



PUBLIC HEARING

Date: September 1, 2009

Subject: Property Tax Transfer Resolution Related to the Highridge Condominiums Project, Located at 28220 Highridge Road

Location: 28820 Highridge Road

1. **Declare the Hearing Open:** Mayor Clark
2. **Report of Notice Given:** Deputy City Clerk Takaoka
3. **Staff Report & Recommendation:** Associate Planner Fox
4. **Public Testimony:**

Appellant: N/A

Applicant: REC Development, Inc.

5. **Council Questions:**
6. **Rebuttal:** N/A
7. **Declare Hearing Closed:** Mayor Clark
8. **Council Deliberation:**
9. **Council Action:**



MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL MEMBERS

FROM: JOEL ROJAS, *[Signature]* AICP, DIRECTOR OF PLANNING,
BUILDING AND CODE ENFORCEMENT

DATE: SEPTEMBER 1, 2009

SUBJECT: PROPERTY TAX TRANSFER RESOLUTION RELATED TO
THE *HIGHRIDGE CONDOMINIUMS* PROJECT, LOCATED
AT 28220 HIGHRIDGE ROAD

REVIEWED: CAROLYN LEHR, CITY MANAGER *[Signature]*

Project Manager: Kit Fox, AICP, Associate Planner *[Signature]*

RECOMMENDATION

Adopt the Joint Resolution of the Board of Supervisors of the County of Los Angeles, the City Council of the City of Rolling Hills Estates, and the City Council of the City of Rancho Palos Verdes approving and accepting the negotiated exchange of property tax revenue resulting from the reorganization of territory known as "City of Rancho Palos Verdes Reorganization No. 2009-02," consisting of detachment of territory from the City of Rolling Hills Estates and annexation to the City of Rancho Palos Verdes.

EXECUTIVE SUMMARY

The Los Angeles County Local Agency Formation Commission (LAFCO) has been processing the 440-square-foot detachment/annexation related to the *Highridge Condominiums* project since January of this year. LAFCO has indicated that the Property Tax Transfer Resolution is ready for adoption by the city councils of Rancho Palos Verdes and Rolling Hills Estates. The Rolling Hills Estates City Council was scheduled to consider the Property Tax Transfer Resolution on August 25, 2009, but did not do so, continuing the matter to September 8, 2009. Nevertheless, the adoption of the attached Resolution will allow the processing of the detachment/annexation to proceed to the County Board of Supervisors and LAFCO in a timely manner, which will also satisfy one of the conditions of approval for the final tract map for the *Highridge Condominiums* project. As reflected in the

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resolution, the detachment/annexation results in no transfer of any current property tax revenues from one jurisdiction to another.

BACKGROUND

On October 21, 2008, the City Council adopted Resolution Nos. 2008-101 and 2008-102, thereby certifying the Mitigated Negative Declaration and conditionally approving the 28-unit *Highridge Condominiums* project, respectively. A 440-square-foot portion of the project site is currently in the City of Rolling Hills Estates, thereby requiring the detachment of this area from Rolling Hills Estates and the annexation of the area to Rancho Palos Verdes. On December 2, 2008, the City Council adopted Resolution No. 2008-116, a Resolution of Application asking LAFCO to initiate proceedings for the detachment and annexation of this 440-square-foot parcel. On February 17, 2009, the City Council adopted Ordinance No. 483U, thereby pre-zoning the territory to be annexed from the City of Rolling Hills Estates as Residential Multi-Family, 22 DU/Acre (RM-22).

On August 7, 2009, Staff was advised that the Property Tax Transfer Resolution was ready to be adopted by the city councils of Rancho Palos Verdes and Rolling Hills Estates. This joint resolution was scheduled for consideration by the Rolling Hills Estates City Council on August 25, 2009. However, at that meeting, members of the Rolling Hills Estates City Council had questions about the perceived loss of future property tax revenue to Rolling Hills Estates as the result of the reorganization of territory. There were comments suggesting to Staff that some Councilmembers felt that Rolling Hills Estates should be directly compensated for the “loss” of future property tax revenue attributable to the 440-square-foot parcel over the life of the *Highridge Condominiums* project. The Rolling Hills Estates City Council asked their City Attorney to review this matter, and they continued the item to their next meeting on September 8, 2009. In the meantime, however, the joint resolution is presented tonight for the City Council’s consideration and adoption so as not to unduly delay the LAFCO process.

