Los Angeles

## OPERATING EXPENDITURES

Figure 19 shows the actual City of Whittier expenditures from 2016-17 through 2018-19, based on the SCO's dataset and City CAFR for these respective years. Total operating expenditures amounted to between \$65.3 and 69.1 million annually between 2016-17 and 2018-19.

As shown in Figure 19, the overwhelming majority of Whittier's annual expenditures are allocated to employee salaries and benefits.

*Figure 19: City of Whittier Operating Expenditure History*

Operating Expenditures	2016-17	2017-18	2018-19
Salaries and Wages	31,614,387	31,587,791	32,101,179
Retirement Benefits	7,365,197	6,871,491	10,258,632
Materials and Supplies	9,144,860	11,560,694	9,648,911
Other Employee Benefits	6,714,958	7,041,962	7,339,772
Private Contract Services	6,228,037	5,888,464	5,386,218
Other Operating Expenditures	3,335,838	3,572,106	3,304,142
Governmental Agencies	993,509	1,036,783	1,059,320
<b>Total Operating Expenditures</b>	<b>65,396,786</b>	<b>67,559,291</b>	<b>69,098,174</b>

Source: California State Controller's Office

In 2018-19, the total number of full-time City employees was 387, and part time employees amounted to 104 full time equivalent employees. The Police Department alone accounts for 172 full time positions, including 121 sworn officers and 51 civilian employees.

Figure 20 breaks down the City's departmental operating expenditures by function or program between 2016-17 and 2018-19.

Figure 20: Whittier Department Expenditures

Current Expenditures	2016-17	2017-18	2018-19
Public Safety	32,700,229	32,468,090	35,912,367
Culture and Leisure	15,252,252	14,282,557	14,435,823
Transportation	7,722,324	7,543,996	8,175,905
General Government	5,660,802	7,413,177	6,382,509
Community Development	4,061,179	5,851,471	4,191,570
<b>Total Expenditures</b>	<b>65,396,786</b>	<b>67,559,291</b>	<b>69,098,174</b>

Source: California State Controller's Office

The City of Whittier's expenditures on public safety account for more than half of the City's expenditures, more than all other departmental expenditures combined.

## PERFORMANCE STANDARDS

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RSG utilized three different methodologies to evaluate the City of Whittier's performance. The three approaches to evaluating performance include reserve fund balances, pensions and OPEB, and third-party fiscal health evaluations. The methodologies and findings are outlined below.

### RESERVE FUND BALANCE

The City of Whittier has a fund balance policy for the General Fund and emergency contingency commitment. The City's emergency contingency commitment is 5 percent of the following fiscal year's budgeted operating expenditures, net of transfers and capital improvement projects. For the fiscal year ended June 30, 2020, the City's emergency contingency was \$3.3 million. The City reported that it had not utilized any of the emergency contingency reserve balance during the COVID-19 pandemic. The City's General Fund balance reflected an \$13.4 million reserve as of June 30, 2020, including a \$4.7 million PERS reserve and \$3.3 million emergency contingency, among other reserve balances.

### PENSION AND OPEB OBLIGATIONS

The California Public Employees' Retirement System, which provides pensions for most public employees, is earning less on investments in the stock market. Because retirees are living longer, the State has moved to require cities to provide more funding in the retirement funds. In fact, one



of the City's frequently asked questions<sup>26</sup> asks what the City has done to address pension costs. According to Whittier's website, the City has been a leader by proactively addressing pension cost increases. City employees now contribute 12 percent of their salary to cover their pension – one of the highest employee contribution rates in the region. Furthermore, Whittier has a two-tier pension system in which newer employees receive more modest benefits. Finally, the City created a local pension trust to help cover future pension liabilities. The local pension trust reflected a \$4.7 million balance as of June 30, 2020.

At the end of 2018-19 fiscal year, the City of Whittier had a long-term net pension liability of \$123.2 million and total OPEB liability of \$9.5 million. The City's OPEB liability is funded on a pay-as-you-go basis and no assets are accumulated in a trust, therefore, OPEB liabilities are not examined here in the same way that pension liabilities are evaluated. The City's historical long-term net pension liability and OPEB liability are outlined in Figure 21.

*Figure 21: Whittier Pension and OPEB Liabilities*

Fiscal Year	2017-18	2018-19	2019-20
Net Pension Liability	106,642,000	121,609,000	123,170,000
Total OPEB Liability	4,155,000	9,419,000	9,544,000
Total Benefit Liability	110,797,000	131,028,000	132,714,000

Source: 2017-18 and 2018-2019 CAFR

To evaluate pension obligations, RSG examined the City of Whittier's pension plan funded ratio and funding policies. The funded ratio measures a pension plans assets as a proportion of pension liability. The funded ratio provides a point-in-time measure of whether a pension plan was adequately funded, therefore it is also important to consider how the funded ratio changes over time. Further, the City's funding policies provide insight into the City's efforts to correct funding deficiencies, if any exist. The City's actuarially determined contribution is provided as

<sup>26</sup> City of Whittier frequently asked questions website, accessed November 11, 2020

well, which is a recommended employer contribution based on the economic and demographic assumptions specific to the pension plan.

Figure 22 demonstrates recent pension ratios over the past three years.

*Figure 22: Whittier Pension Ratios*

Pension Ratios	2017-18	2018-19	2019-20
Plan Fiduciary Net Position	244,374,685	261,671,611	275,446,950
Total Pension Liability	357,770,803	391,174,078	405,761,575
Funded Ratio	68.30%	66.89%	67.88%
Actuarially Determined Contribution	6,302,389	9,474,460	10,302,090
Employer Contribution	6,302,389	9,474,460	10,302,090
Covered Payroll	30,056,829	31,110,485	30,719,429
Employer Contribution Rate	20.97%	30.45%	33.54%

Source: 2017-18 and 2018-2019 CAFR

Whittier's employer contribution rate has trended upward over the last three years, indicating that the City's actions to address pension issues is making progress. However, the City's Funded Ratio provides only a slightly positive indication of pension plan funding improvements. Overall, a funded ratio in the 66.8 to 68.3 percent is below average, but the City has made higher contributions through three consecutive years.

## COVID-19 PANDEMIC RESPONSE

The City of Whittier discussed an undisclosed threat to public services and facilities at a March 13, 2020 City Council Special Meeting closed session. Given the timing, and the declarations that occurred in the following week, the Special Meeting was likely called to discuss the rapidly developing COVID-19 pandemic. The Whittier City Manager declared a local state of emergency on March 17, 2020, and the City Council ratified the declaration of emergency on March 24, 2020. In the months that follow, the City of Whittier adopted policies and approved programs to alleviate economic and public health damage from the pandemic.

The City quickly introduced a temporary eviction moratorium and sought to expand a County-funded temporary supplemental meal delivery program for seniors and homeless individuals. By the end of April, the City had a working Whittier Recovery Plan that monitored the City's response efforts, including actions by the police department, public works department, community

development department, economic development department, library, city administration, and the newly created Whittier Coronavirus Crisis Team. The City began monitoring local business and public facility closures, suspended water service shut offs, worked with service providers to ensure that electricity and gas services would not be cut off, began calling 4,200 Whittier seniors for wellness check ins, cancelled or postponed City events, and began developing revenue and financial projections for fiscal years 2019-20 and 2020-21. Due to recurring concerns over fiscal health in Whittier, voters had previously approved Measure W, a  $\frac{3}{4}$  cent sales tax increase, on March 3, 2020 (discussed in greater detail elsewhere in this report). Revenues generated by Measure W are deposited to the General Fund and are expected to be utilized for hiring and retention of police officers; reductions to 911 response times; address homelessness; increase neighborhood, park and business patrols; maintain streets, sidewalks, parks, senior services, afterschool programs, and provide general services.

In May, the Council extended the local emergency and received reports on the City's budget and financial position, the community services department response and recovery plan, local homelessness navigation centers, and hygiene facilities for homeless persons. The City also adopted policies for buying materials locally (increased from 2 percent to 10 percent) and reduced business license fees by 30 percent. During the City's budget update, City staff projected revenue decreases of \$1.4 million in sales tax, \$140,000 in utility users tax, \$70,000 in transient occupancy tax, and \$39,000 in business license tax. The City projected 2020-21 revenue increases in sales tax (\$6.3 million as a result of Measure W), property tax in-lieu of MVLF (\$478,000), and various fees for services (\$380,000). For fiscal year 2020-21, the City expects decreases in sales tax (\$654,000), business license fees (\$300,000), utility users tax (\$140,000), and transient occupancy taxes (\$100,000), and increases in expenditures on general liability insurance (\$1.7 million), salaries and wages (\$506,000), and health insurance (\$219,000).

In June 2020, the City renewed an annual contract with the Chamber of Commerce and allocated an additional \$30,000 in emergency funding to the Chamber. In August, the City approved a business recovery grant program, and allocated \$100,000 to business impacted by the pandemic – the funds were designated to be used for business reopening expenses, such as personal protective equipment purchases. The City continues to monitor revenues and expenses closely, and reports financial position to the City Council on a quarterly basis.

## **CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION**

The California State Auditor completed an audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, general fund revenues, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 471 cities in California on each fiscal indicator, with 1 being the highest risk, and 471 the lowest risk. The City of Whittier ranked 214 out of 471 and received an overall ranking of moderate risk. Four (4) fiscal indicators were given a high risk rating – pension obligations, pension funding, future pension costs, and other postemployment benefits fund. As previously discussed, the pension and OPEB funding is a financial concern. The City received moderate risk ratings in debt burden, revenue trends, and pension costs, and low ratings on all other fiscal indicators.

## **HOUSING NEEDS AND HOUSING ELEMENT REPORTING**

Since 1969, local governments in California have been required to plan to meet the housing needs of their community. As such, cities adopt housing elements as part of the General Plan and must provide opportunities to fulfill housing needs through zoning. SCAG, the City's regional government, develops and allocates housing for each jurisdiction. Housing Elements are prepared in cycles and cities submit Annual Progress Reports to HCD by April 1 of each year. The 5<sup>th</sup> Cycle for SCAG, the most recent cycle, spanned from January 1, 2014 through October 31, 2021.

The City of Whittier submitted its 5<sup>th</sup> Cycle Housing Element to HCD on December 30, 2013. The Housing Element was reviewed by HCD on February 6, 2014 and was ruled in compliance with Housing Element law. Whittier submitted Housing Element Annual Progress Reports annually between 2014 and 2018, as required by law.

As previously stated, SCAG allocates housing needs within the region to each member city through a process called the RHNA. The City's progress towards meeting its RHNA allocation is a component of the Annual Progress Report. HCD reports every city's progress towards meeting its RHNA allocation annually. The City's RHNA progress is outlined in Figure 23.

Figure 23: Whittier 5th Housing Element Cycle Production

5th Cycle Housing Needs	Very Low Income	Low Income	Moderate Income	Above Moderate Income
RHNA Allocation	228	135	146	369
Permitted Units	0	8	214	50
Allocation Surplus/(Shortage)	(228)	(127)	68	(319)

Source: HCD Annual Progress Report September 24, 2020

Whittier has made minor progress on encouraging the development of low income housing, and has managed to permit a surplus of moderate income housing units. With the 5<sup>th</sup> Cycle nearly complete, the City remains well-behind in meeting it's housing production needs in very low, low, and above moderate income categories.

## SPHERE OF INFLUENCE

As part of the MSR, RSG was tasked with addressing the joint sphere of influence that is located between Whittier and La Mirada (generally referred to as both East La Mirada and East Whittier) as seen in Appendix 1. The purpose of this analysis is to provide the Commission with a basis to identify which of the two cities, Whittier or La Mirada, may be best suited to be the ultimate provider of municipal services to the joint SOI.

