



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: February 1, 2022

Agenda Item 9B

**Approvals:**

City Manager CS 18  
Dept. Head \_\_\_\_\_  
Attorney CJ  
Finance BAW

**Department:** City Manager's Office  
**Prepared By:** Jennifer Savage, Assistant to the City Manager

**Subject:** *FEASIBILITY OF ANNEXING RANCHO MISSION VIEJO PLANNING AREA 5*

**Fiscal Impact:** None to receive and file this report.

**Summary:** On June 15, 2021, the City Council directed staff to prepare a report regarding the feasibility of annexing Rancho Mission Viejo (RMV) Planning Area 5 (PA5). This report provides background information for discussion and consideration.

**Background:** RMV PA5 is approximately 1,350 acres located northeast of the City of San Clemente's city limits (Attachment 1). PA5 is outside of the City's Sphere of Influence (SOI). The 2005 Ranch Plan Environmental Impact Report<sup>1</sup> described PA5 as Suburban Residential that would allow a range of housing types, including senior housing, at 0.5 to 18.0 housing units per acre, along with neighborhood commercial centers, public facilities, and open space. A maximum of 2,440 housing units and 100,000 square feet of neighborhood center square footage would be permitted. PA5 would also include a 200-acre golf course and 159 acres of open space.

Between 2013 and 2016, the Orange County Local Agency Formation Commission (LAFCO) facilitate discussions regarding future governance of several large unincorporated communities located in South Orange County, including RMV. As part of that effort, the 2015 South Orange County Visioning Process report<sup>2</sup> estimated revenue and cost impacts to the Orange County General Fund for PA5. These estimates provide starting point to evaluate the annexation of PA5.

**Discussion:** **Steps to Annex Planning Area 5**

The following lists general steps if the City were to pursue annexation of PA5:

1. City meets with LAFCO and stakeholders for a pre-application meeting.
2. City consultant prepares an Annexation Feasibility Study, including a Plan for Service and Cost-Revenue Analysis, and City consultant prepares an environmental review (CEQA) document.
3. City adopts resolution for tax exchange between City and County.
4. City submits application to LAFCO for annexation.

In addition to the general steps for annexation, the process will include considerable time and public outreach as well as several public hearings.

<sup>1</sup> <https://ocds.ocpublicworks.com/sites/ocpwoocds/files/import/data/files/45926.pdf>  
<sup>2</sup> [https://oclafco.org/wp-content/uploads/2021/07/SoCo\\_InfoPacket\\_FINAL\\_082515.pdf](https://oclafco.org/wp-content/uploads/2021/07/SoCo_InfoPacket_FINAL_082515.pdf)

**Potential Obstacles**

The primary obstacle to annexing PA5 is obtaining support from the property owner(s). The annexation application requires a consent form from the property owner. RMV does not wish to annex until complete build out of the Ranch Plan, which is several years out.

A second potential obstacle is the cost to prepare an Annexation Feasibility Study. A 2019 Annexation Feasibility Study for Merced, CA cost approximately \$420,000. A 2020 Annexation Feasibility Study for Martinez, CA cost approximately \$29,190. Another obstacle may be the cost for the required environmental review; the cost is unknown at this time.