DISCUSSION

The City of Rancho Palos Verdes initiated proceedings with LAFCO for the reorganization of territory identified as the “City of Rancho Palos Verdes Reorganization No. 2009-02.” Pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies. The Board of Supervisors of the County of Los Angeles—as governing body of the County and the Consolidated Fire Protection District (CFPD)—have determined the amount of property tax revenue to be exchanged among the affected agencies as a result of the proposed reorganization, which includes the detachment of territory from the City of Rolling Hills Estates and annexation of that territory to the City of Rancho Palos Verdes. The terms of the agreement are set forth in the attached draft joint resolution. Given that the territory in

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question measures 0.010 acre and, as former public utility property, has generated no property tax revenue in the recent past, the County determined that the immediate fiscal impacts of this transfer are negligible for all affected agencies. In fact, as reflected in the resolution, the detachment/annexation results in no transfer of any current property tax revenues from one jurisdiction to another.

As mentioned above, the City of Rolling Hills Estates has expressed concern about the perceived loss of future property tax revenue to Rolling Hills Estates as the result of the reorganization of territory. There were comments made at the August 25, 2009, meeting that suggested to Staff that some Councilmembers felt that Rolling Hills Estates should be directly compensated for the "loss" of future property tax revenue attributable to the 440-square-foot parcel over the life of the *Highridge Condominiums* project. Councilman Zuckerman estimated a "loss" of \$16,000 in future property tax revenue to Rolling Hills Estates as a result of the reorganization of territory. However, Staff would like to take this opportunity make a few points about the relative fiscal impact of the reorganization upon both cities:

- Although it is true that Rolling Hills Estates will not derive the benefit of the increased, incremental property tax revenue attributable to the development of the 440-square-foot portion of the 28-unit condominium project on the 1.25-acre project site, Rolling Hills Estates will also not be financially obligated to provide any municipal services for this portion of the site if the reorganization of territory is approved.
- In general, residential uses such as the approved *Highridge Condominium* project place a greater fiscal demand upon Rancho Palos Verdes than do commercial and other non-residential uses by virtue of their relatively high demand for services and our City's relatively low rate of property tax allocation from the County (i.e., roughly 6.7% of the base 1% assessment collected by the County).
- If the reorganization of territory does not proceed, the developer would have to revise the project to avoid construction on the 440-square-foot portion of the site that is in Rolling Hills Estates. This portion of the site is designated for institutional uses in the Rolling Hills Estates General Plan and Zoning Map, and we presume that there would be no reason for this to change. As such, Rolling Hills Estates would probably continue to derive no property tax revenue from this 440-square-foot parcel but would continue to incur the costs of providing municipal services to it. As an alternative, Rolling Hills Estates could re-designate and re-zone the 440-square-foot parcel for multi-family use to allow the project to proceed as approved, but then Staff believes that Rolling Hills Estates would be also obligated to provide its fair share of municipal services to the project in return for receipt of its share of the future property tax revenues.

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- In the event that Rolling Hills Estates insists upon direct compensation for the “loss” of future property tax revenue for the 440-square-foot parcel as a pre-condition of signing the Property Tax Transfer Resolution, Staff believes that this will be a matter for the developer to resolve with Rolling Hills Estates.

ADDITIONAL INFORMATION

Next Steps

When and if the Property Tax Transfer Resolutions are adopted by the cities of Rancho Palos Verdes and Rolling Hills Estates, the Board of Supervisors will be scheduled to adopt this same resolution at a regular meeting. Following this, a duly-noticed public protest hearing will be held by LAFCO. With LAFCO’s approval, the reorganization of territory will be complete and the project developer will be able to pursue recordation of the final tract map, and the issuance of grading and building permits.