As described in this section, RSG is recommending a reduction in the Whittier SOI to remove the joint SOI as La Mirada is better suited to be the ultimate provider of municipal services.

## METHODOLOGY

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The 0.86 square mile joint SOI consists of mostly residential land use along with four schools and one small university. According to ESRI Business Analyst, RSG estimates the current population is approximately 7,731.

RSG identified several approaches that could be considered in the determination of the SOI disposition in this area. In order of weight given to each, our methodology consisted of the following:

- City Interest: First and foremost, we interviewed management of both cities to ascertain their interest in retaining their SOI in the East La Mirada/East Whittier area. If either city expressed a desire to annex this area at some point in the future, this would weigh significantly in our consideration and recommendation to LAFCO.
- Public Facilities in Proximity: Next, RSG studied the proximity of public facilities (parks, senior center, etc.) relative to the subject area. If one city has more public facilities in closer proximity to the joint SOI, we believe it would be a prudent basis for LAFCO to determine that the city with those facilities would be better suited to serve the area.

- Proximity of Local Shopping: Our third criteria focused on the economic factors that may favor one city over the other. East La Mirada/East Whittier does not have any significant commercial area to support its population, so residents need to choose nearby stores outside the area for shopping. The economic and fiscal benefits from their consumer activity may therefore accrue to one or both cities, and this data may enable LAFCO to establish a justification for which city is better suited for the provision of municipal services.
- School Attendance: We considered whether there may be stronger community ties to either of the two cities formed from school attendance patterns within the area. For example, if East La Mirada/East Whittier students attend classes at a disproportionately greater number of one city's schools, this would reveal existing community ties among families that merit LAFCO consideration.
- City Fiscal Condition: Finally, RSG evaluated whether either of the two cities are in a better fiscal condition to ultimately annex and serve the joint SOI. These criteria consider current fiscal health indicators as well as the challenges that may lie ahead in annexing areas in both cities SOIs.

## DETERMINATION

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The following is a summary of our analysis into this question and ultimate recommendation.

### CITY INTEREST

In both sets of interviews with City management in late 2019 and again in November 2020, neither city expressed an interest in annexing the joint SOI area. City staff stated their opinion that the area is not fiscally beneficial (i.e. prospective tax revenue may be less than the cost of providing a standard level of City services). They also noted the joint SOI area has deferred maintenance in its public infrastructure that would require city investments without any additional financial means to do so. While neither city expressed a desire to annex the joint SOI area, neither did they state a desire to have it removed from their SOI.



## **PUBLIC FACILITIES IN PROXIMITY**

After review of the public parks and other facilities nearby, RSG could not conclude that either city had an advantage in terms of serving the East La Mirada/East Whittier joint SOI. See Appendix 5: Park and Recreational Facilities near Joint SOI for a map of the proximate city parks and public facilities available to the joint SOI.

La Mirada may have a more likely advantage due to La Mirada Regional Park along with its Splash! La Mirada Regional Aquatics Center, which is a little over a mile from the joint SOI area. This facility includes an 18-hole golf course, softball and baseball leagues, fishing and more. Creek Park and Anna J. Martin Park are also located nearby and are accessible to East La Mirada/East Whittier residents.

On the other hand, Whittier has similar recreational facilities in relatively close proximity. Murphy Ranch Park is less than 2 miles from the joint SOI and includes a 1.7 mile trail through the wilderness that is family-friendly, as well as dog- and even horse-friendly. The smaller Parnell and Leffingwell Parks in Whittier are nearby as well.

## **PROXIMITY OF LOCAL SHOPPING**

Both Whittier and La Mirada have shopping centers and stand-alone businesses that likely are patronized by residents in the joint SOI. Yet while residents of East La Mirada/East Whittier shop frequently outside their area for basic goods and services, RSG could not ascertain whether they favor La Mirada, Whittier, or some other jurisdiction.

RSG completed a supply and demand analysis using ESRI Business Analyst to compare the retail potential of an area with the area's actual sales. Subtracting an area's potential retail demand by its actual retail supply creates what is called a "retail gap", which provides a sense of what level of retail earnings (or potential tax dollars) are leaving the area. RSG concluded that a large majority of retail shopping is occurring outside the East La Mirada/East Whittier area. According to our analysis, \$88,985,611 or 87 percent of the shopping needs for these residents is being either online or in retail stores elsewhere.

Unfortunately, from the data available RSG could not conclude where precisely these consumers are shopping, and whether they favor Whittier, La Mirada, or stores in other areas. Both La Mirada and Whittier have several larger shopping centers in close proximity offering a variety of stores to meet the retail needs of these residents. In La Mirada, this includes the 179,573 square foot Home Depot Center less than one mile away at La Mirada Boulevard and Imperial Highway, as well as several others less than 2 miles away. In Whittier, the 787,226 square foot Whittwood Town Center located on Whittier Boulevard and Santa Gertrudes Avenue is within 2 miles of the joint SOI, as are several other retail stores in the city.

## **SCHOOL ATTENDANCE**

The joint SOI area of East La Mirada/East Whittier is located in the Lowell Joint School District. Students in the joint SOI area generally attend Meadow Green Elementary and Rancho Starbuck Intermediate, both of which happen to be located within the joint SOI. According to the School District website, the Meadow Green Elementary attendance boundaries are coterminous with the joint SOI, Rancho Starbuck Intermediate serve the entire district territory, including large portions of City of La Habra, located in Orange County, as well as small relatively sparsely populated area of Whittier.

Based on the locations of these schools and the school districts to which they belong, it does not appear that school attendance would provide a meaningful determinant that the joint SOI population is more closely affiliated with La Mirada or Whittier and, in fact, could be more associated with neighboring La Habra to the East of the subject cities.

## **CITY FISCAL CONDITION**

Finally, RSG evaluated the fiscal condition of both the two cities to ascertain whether either is better suited to absorb the costs for providing municipal services upon annexation. We presented an analysis of the fiscal condition of cities in the “Performance Standards” for both cities, beginning on page 36 for La Mirada and page 62 for Whittier.

In evaluating the fiscal condition, RSG considered several factors:

- Relative amount of unincorporated land within their respective SOIs, including whether any contain any DUCs.
- Condition of reserves and city policy
- Pension and OPEB liabilities
- Overall fiscal health score based on the State Auditor report of fiscal indicators

Including the joint SOI, La Mirada's unincorporated SOI contains an estimated 14,916 persons within 1.5 square miles (see Figure 4). If all of the SOI were annexed into La Mirada today, the population of the City would increase by 30.5 percent, while the geographic area of the city would grow by 19.2 percent. La Mirada is one of the healthiest cities in California, and deemed "low risk" by the State Auditor. As of 2019-20, the City's has funded approximately 88.5 percent of its pension liabilities and 128.8 percent of its OPEB liabilities. As of 2019-20, the City reserve was at 24 percent of expenditures compared to the City's policy of 20 percent.

Whittier has a relatively larger unincorporated SOI and has compares less favorably to La Mirada in terms of many fiscal conditions. As shown on Figure 15, inclusive of the joint SOI, Whittier's 9 square mile SOI would increase the size of the city by 61.2 percent and the population by 61.0 percent (or by 53,009 residents). Unlike La Mirada (which has no DUCs within its SOI) Whittier does have one DUC within this 9 square mile area.

Moreover, Whittier's overall fiscal condition is not as strong as La Mirada. Whittier's reserve fund is well below La Mirada, has larger unfunded pension and OPEB liabilities (as of 2019-20) and rank as overall as "moderate risk" by the State Auditor, with high risk rankings in pension obligations, pension funding, future pension costs, and OPEB. The City also receive "moderate risk" rankings in debt burden and revenue trends.

## CONCLUSION

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While most other factors provided a neutral conclusion, the fiscal health indicators, taken in context of the size and nature of the unincorporated SOIs in both cities, clearly demonstrate that La Mirada is in a better position to absorb additional residents and property within the joint SOI. RSG recommends that the joint SOI designation be removed by LAFCO and the East La Mirada / East Whittier area be removed from Whittier's SOI and retained within the SOI of La Mirada.

## MSR DETERMINATIONS

Requisite CKH determinations for this MSR are presented by topic below:

### POPULATION, GROWTH, AND HOUSING

As described in this MSR, both cities are anticipated to see additional growth in population and housing in the coming decades, likely in greater numbers than what has been experienced in the past decade. See Figure 2 on page 6 for these historic and projected population growth rates. Based on SCAG projections, population growth rates may be three or four times greater than recent trends. While both SOIs are generally developed, redevelopment opportunities do exist, including the potential redevelopment of the former correctional facility in Whittier where several hundred housing units have been proposed (though not yet entitled).

State housing is shaping how communities grow more than ever. In the current 5<sup>th</sup> Housing Element Cycle, both La Mirada and Whittier have fallen well short of production goals, and developers may take advantage of streamlining projects under SB 35 provided they include at least affordable units in 10 percent of the proposed project.

The next 6<sup>th</sup> Round RHNA cycle may likely cause even further pressures on the local housing market with more ambitious housing production targets for both cities. Currently, La Mirada has an annual production goal of approximately 29 units annually, while Whittier's production goals are approximately 75 units annually. Under SCAG's draft proposed housing production allocations for these two cities, La Mirada's annual production may increase from 29 units to 245 units each year, while Whittier's could see an increase production goal increase from 75 units to 429 units annually.

See Figure 24 and Figure 25 for the annual housing production goals in the current (5<sup>th</sup> Round) and proposed 6<sup>th</sup> round RHNA cycles for La Mirada and Whittier,