**Future Opportunities**

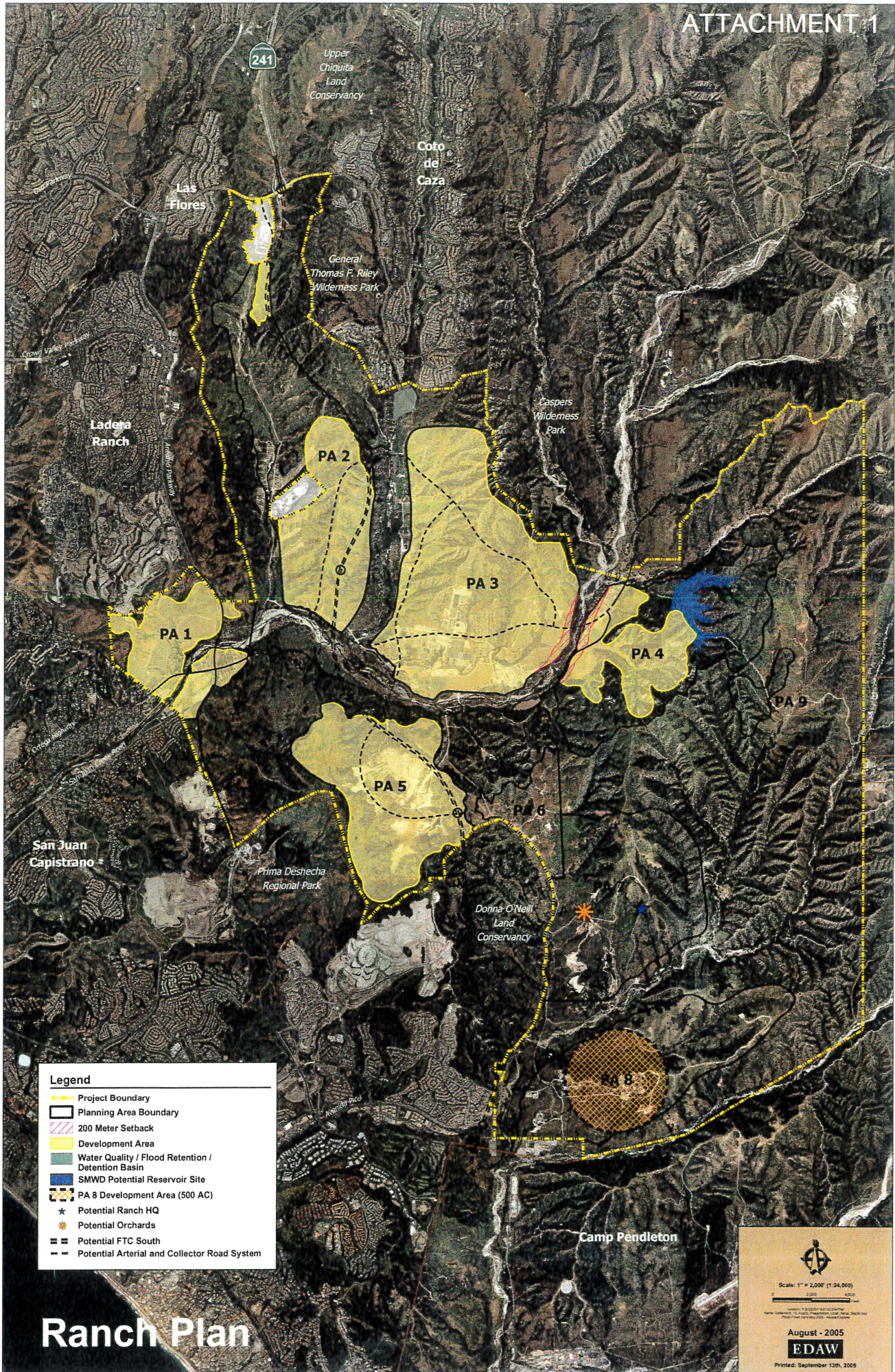
LAFCO will consider a strategic plan and work plan at the next Commission meeting November 10, 2021. The work plan may include an effort for LAFCO to produce a road map to document the timeline and process for future annexation of unincorporated areas, including RMV. That road map would help identify when and how the City could consider annexation in the future.

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council receive and file report.


**Attachments:** 1. 2005 Ranch Plan Map

**Notification:** None



Legend	
	Project Boundary
	Planning Area Boundary
	200 Meter Setback
	Development Area
	Water Quality / Flood Retention / Detention Basin
	SMWD Potential Reservoir Site
	PA 8 Development Area (500 AC)
	Potential Ranch HQ
	Potential Orchards
	Potential FTC South
	Potential Arterial and Collector Road System

# Ranch Plan

  
 Scale: 1" = 2,000' (1:24,000)  
 August - 2005  
**EDAW**  
 Printed: September 13th, 2005