



# County of Orange

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County Executive Office

August 25, 2015

Honorable Glenda Sanders  
Presiding Judge of the Superior Court of California  
700 Civic Center Drive West  
Santa Ana, CA 92701

Subject: Response to Grand Jury Report, "Orange County Local Agency Formation Commission (LAFCO): It's Time to Redraw the Lines"

Dear Judge Sanders:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. The respondents are the Orange County Board of Supervisors.

If you have any questions, please contact Jessica O'Hare of the County Executive Office at 714-834-7250.

Sincerely,

Frank Kim  
County Executive Officer

Enclosure

cc: FY 2014-15 Orange County Grand Jury Foreman  
Mark Denny, Chief Operating Officer, County Executive Office  
Jessica O'Hare, Assistant to the COO, County Executive Office



Responses to Findings and Recommendations  
2014-15 Grand Jury Report:

*“Orange County Local Agency Formation Commission (LAFCO): It’s Time to Redraw the Lines”*

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**SUMMARY RESPONSE STATEMENT:**

On June 30, 2015, the Grand Jury released a report entitled: “Orange County Local Agency Formation Commission (LAFCO): It’s Time to Redraw the Lines.” This report directed responses to findings and recommendations to the Orange County Board of Supervisors which are included below.

**FINDINGS AND RESPONSES:**

**F.4.** The County of Orange has withdrawn assistance to OC LAFCO in its effort to annex unincorporated islands by terminating its robust Unincorporated Islands Revitalization and Annexation Strategy and by withdrawing the assigned analyst who previously was on loan to OC LAFCO to provide fiscal analysis and data in support of island annexations.

**Response:** Disagrees wholly with this finding.

The County of Orange has not withdrawn its assistance or efforts to work cooperatively with OC LAFCO. The County of Orange continues to prioritize and support annexations and incorporations where they make sense. The County also worked diligently with all the County departments to develop a consistent methodology as to the costs associated with maintaining the various County unincorporated areas. Due to budget and staffing constraints, the County was no longer able to provide a free staff person to support OC LAFCO.

**F.5.** The County of Orange has failed to facilitate and assist OC LAFCO in its annexation efforts by not offering greater incentives to both the annexing cities and the islands to be annexed, such as infrastructure improvements, property-tax exchange, and cost-sharing agreements, through memoranda of understanding and pre-annexation agreements.

**Response:** Disagrees wholly with this finding.

The County of Orange has worked with cities and successfully negotiated annexation agreements based on the costs to provide municipal services to those islands. The County also works with OC LAFCO to provide financial data to help facilitate discussion on possible annexations.

**RECOMMENDATIONS AND RESPONSES:**

**R3.** The Orange County Board of Supervisors should revive and reinstate its Community Revitalization and Annexation Strategy and dedicate an analyst from the County Finance Office, whose sole duties would be to assist Orange County LAFCO with its efforts to promote annexation of the remaining unincorporated islands. (F.4.)

**Response:** The recommendation will not be implemented because it is not warranted or reasonable.

Dedicating an analyst whose sole duties are to assist Orange County LAFCO is not necessary, reasonable, practical, or a good use of scarce County resources.

**R4.** The Orange County Board of Supervisors should assist OC LAFCO in facilitating and expediting the annexation effort by offering greater incentives to both the annexing cities and the islands to be annexed, such as infrastructure improvements, fiscal subsidies, MOUs, and cost-sharing agreements. In addition, the County should consider imposing a special assessment on the island property to help defray the County's costs of providing municipal services to those islands. (F.5.)

**Response:** This recommendation will not be implemented because it is not warranted or reasonable.

The County receives a share of property tax dollars to provide municipal services to the County islands and does not recommend a special assessment to help defray the County's costs of providing municipal services to those areas. The County of Orange continues to work with cities on unincorporated areas within their spheres of influence and negotiating appropriate agreements to facilitate annexation of any of the remaining County islands.