Figure 24: Current and Potential Annual RHNA Housing Goals - La Mirada

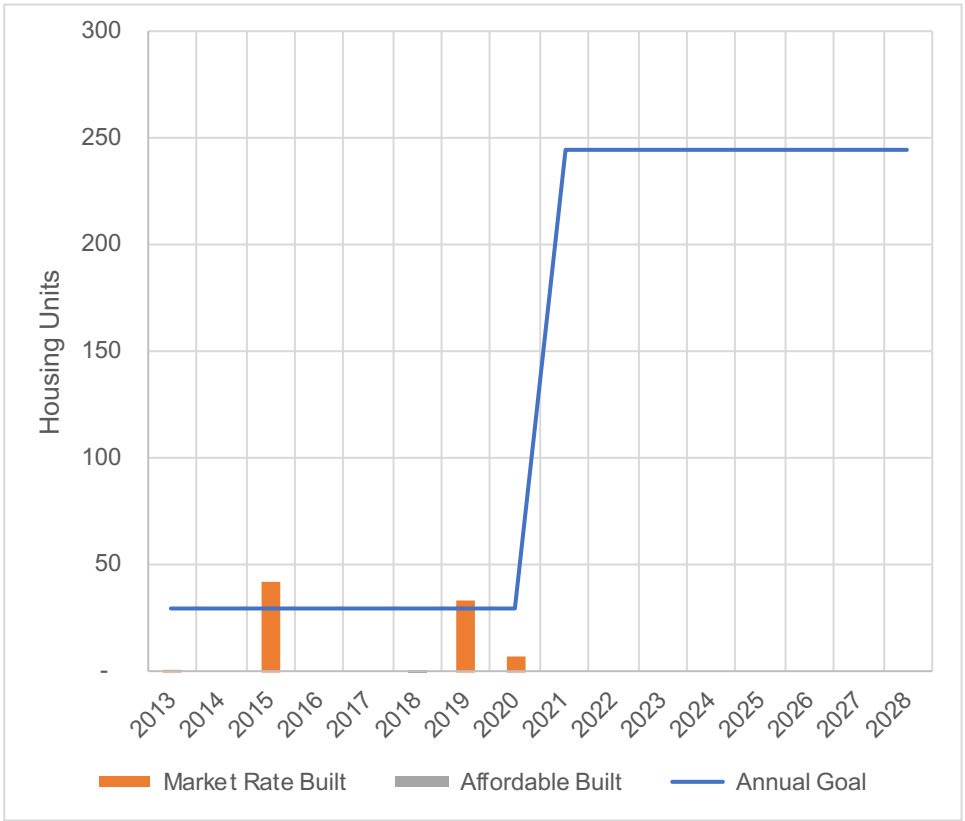
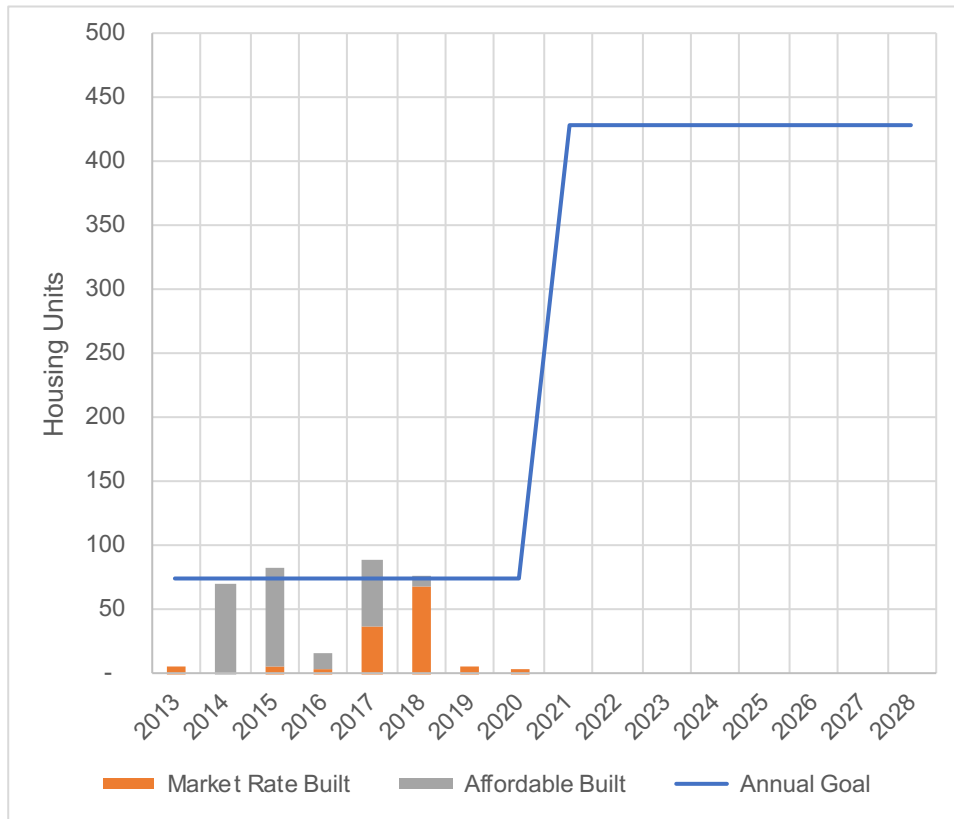


Figure 25: Current and Potential Annual RHNA Housing Goals - Whittier



While SCAG, HCD, and all cities wrestle over the proposed 6<sup>th</sup> Round allocations, it is clear that SB 35 project streamlining may be a continued reality for both cities and provided sites can be assembled additional population growth is very likely.

## DISADVANTAGED UNINCORPORATED COMMUNITIES IN SOI

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined as an area of inhabited territory located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. State law considers an area with 12 or more registered voters to be an inhabited area.



LAFCO designated the DUCs in the County using 2014-2018 ACS Census data, meaning any unincorporated area wherein the median household income is less than \$56,982<sup>27</sup>.

As discussed earlier and shown on Appendix 4, a portion of the unincorporated Whittier SOI is a designated DUC. With the upcoming Census, LAFCO's designations may change the location and number of DUCs in these and other unincorporated areas of the County.

## PRESENT AND PLANNED CAPACITY OF FACILITIES

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The 2005 MSR identified concerns related to the capacity of existing sewer capacity to handle rainfall overflows in both cities, while an additional concern regarding solid waste diversion rates in Whittier. In Whittier, the City's 5-year Capital Improvement Summary includes estimated annual expenses ranging from \$3.4 to 3.7 million annually for the Sewer Repair Program, adding up to more than \$17.7 million over the next 5 years.

In our interviews with staff, capacity of existing and planned facilities was not voiced as a concern. However, accommodating SCAG's proposed housing production will indeed be a significant challenge for both La Mirada and Whittier given the lack of available land today. La Mirada's recent RHNA Appeal letter stated that "the majority of the City's neighborhoods would require major water and sewer upgrades to accommodate the new infill development that would total approximately 2,000 new units... The existing infrastructure is unable to support the water and wastewater requirements of the existing and previous RHNA"

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<sup>27</sup> Source: LAFCO DUC Map, data from 2012-16 American Communities Survey (ACS) 5-Year Summary, Bureau of the Census, US Department of Commerce.

## FINANCIAL ABILITY TO PROVIDE SERVICES

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Both La Mirada and Whittier are regarded as relatively fiscally healthy cities but face difference challenges in coping with the COVID-19 Pandemic. Both cities have historically relied heavily on sales taxes to fund General Fund and (in the case of La Mirada) infrastructure investments. Now that Measure I has sunset, future funding for infrastructure will need to rely on other sources such as federal or state dollars. Both cities also have to face additional potential revenue reductions, use of cash reserves, and possibly service reductions if the Pandemic continues to force businesses to close as has been occurring during this difficult period. However, these issues are not unique to the two cities, and there remains hope for additional Federal stimulus funds to help small businesses and local government cope with the economic challenges they face.

## OPPORTUNITIES FOR SHARED FACILITIES

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Despite their close proximity, the cities have not embarked on any shared services between them or other jurisdictions, with the exception of the public safety services Whittier Police Department provides to the City of Santa Fe Springs. La Mirada generally relies heavily on contracts with the County for law enforcement, as well as many building and safety, public works and other services, so opportunities for shared services may be generally limited and of less value given the economies of scale the County brings.

RSG did not find specific areas where shared services should be explored but encourages LAFCO and the cities to be open to this in the face of the current fiscal challenges the cities face with the COVID-19 Pandemic.

## ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS

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Both cities employ best practices for outreach to the community, having recently shifted to district elections in recent years. Both La Mirada and Whittier exercise transparency by employing active social media and website updates to inform the general public of city events and activities and have embraced the use of online meetings during the COVID-19 Pandemic.

Both of the cities use their official websites and social media to communicate with the public and share relevant information and news about their activities.

## **LA MIRADA**

The La Mirada website includes posted agenda material, meeting dates, links to departments including planning projects, Measure I transparency, and audit/budget information. Users may interact with City Hall by providing messages through the website, as well as access public services and provide service questions through the City's "My La Mirada" mobile application. The website also offers users the option to register for email alerts on a variety of topics of interest.

Within the Community Development Department, project applicants may open and track permit applications electronically, while residents have access to information on major projects. Two such major projects were listed on the La Mirada website, but it is not clear how frequently this information is updated or maintained.

The City website also contains extensive information on the functions of the City, including backgrounds on City Council members, rosters of city commissions, and general information on the proceedings of local government to aid the public in understanding how their city functions.

According to the City website, the city uses Twitter and Facebook as its official social media communication channels.

Figure 26: Screenshot of City of La Mirada Website Home Page



## WHITTIER

Similar to La Mirada, Whittier's website includes extensive information and links of primary interest to residents, businesses, and the general public. Visitors may receive notification of agenda postings, view agenda materials, obtain budget and audit documents, and learn about department and services offered by the City. Whittier also provides a smartphone app (Whittier 24/7) that allows users to access services and communicate with City Hall directly.

Applications for many city permits are available on the City's website, although it does not appear Whittier has yet accommodated digital submittals thorough the website or another portal. As for resident transparency on development projects, the City's website does not appear to offer

project-specific pages for major projects, but does contain information on specific plans within the city as well the access to the municipal code and General Plan.

Whittier's website provides information about the current elected officials and appointees to City boards and commissions, access to the City's television municipal access channel (where council meetings are broadcast), as well as extensive information as to how to access various public services.

Whittier is active on three social media networks: Twitter, Instagram, and Facebook.

Figure 27: Screenshot of City of Whittier Website Home Page



## SOI DETERMINATIONS AND RECOMMENDATIONS

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Government Code Section 56025 (e) requires the Commission to consider the following determinations prior to updating the Sphere of Influence for a city:

1. The present and planned land uses in the area, including agricultural and open-space lands.  
The respective La Mirada and Whittier SOIs contain a mix of single and multifamily residential, commercial, industrial, public and institutional uses. Both jurisdictions contain passive and active recreational and open space areas, and a very limited amount of agricultural land. Future development would be governed by each city's General Plan and Zoning ordinance, including unincorporated areas once annexed.
2. The present and probable need for public facilities and services in the area. With respect to both La Mirada Whittier, and as developed communities which includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses, the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. The current public facilities and infrastructure existing within the communities is generally sufficient to meet future planned growth in both jurisdictions, with the exception of water and wastewater infrastructure in La Mirada, who has reported that additional upgrades and expansion are necessary to meet the potential demand from new housing units proposed in the preliminary SCAG 6th Round RHNA cycle. The City of La Mirada filed an appeal to SCAG's housing allocation to the city.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. There are no significant social or economic communities of interest in La Mirada and Whittier.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that

occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. One disadvantaged unincorporated community presently exists within the subject SOIs. Within the Whittier SOI, a portion of territory immediately west of Gunn Avenue, between Mulberry Drive and the Union Pacific Right of Way, is designated by LAFCO as a DUC, because it is an inhabited area with a median income of less than 80 percent of the County median income. Future Census data may alter the size and location of DUCs within the County, including within the subject SOIs.

