



DAVID E. JANSSEN
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CHIEF ADMINISTRATIVE OFFICE

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H. Ammend

July 19, 2001

Board of Supervisors

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To: Supervisor Michael D. Antonovich, Mayor
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From: David E. Janssen
Chief Administrative Officer

REPORT ON REORGANIZATION FOR THE SAN FERNANDO VALLEY, HARBOR AND HACIENDA HEIGHTS AREAS

At the meeting of June 19, 2001, your Board directed the Chief Administrative Office to report back on what has been done in regards to the Special Reorganizations (Secessions) of the San Fernando Valley and Harbor Areas. In addition, you requested information regarding the incorporation effort in Hacienda Heights and the availability of funding for an independent study of that proposed incorporation. This memorandum provides the requested information.

State Law provided the funding mechanism for the San Fernando and Harbor Areas Secessions. Of the anticipated costs for those studies, the legislation appropriated 80 percent from the State general fund if it was matched, 10 percent by the City of Los Angeles and 10 percent by the County.

Historically, the Comprehensive Fiscal Analysis (CFA) necessitated by an incorporation application is funded by the incorporation proponents and prepared by the Local Agency Formation Commission (LAFCO) staff and/or contracted consultants. On September 13, 2000, LAFCO approved a \$25,000 contract with Project Design Consultants for preparation of the CFA for the proposed Hacienda Heights incorporation. My staff supplied information to the consultant regarding expenditures for services and revenues. In an unprecedented move, LAFCO funded the CFA from unexpended funds.

On April 19, 2001, LAFCO provided a preliminary draft of the CFA to the co-directors of the Hacienda Heights Cityhood Organization. To date, LAFCO has not received any written correspondence from the proponents that would require additional analysis. However,



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LAFCO has indicated that issues raised in conversations with the proponents might necessitate additional analysis that could cost between \$20,000 and \$30,000. LAFCO reports that it has no funds available to supplement the current contract or to request an independent study. Further, they indicate that current law prevents them from allocating funds to do so.

If no additional review is necessitated by the proponent's comments on the draft CFA, LAFCO can finalize that document at no additional cost. However, if the proponents raise issues that require further analysis, they will be required to provide the necessary funds for any further analysis.

Even if the proponents perform their own analysis, LAFCO will still have to review that document for accuracy to determine whether or not it is acceptable to meet the statutory criteria for a CFA. The proponents will have to provide the funding to LAFCO for that review.

If you have any questions or need additional information, your staff may contact Kandy Hays of my staff at (213) 974-1339.

DEJ:RLM
KEH:ljp

c: Executive Office, Board of Supervisors
County Counsel
Local Agency Formation Commission

Hacienda Heights.bm