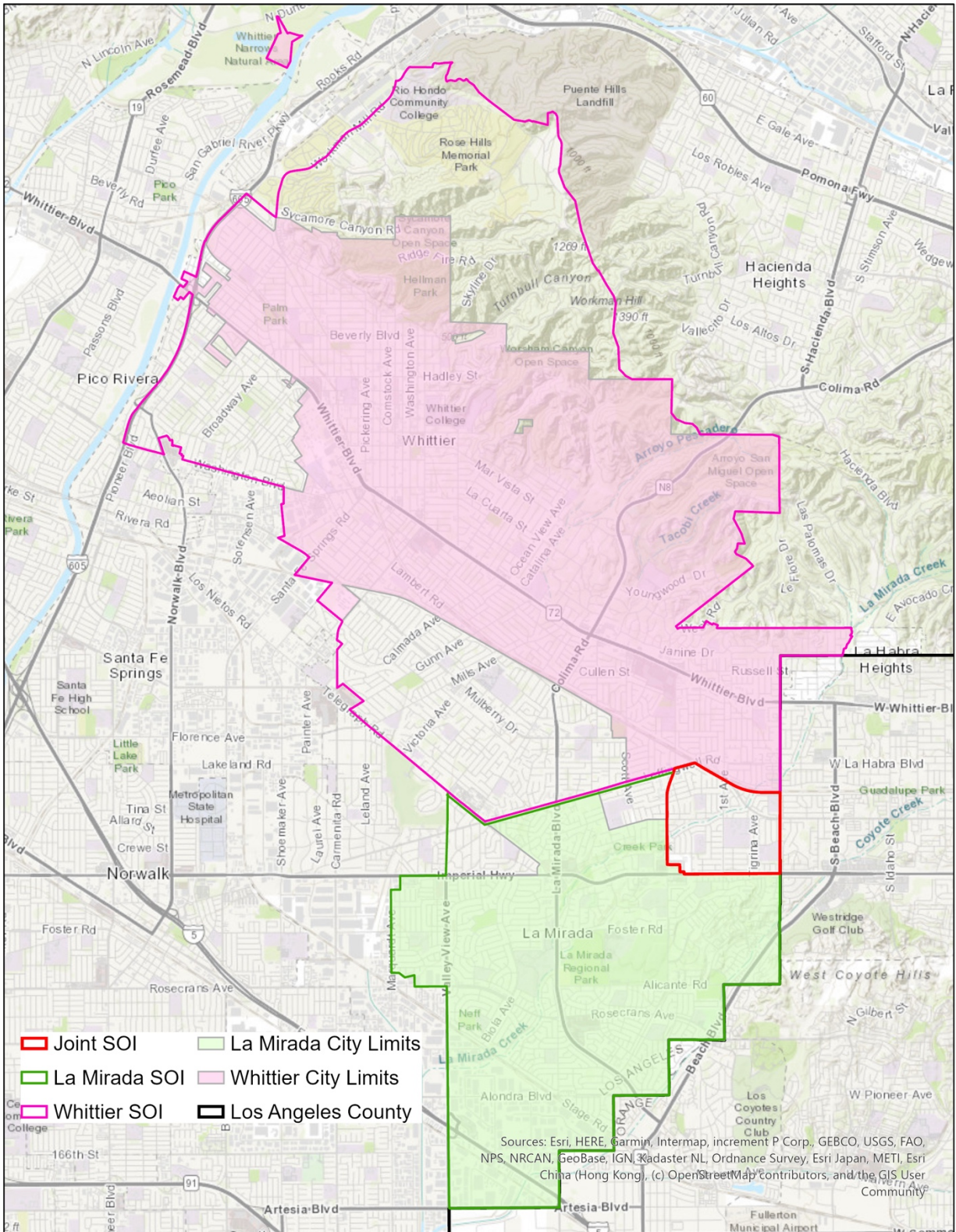
Because the territory within this SOI includes a mix of single and multifamily residential, commercial, industrial, public and institutional uses; the need for public facilities and services in the area exists at present. That need for public facilities and services will continue to exist indefinitely into the future.

Additionally, RSG recommends that the La Mirada SOI be reconfirmed to the current boundaries and the Whittier SOI be reduced to remove the joint SOI area in East La Mirada / East Whittier from its SOI based on the analysis contained in this MSR. Notwithstanding this change, both cities SOIs would still be designated than “Larger than Sphere of Influence” under LAFCO policy.

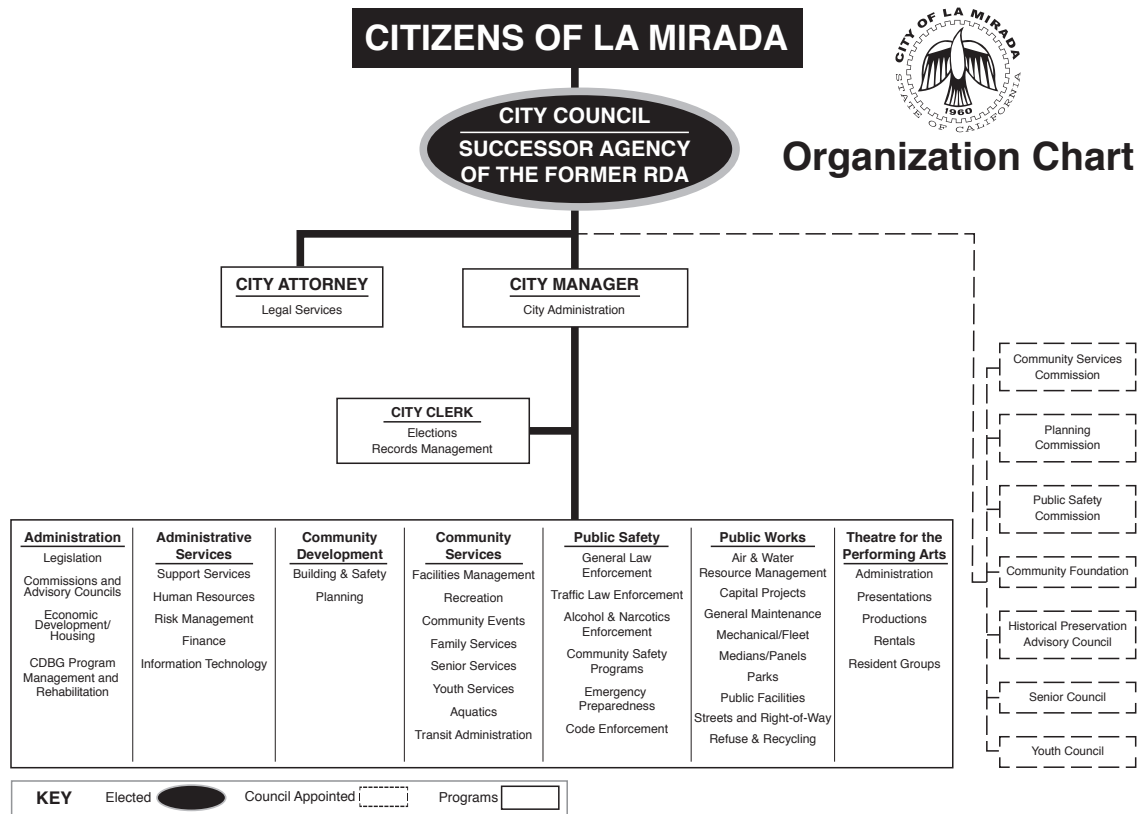
## APPENDICES



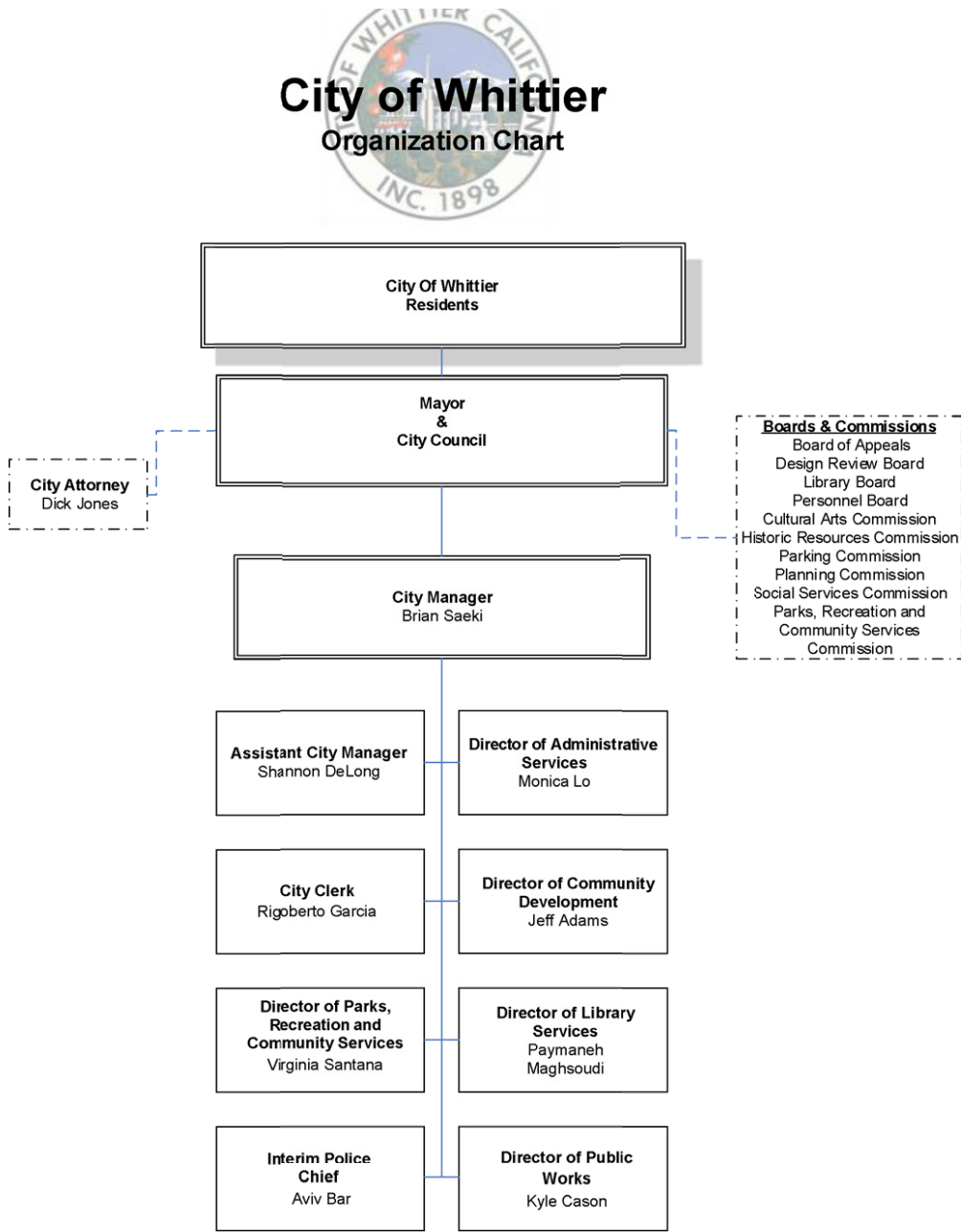
## APPENDIX 1: CURRENT LA MIRADA AND WHITTIER SPHERES OF INFLUENCE



APPENDIX 2: CITY OF LA MIRADA ORGANIZATIONAL CHART

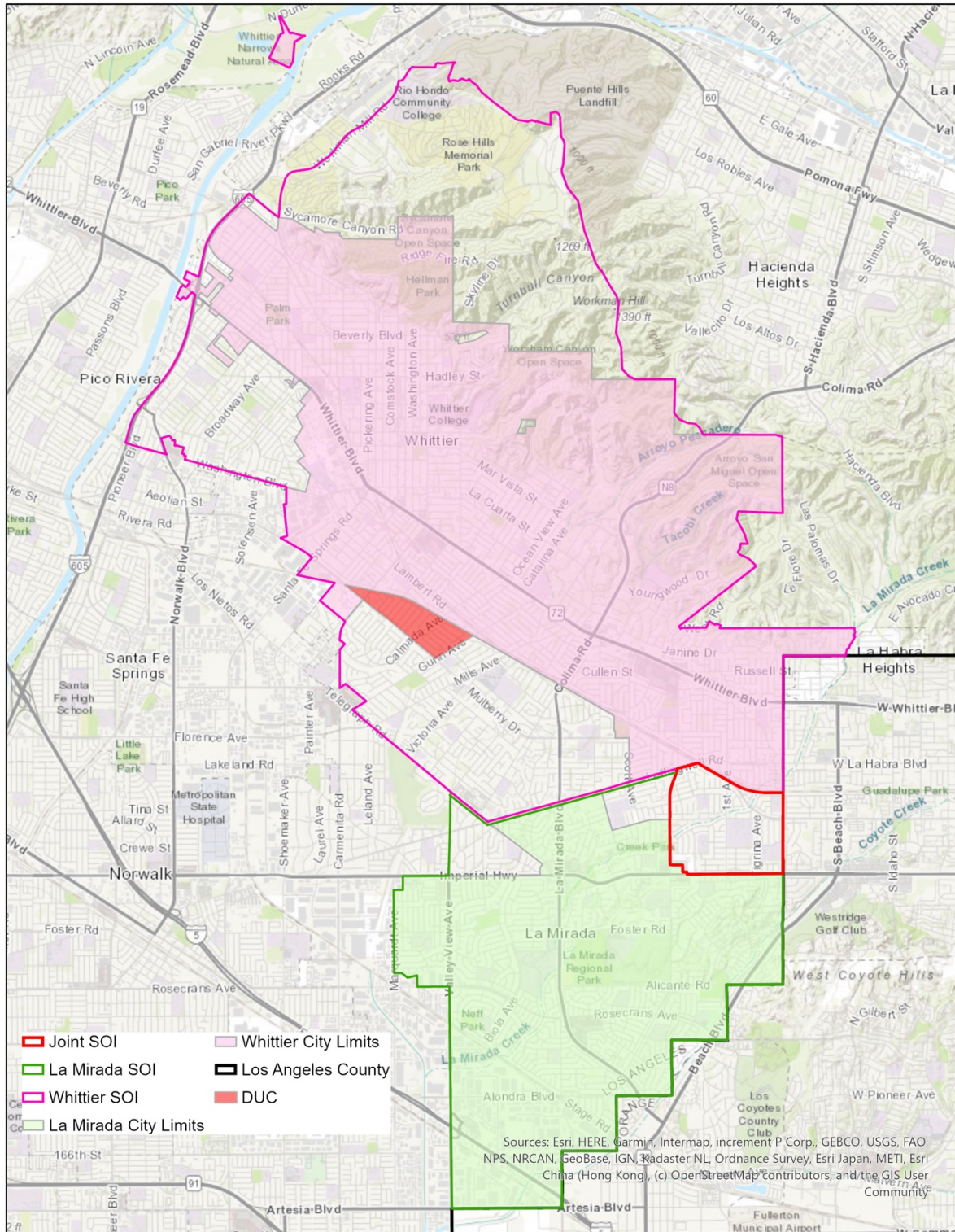


APPENDIX 3: CITY OF WHITTIER ORGANIZATIONAL CHART



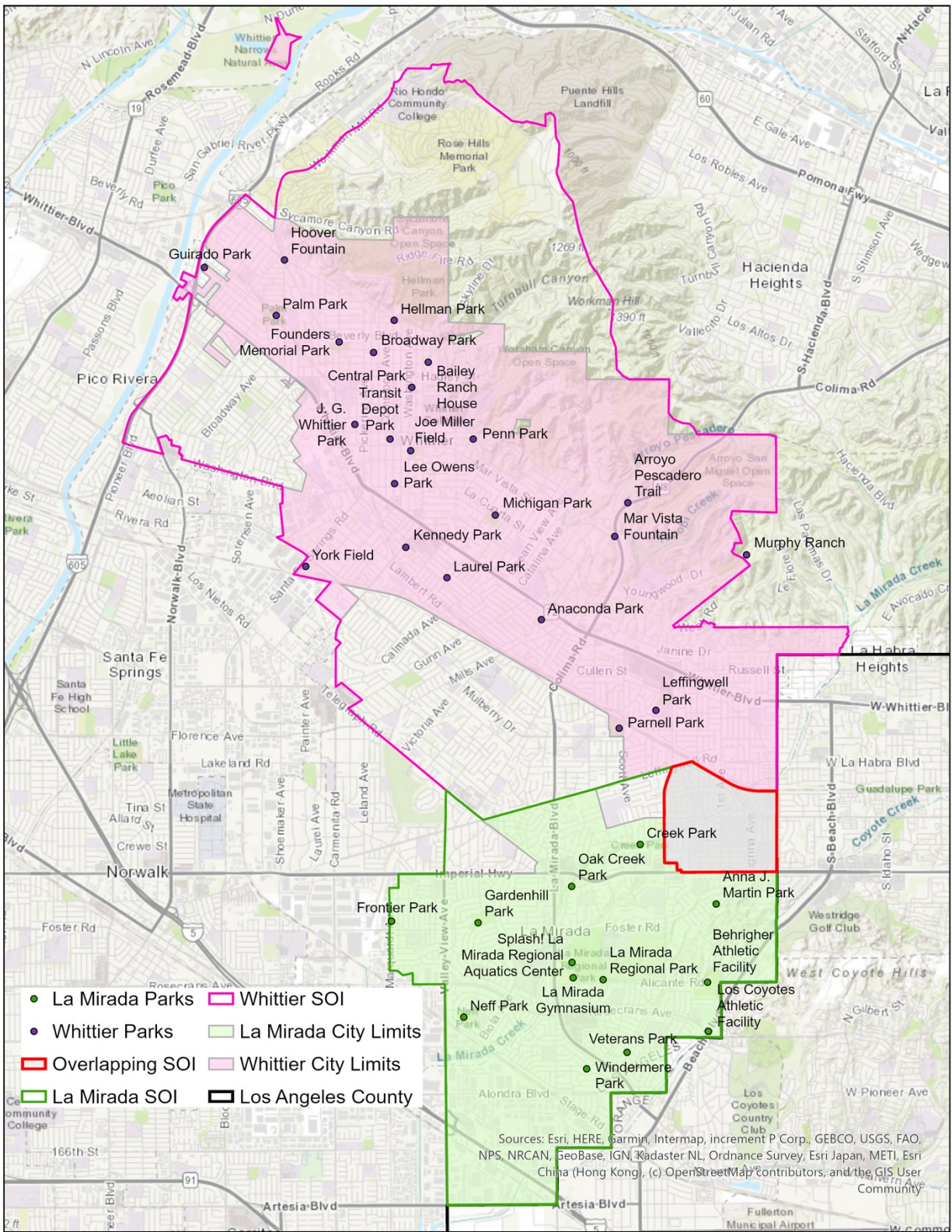


## APPENDIX 4: WHITTIER SOI AND DISADVANTAGED UNINCORP. COMMUNITIES





APPENDIX 5: PARK AND RECREATIONAL FACILITIES NEAR JOINT SOI





**Area Unified/Elementary School Districts**

- Overlapping SOI
- La Mirada SOI
- Whittier SOI
- Los Angeles County

**Schools Able to Service Joint SOI**

- Lowell Joint Elementary School District
- Norwalk-La Mirada Unified School District
- East Whittier City Elementary School District

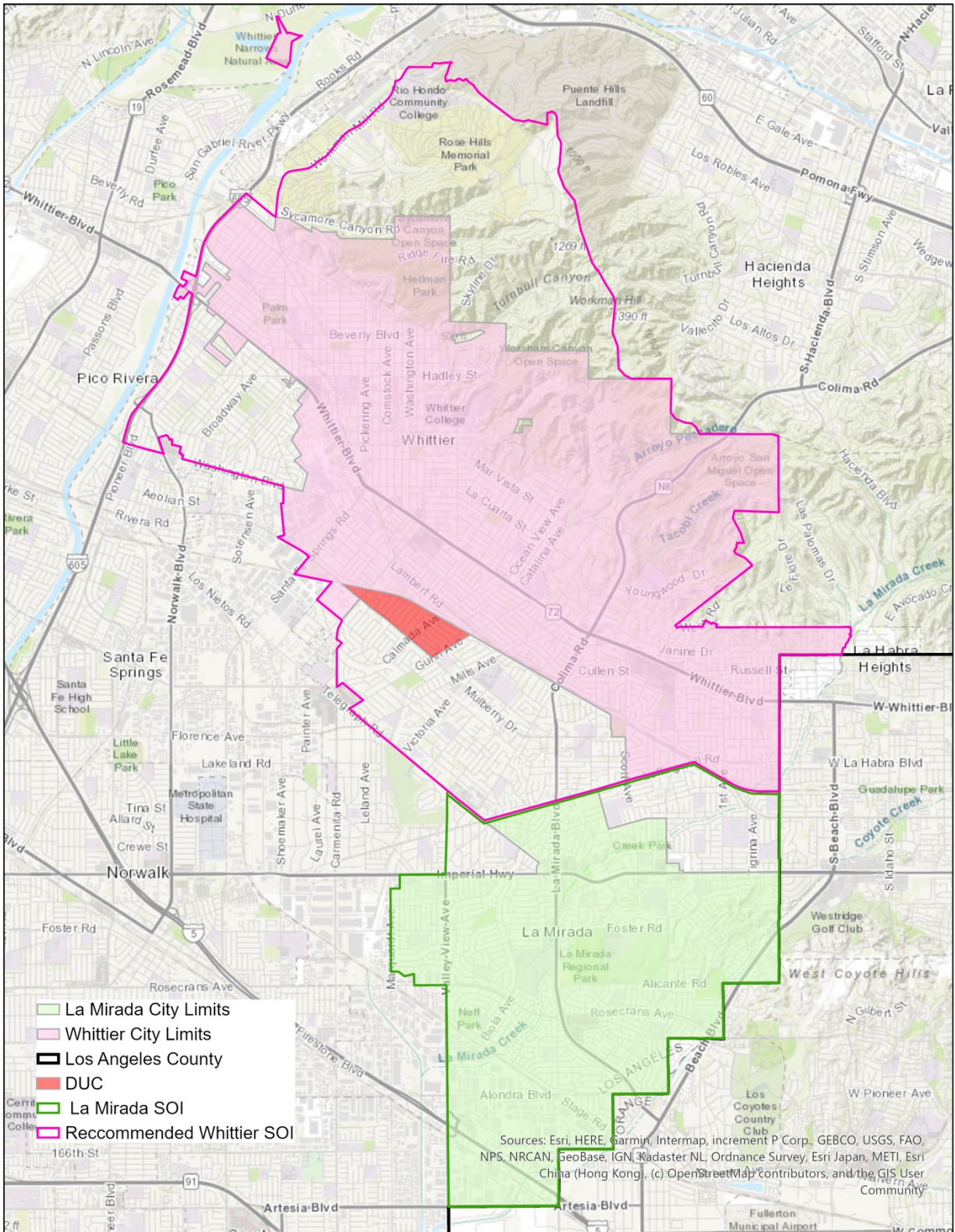
**Schools Able to Service Joint SOI**

- Scott Avenue Elementary School
- Granada Middle School
- Meadow Green Elementary School
- Rancho-Starbuck Intermediate School
- John Foster Dulles Elementary School
- Reginald M. Benton Middle School

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

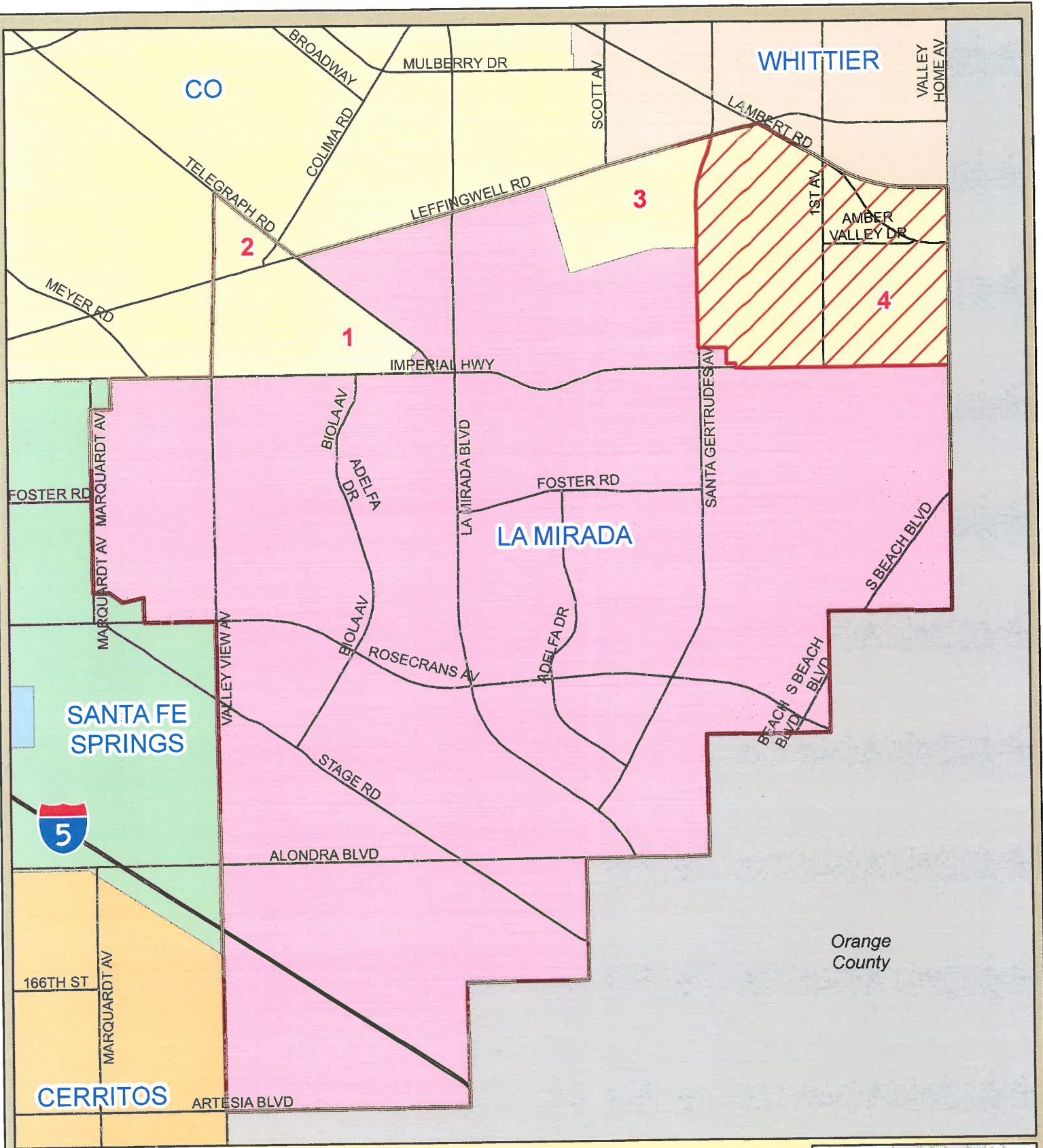


## APPENDIX 7: RECOMMENDED SPHERE OF INFLUENCES









**Legend**

- City of La Mirada
- La Mirada Sphere of Influence (SOI)
- 1** Study XV, Area 1-C(1)  
Established 12-08-76
- 2** Study XV, Area 1-C(2)  
Amended 02-09-77
- 3** Study XV, Area 2 (A)  
Established 12-08-76

**Current La Mirada  
Sphere of Influence**



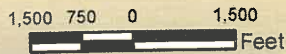
Study XV, Area 2(C)  
Joint SOI Whittier  
Established 12-08-76

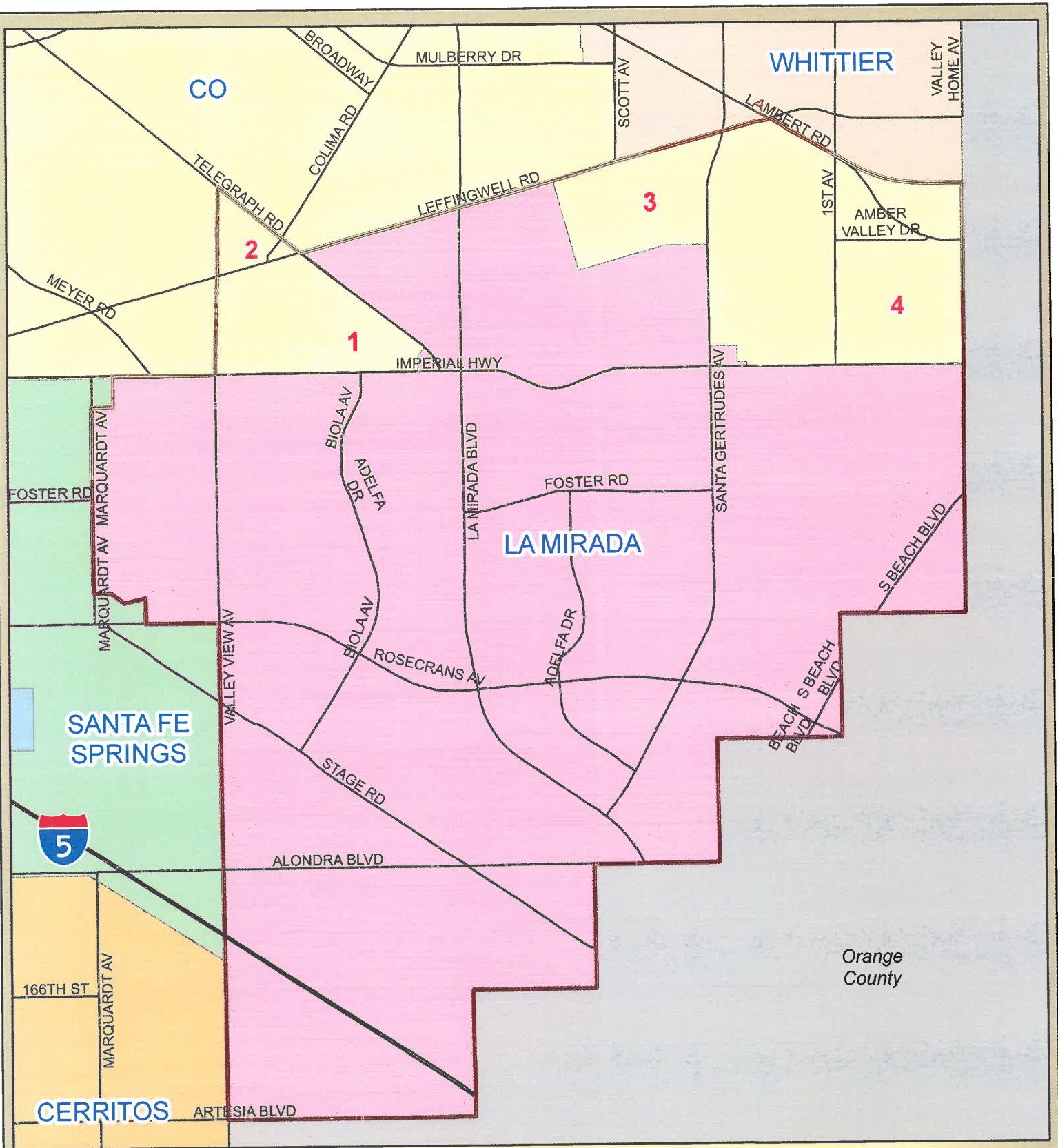
**Sphere of Influence History**

Action	Effective Date
Established	12-08-76
Amended	02-09-77
Reconfirmed	12-14-05



March 10, 2021





## Legend

- City of La Mirada
- Proposed Sphere of Influence (SOI)

- Study XV, Area 1-C(1)  
Established 12-08-76
- Study XV, Area 1-C(2)  
Amended 02-09-77
- Study XV, Area 2 (A)  
Established 12-08-76

## Proposed La Mirada Sphere of Influence

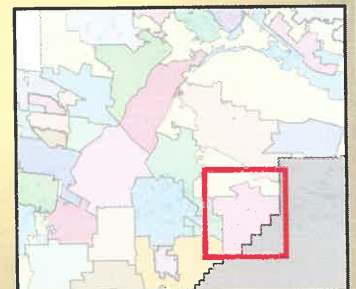
- Study XV, Area 2(C)  
Joint SOI Whittier  
Established 12-08-76  
Reconfirmed (Joint SOI Whittier Removed) 03-10-21

Sphere of Influence History	
Action	Effective Date
Established	12-08-76
Amended	02-09-77
Reconfirmed	12-14-05
Reconfirmed	03-10-21



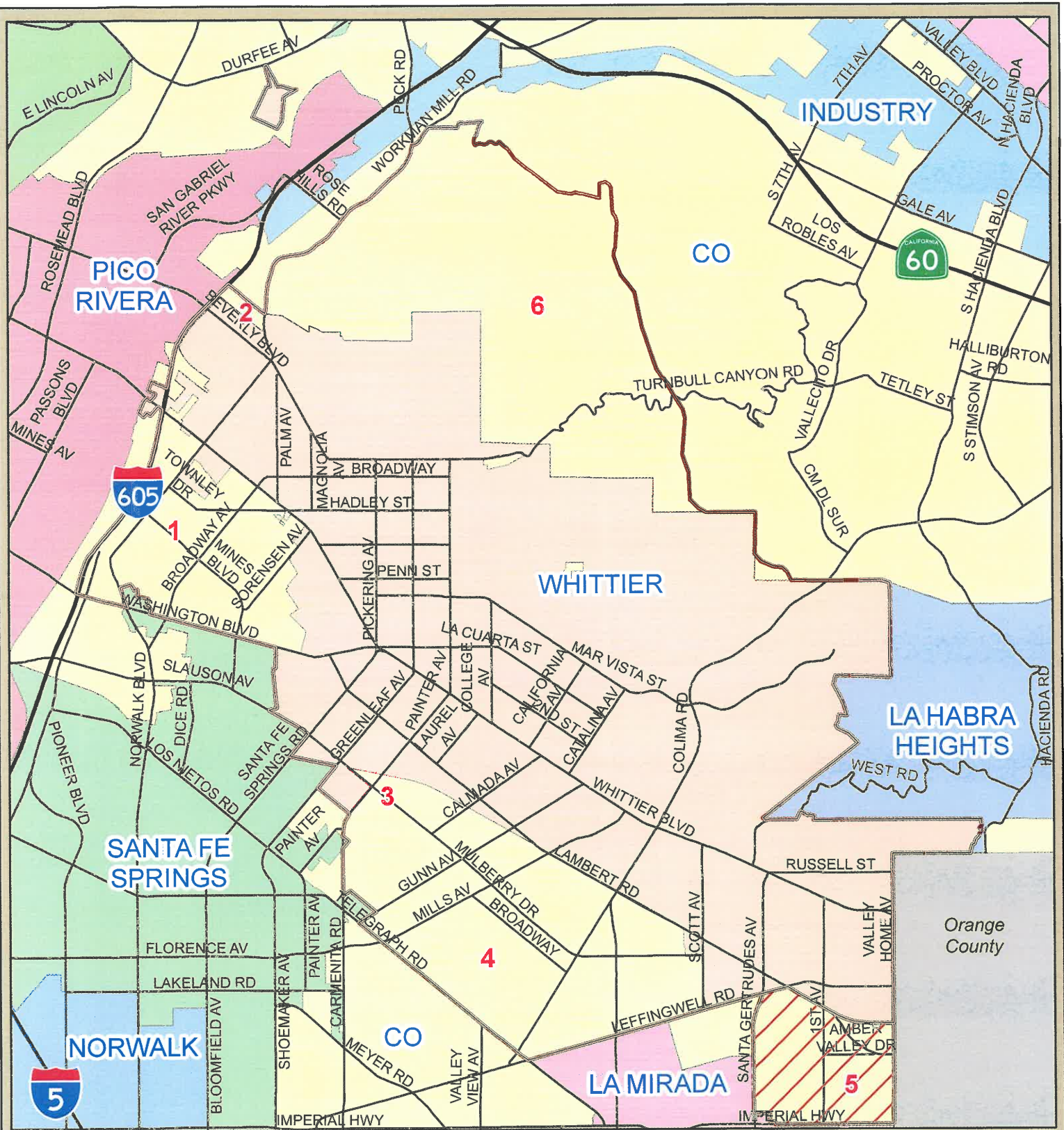
March 10, 2021

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## Legend

- City of Whittier
- Whittier Sphere of Influence (SOI)

- 1** Study XIV, Area 2 (A)  
Established 04-09-75
- 2** Study XIV, Area 2 (B)  
Established 04-09-75
- 3** Study XV, Area 1 (A-1)  
Amended 12-08-76
- 4** Study XV, Area 1 (A)  
Amended 12-08-76

- 5** Study XV, Area 2 (C)  
Joint SOI La Mirada  
Amended 12-08-76
- 6** Puente Hills Study  
Amended 01-09-80  
Amended 03-26-80

## Sphere of Influence History

Action	Effective Date
Established	04-09-75
Amended	12-08-76
Amended	01-09-80
Amended	03-26-80
Reconfirmed	12-14-05

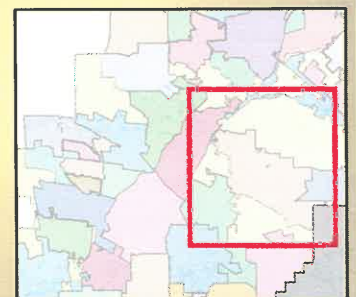
## Current Whittier Sphere of Influence



**LAFCO**  
Local Agency Formation Commission  
for the County of Los Angeles

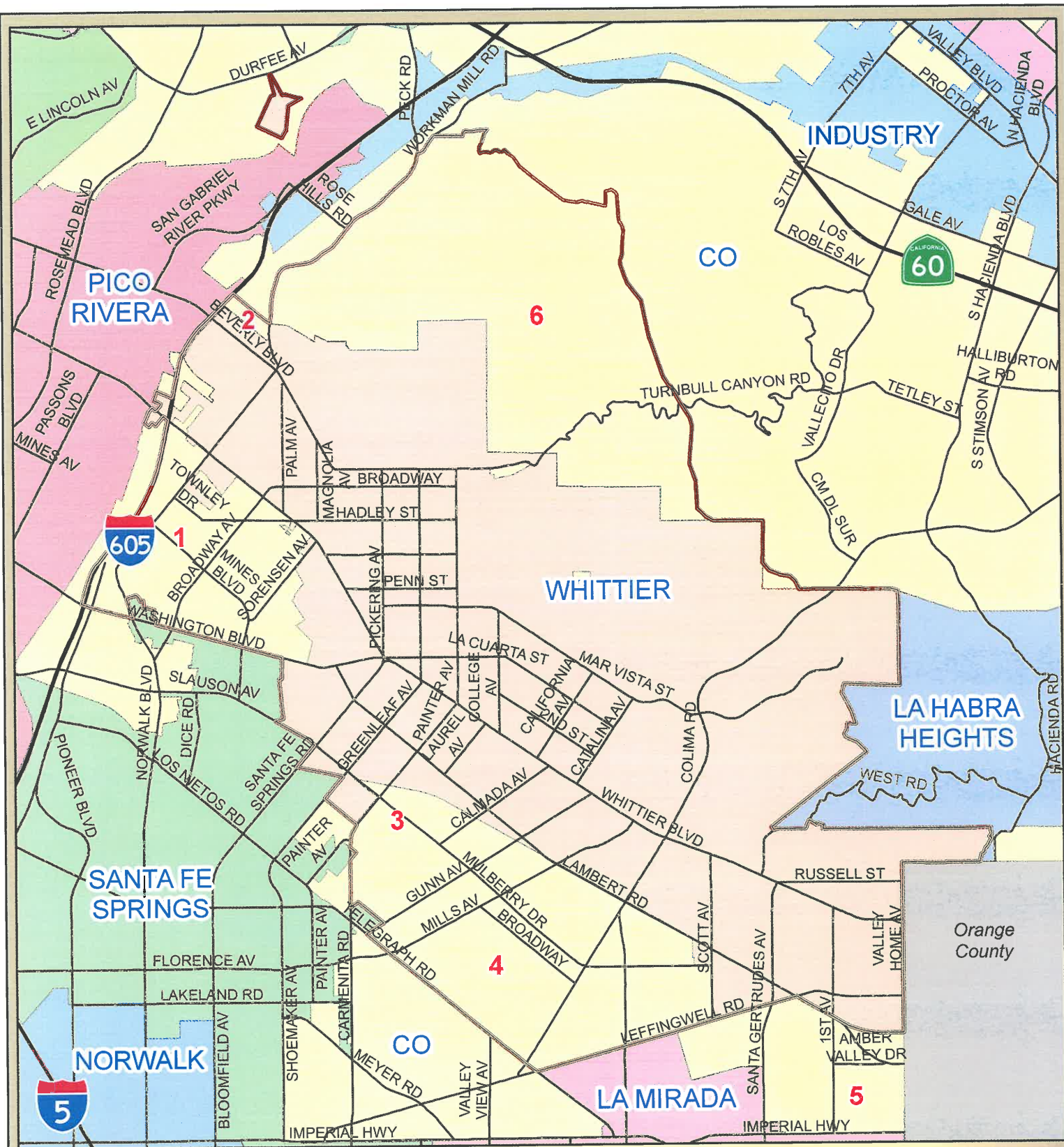
March 10, 2021

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## Legend

- City of Whittier
- Proposed Sphere of Influence (SOI)

- 1 Study XIV, Area 2 (A)  
Established 04-09-75
- 2 Study XIV, Area 2 (B)  
Established 04-09-75
- 3 Study XV, Area 1 (A-1)  
Amended 12-08-76
- 4 Study XV, Area 1 (A)  
Amended 12-08-76

## Proposed Whittier Sphere of Influence

- 5 Study XV, Area 2 (C)  
Joint SOI La Mirada  
Amended 12-08-76  
Amended (Joint SOI La Mirada Removed) 03-10-21
- 6 Puente Hills Study  
Amended 01-09-80  
Amended 03-26-80

### Sphere of Influence History

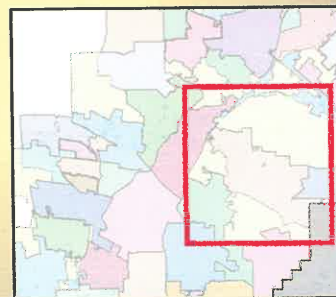
Action	Effective Date
Established	04-09-75
Amended	12-08-76
Amended	01-09-80
Amended	03-26-80
Reconfirmed	12-14-05
Amended	03-10-21



**LAFCO**  
Local Agency Formation Commission  
for the County of Los Angeles

March 10, 2021

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**Doug Dorado**

---

**From:** Kyle Cason <kcason@cityofwhittier.org>  
**Sent:** Tuesday, February 16, 2021 7:27 AM  
**To:** Jim Simon; Jeff Adams; Doug Dorado  
**Cc:** Brian Saeki; Shannon DeLong  
**Subject:** RE: Public Review, Draft Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier

Jim,

Couple things. Page 49 under Public Services for Streetlighting we have the City and SCE. Under Stormwater, we have LA Co. Flood Control/City (this is not contracted). Under Domestic Water we have City/SWS/SGVWC. CBMWD and Cal Domestic are both technically wholesalers and do not have direct customers in our City. SGVWC is San Gabriel Valley Water Company. Technically we don't have contracts with So Cal Gas, Frontier, or Charter... they are Franchisees... I don't know if that is relevant.

On page 52, technically the City of Whittier is 100% groundwater, and so is SWS in this area. I believe SGVWC is as well. So CBMWD is the middle man if you will between Metropolitan Water District and the City of Whittier, but the City of Whittier does not have an MWD connection.

On page 53, the Utility Authority's Water Division have approximately 12,000 customers. We serve just under 50,000 residents.

Also, the County does not manage or maintain our storm drain system. The Flood Control District is responsible for the major streams and channels.

If you could, please have the last sentence of the Storm Drainage Section read "The City has concerns about the affordability of the Los Angeles County Municipal Separate Storm Sewer System (MS4) permit as well as with group sampling as opposed to sampling at each City discharge point."

I think this pretty much covers it. Let me know if you have any further questions or concerns.

Thanks,



**Kyle Cason, PE | Director**

Public Works | 13230 Penn Street | Whittier, CA 90602

562-567-9500 | Email: [kcason@cityofwhittier.org](mailto:kcason@cityofwhittier.org) | [www.cityofwhittier.org](http://www.cityofwhittier.org)

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## Staff Report

March 10, 2021

### Agenda Item No. 10.a.

#### **Legislative Update and Request to Take as “Support” Position Relative to Items Proposed for the Assembly Local Government Committee (ALGC) Omnibus Bill**

##### Legislation:

Due to delays associated with COVID-19 restrictions, the Legislature has gotten off to a slow start in 2021. Staff expects that several bills which failed in last year’s session will be re-introduced in 2021.

Staff reports on the following three (3) bills:

- **SB 55 (Stern):** Introduced by Senator Henry Stern on December 7, 2020, SB 55 would prohibit the creation or approval of a new development, as defined, in a Very High Fire Hazard Severity Zone or a State Responsibility Area. CALAFCO has taken a “watch” position on SB 55.
- **AB 11 (Ward):** Introduced by Assemblyman Chris Ward on December 7, 2020, AB 11 would require the Strategic Growth Council to establish up to 12 regional climate change authorities to coordinate climate adaptation and mitigation activities in their regions, and coordinate with other regional climate adaptation authorities, state agencies, and other relevant stakeholders. CALAFCO has taken a “watch” position on AB 11.
- **AB 339 (Lee and Garcia):** Once public meetings return to an “in-person” format (post COVID restrictions), AB 339 would require that public agencies provide both call-in access (landline telephone) and internet access (computer, laptop, or cell phone) for all public meetings. Additionally, the bill would require public agencies to provide closed captioning for all meetings, to translate all languages for which five-percent (5%) of the population in the area governed by the local agency is a speaker. . CALAFCO has taken a “watch” position on AB 339.

##### Assembly Local Government Committee (ALGC) Omnibus Bill

CALAFCO’s Legislative Committee is working with ALGC staff and other stakeholders concerning items proposed for inclusion in the annual Omnibus Bill. The Omnibus, sponsored annually by the ALGC, allows CALAFCO and LAFCOs to propose technical changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act).

The attached “CALAFCO Legislative Committee Staff Report, Agenda Item No. 4, Omnibus Update” includes a “2021 Omnibus Bill Items Tracking Log – Original.” The tracking log summarizes seven (7) proposed items included in the Omnibus Bill. These items were approved by CALAFCO’s Legislative Committee, and are undergoing “stakeholder” review by the ALGC.



CALAFCO and the individual item sponsors are working to address. Given the parameters of the Omnibus Bill, either those concerns are addressed to the satisfaction of the concerned stakeholder(s), or the individual item must be removed from the Omnibus Bill. In that regard, these seven (7) items included in the tracking log may be reduced in number at the point that the Omnibus Bill is introduced.

Staff has reviewed the work of the CALAFCO Legislative Committee, and staff further **recommends that the Commission take a position in “SUPPORT” of these seven items in the ALGC Omnibus Bill.**

#### Protest Provisions Rewrite Working Group

The Protest Provisions Rewrite Working Group (Working Group) is composed of representatives of CALAFCO and the California Special District Association (CSDA), as well as representatives of the League of California Cities (League), the California State Association of Counties (CSAC), and the staff consultants to the ALGC and the Senate Governance & Finance Committee. Executive Officer Paul Novak is a member of the Working Group. The Working Group is tasked with reviewing existing notice, hearing, and protest provisions in the Act, and making recommendations to the Legislature for changes therein. The Working Group has met in person and virtually since early 2020.

The Working Group is considering whether to propose the consolidation of certain sections of the Act which deal with notice, hearing, and protest. While the Working Group is considering a consolidation of certain protest provisions in the Act, the draft is not yet finalized, and it has not been released for external stakeholder review.

Separately, and over the last several months, the Working Group compiled a list of “special provisions” in the Act. Special provisions are “one off” items in the Act which pertain to a particular geographic area (a particular city or county), one or more specified LAFCOs, or a particular set of circumstances. Upon review of fourteen (14) of these provisions, the Working Group unanimously voted to support removing eight (8) special provisions. Of these provisions, four (4) pertain to LA LAFCO, two (2) pertain to Santa Cruz LAFCO, and one (1) each pertain to Marin LAFCO and Santa Clara LAFCO. Members of the Working Group felt that these provisions are obsolete (applied to circumstances in the past that do not exist at present), are unlikely to be applied to current or future circumstances, and/or serve no legitimate public policy. The attached “CALAFCO Legislative Committee Staff Report, Agenda Item No. 5, Protest Provisions Rewrite Working Group Report” is a good summary of the Working Group’s recent work on this matter. The “2021 Omnibus Bill Items Tracking Log – Special Provisions” summarizes the eight (8) special provisions which the Working Group proposes be removed from the Act; the Working Group has recommended that the items be removed from the Act as a component of the ALGC’s Omnibus Bill. With respect to Item No. 2 on the Tracking Log, staff notes that the “section/change” should be the proposed deletion of subsection “(b)” of Government Code § 56705, which applies only to Los Angeles LAFCO; and not the entire section (as shown in the



Tracking Log), as subsection “(a),” which is a general section applying to all LAFCOs in California, is proposed to remain in the Act.

Staff has reviewed the efforts of the Working Group, and staff further **recommends that the Commission take a position in “SUPPORT” of these eight (8) items in the ALGC Omnibus Bill.**

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Legislative Update;
2. Take a “SUPPORT” position relative to the ALGC Omnibus Bill relative to the seven (7) items proposed by the CALAFCO Legislative Committee and the eight (8) items proposed by the Working Group, and authorize the Chair to sign letters documenting this position, and direct staff to convey this support the Governor, legislators, and other stakeholders.

Attachments:

- CALAFCO Legislative Committee Staff Report, Agenda Item No. 4, Omnibus Update
- CALAFCO Legislative Committee Staff Report, Agenda Item No. 5, Protest Provisions Rewrite Working Group Report



## **LEGISLATIVE COMMITTEE MEETING STAFF REPORT**

February 19, 2021

### **Agenda Item No. 4 Omnibus Update**

**Prepared By:** Pamela Miller, Legislative Committee Chair

**Date:** February 19, 2021

---

#### **RECOMMENDATION**

1. Receive and file report.

#### **DISCUSSION**

During the November 6, 2020 meeting, this Committee reviewed the eight proposals received by CALAFCO for Omnibus items. Seven of the eight were approved, with one declined given its substantive and controversial nature (56428(b) waiver of notice by Ben Giuliani of Tulare).

These seven items have been put through the full stakeholder review process, with February 12 being the last day for stakeholders to express concerns. As of the writing of this report CALAFCO has received several questions and concerns.

The Senate Governance & Finance Committee consultant asked us to discuss the proposed change to 56375(e) (written 21-day notice) with the League to ensure they have no concerns. CALAFCO did reach out to the League and as of the writing of this report has not heard back.

The Assembly Local Government Committee consultant along with the Assembly Republican Caucus consultant expressed concerns regarding the proposal to amend 56882 (method of delivery). CALAFCO continues to work with them to address their concerns, however it is not likely we will be able to agreeably mitigate those concerns.

This Committee will receive a full verbal update from Omnibus Lead Sam Martinez at today's meeting.

#### **ATTACHMENT**

4a – Omnibus bill tracking log

# 2021 Omnibus Bill Items Tracking Log - Original

Item No.	Person Responsible	Section/Change	Actions	Due Date	Status
1	Kai Luoma	§56066, 56123, and 56124 - (amend) adding "...or determination of a sphere of influence"; §56387 and §56388 (delete).	Undergoing stakeholder review.	2/12/21	Approved for last year's Omnibus Re-approved by Leg Comm for 2021
2	Kai Luoma	§56133(a) (amend) adding "...of the county in which the affected territory is located." and §56133(f) (delete).	Undergoing stakeholder review.	2/12/21	Approved for last year's Omnibus Re-approved by Leg Comm for 2021
3	Paul Novak	§56325.1(amend) removing independent judgement language; 56331.4 (new) adding independent judgement language.	Undergoing stakeholder review.	2/12/21	Approved by Leg Comm
4	Keene Simonds	§56375(e) (amend) adding "...with written notice provided no less than 21 days to the commission..."	Undergoing stakeholder review.	2/12/21	Approved by Leg Comm
5	Keene Simonds	§56427 (amend) replace "...revise spheres..." with "...update spheres..."	Undergoing stakeholder review.	2/12/21	Approved by Leg Comm
6	Benjamin Giuliani	§56428 (amend)-adding language to allow sphere amendments that are contemporaneous to concurrent annexations that also meets the requirements of §56662 to be considered without notice and hearing.			Not approved by Leg Comm
7	Roseanne Chamberlain	§56879(c)(4) (new) adding language to remove the property tax transfer process (R & T Section 99 and 99.01)	Undergoing stakeholder review.	2/12/21	Approved for last year's Omnibus Re-approved by Leg Comm for 2021

8	Carolyn Emery	when dissolving inactive districts. §56882 (amend) adding/removing language to allow resolutions adopted by the Commission to be provided by mail or email.	Undergoing stakeholder review.	2/12/21	Approved by Leg Comm	

**LEGISLATIVE COMMITTEE MEETING STAFF REPORT**

February 19, 2021

**Agenda Item No. 5  
Protest Provisions Rewrite Working Group Report**

**Prepared By:** Pamela Miller, Legislative Committee Chair

**Date:** February 19, 2021

---

**RECOMMENDATION**

1. Receive and file report.

**DISCUSSION**

The Protest Provisions Rewrite Working Group (Working Group) met virtually February 2, 2021. During this meeting the full group gave consensus to include eight obsolete special protest provisions into the Omnibus. Included as an attachment is a listing of those obsolete provisions (which this Committee has previously seen and approved). We are currently preparing the necessary documents to send to the Assembly Local Government Committee (ALGC) for inclusion into the Omnibus. That process will be done by April 28, 2021 which is the last scheduled hearing on Assembly bills for the ALGC. Once CALAFCO transmits the necessary documents, the amendments will be put through the full stakeholder review process before the bill is amended to add these eight items and placed on the ALGC consent calendar for April 28.

During the February 2 meeting the full group also considered the draft consolidated protest provision language CALAFCO submitted (also previously seen, revised, and approved by this Committee). CALAFCO received a lot of feedback from members of the working group and we are now in the process of revising the document to include their minor technical corrections/changes. Once done it will go back to the full working group for consensus and hopefully inclusion into the Omnibus, again done by amending the bill.

As a reminder, members of the Working Group are:

**CALAFCO**

- Pamela Miller, CALAFCO Executive Director
- Holly Whatley, LAFCo Legal Counsel
- José Henríquez, El Dorado LAFCo EO (central region)
- Steve Lucas, Butte LAFCo EO (northern region)
- Kai Luoma, Ventura LAFCo EO (coastal region)
- Paul Novak, LA LAFCo EO (southern region)

**Representing both agencies**

- Jo MacKenzie, Board & Legislative Committee Member

**Representing CSDA**

- Anthony Tannehill, CSDA Legislative Representative
- Mustafa Hessabi, Legal Counsel

- Danielle Coats, Senior Legislative Program Manager, Eastern Municipal Water District
- Christine Compton, Gov't Relations Officer/Deputy General Counsel, Irvine Ranch Water District
- Lindsey Liebig, Board Member, Herald Fire Protection District
- Noelle Mattock, Director, El Dorado Hills Community Services District
- Elliot Mulberg, Director, Florin Resource Conservation District/Elk Grove Water District

Others

- Betsy Strauss, Legal Counsel, League of CA Cities
- Geoffrey Neill, Legislative Representative, CSAC
- Anton Favorini Csorba, Senate Governance & Finance Committee Consultant
- Jimmy MacDonald, Assembly Local Government Committee Consultant

**ATTACHMENT**

5a – Summary of CALAFCO recommended actions relating to existing obsolete special provisions



2021 Omnibus Bill Items Tracking Log – Special Provisions					
Item No.	Person Responsible	Section/Change	Actions	Due Date	Status
1	Protest Working Group	§56375.2 (delete) special provision related to Marin LAFCO additional powers.	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
2	Protest Working Group	§56705 (delete) special provision regarding petition requirements for cities in Los Angeles County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
3	Protest Working Group	§56747 (delete) special provision related to City of Cupertino	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
4	Protest Working Group	§56760 (delete) special provision regarding notice requirements for a city with a population of more than 100,000 in Los Angeles County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
5	Protest Working Group	§57001.1 (delete) special provision related to Santa Cruz County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
6	Protest Working Group	§57075.5 (delete) special provision related to Los Angeles County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
7	Protest Working Group	§57202.1 (delete) special provision related to Santa Cruz County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21
8	Protest Working Group	§57383 (delete) special provision related to Los Angeles County	Being prepared for ALGC review.		Protest Working Group Committee approved inclusion of obsolete provision into the Omnibus on 2/2/21

## **Executive Officer Report**

**March 10, 2021**

### **Agenda Item No. 13.a.**

The Executive Officer hereby reports the following:

- **Annual Filing for Statement of Economic Interest (Form 700):** The annual filing period for Commissioners to complete their Statement of Economic Interest (Form 700) ends on April 1, 2021. Please complete and submit your Form 700 to staff by April 1, 2021.
- **Redevelopment Agency Oversight Boards:** The Independent Special District Selection Committee (ISDSC) has appointed Danielle Soto of the Three Valleys Municipal Water District as the special district representative to fill an existing vacancy on Los Angeles County Redevelopment Agency Oversight Board No. 4. The ISDSC is currently conducting an election to appoint the special district representative to fill an existing vacancy on Los Angeles County Redevelopment Agency Oversight Board No. 5, for which there are two nominees: Gordon Johnson of the Kinneloa Irrigation District, and Lloyd Johnson of the San Gabriel Valley Mosquito and Vector Control District; the election will conclude on April 15, 2021. The ISDSC has extended the nomination period (to April 9, 2021) for the special district representative to fill an existing vacancy on Los Angeles County Redevelopment Agency Oversight Board No. 2 (no nominations were submitted to the ISDSC in the original call for nominations).
- **Staff Schedule:** Based upon the Executive Officer's continued consultation with the Chair and legal counsel, LAFCO staff continue to work remotely, in furtherance of State and County emergency orders.

### **Staff Recommendation:**

1. Receive and file the Executive Officer Report.