Automatic Extensions of Vesting Tentative Tract Map No. 68796 and Related Entitlements

The City Council approved of the *Highridge Condominiums* project on October 21, 2008. Since this project included a vesting tentative tract map, these approvals were initially valid for two (2) years, as provided for by the State Subdivision Map Act (SMA), or until October 21, 2010. However, the enactment of Senate Bill No. 1185 on July 15, 2008, had the effect of automatically extending the approval of the vesting tentative tract map and related entitlements for another year, or until October 21, 2011. Most recently, Governor Schwarzenegger signed into law Assembly Bill No. 333 on July 15, 2009, which automatically extended for an additional two (2) years any tentative map that would otherwise have expired on or before January 1, 2012. Therefore, the vesting tentative tract map and related entitlements for the *Highridge Condominiums* project are now valid until October 21, 2013.

Public Notification

On August 10, 2009, public notices were mailed to the applicant/property owner; one hundred eighty-four (184) other property owners within a 500-foot radius of the project site; seventeen (17) other interested parties; and the City of Rolling Hills Estates. The public hearing notice was posted on the City’s website and a listserve message was sent to *Highridge Condominiums* listserve subscribers on August 10, 2009. On August 13, 2009, public notice of the September 1, 2009, public hearing for this matter was published in the *Palos Verdes Peninsula News*. As of the date that this report was completed, Staff had received no comments from any notified parties.

CEQA Compliance

On October 21, 2008, the City Council adopted Resolution No. 2008-101, certifying the Mitigated Negative Declaration (MND) prepared for the *Highridge Condominiums* project and adopting a Mitigation Monitoring Program. The proposed detachment/annexation was discussed in the MND, and a mitigation measure related to it was imposed, to wit:

Land Use and Planning Mitigation Measure No. 1 [LUP-1] - Prior to final tract map recordation, the 440-square-foot (0.010 acre) portion of the project site that is located in the City of Rolling Hills Estates (Assessor's Parcel No. 7589-007-802) shall be annexed to the City of Rancho Palos Verdes, in accordance with the procedures established by the Los Angeles County Local Agency Formation Commission (LAFCO). The applicant shall be responsible for all City costs associated with processing the annexation request.

As such, the adoption of the draft Property Tax Transfer Resolution is consistent with and within the scope of the City Council's previous action taken to approve the MND for this project.

CONCLUSION

In conclusion, Staff recommends that the City Council adopt the Joint Resolution of the Board of Supervisors of the County of Los Angeles, the City Council of the City of Rolling Hills Estates, and the City Council of the City of Rancho Palos Verdes approving and accepting the negotiated exchange of property tax revenue resulting from the reorganization of territory known as "City of Rancho Palos Verdes Reorganization No. 2009-02," consisting of detachment of territory from the City of Rolling Hills Estates and annexation to the City of Rancho Palos Verdes.

ALTERNATIVES

In addition to the Staff recommendation, the following alternative action is available for the City Council's consideration:

1. Do not adopt the Property Tax Transfer Resolution. This alternative will halt the LAFCO process, and will require the applicant to re-design the approved project so as not to encroach upon the portion of the project site that currently falls within the City of Rolling Hills Estates.

FISCAL IMPACT

The costs associated with the proposed detachment and annexation have been wholly borne by the project applicant. As reflected in the Property Tax Transfer Resolution presented for the City Council's adoption, the annexation of the additional 0.010-acre territory is expected to have a no fiscal impact upon the City of Rancho Palos Verdes or any other affected jurisdictions.

Attachments:

- Draft Property Tax Transfer Resolution
- Ordinance No. 483U
- Resolution No. 2008-116

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTATES, AND THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM THE REORGANIZATION OF TERRITORY KNOWN AS CITY OF RANCHO PALOS VERDES REORGANIZATION NO. 2009-02, CONSISTING OF DETACHMENT OF TERRITORY FROM THE CITY OF ROLLING HILLS ESTATES AND ANNEXATION TO THE CITY OF RANCHO PALOS VERDES

WHEREAS, the City of Rancho Palos Verdes initiated proceedings with the Local Agency Formation Commission of Los Angeles County for the reorganization of territory identified as the City of Rancho Palos Verdes Reorganization No. 2009-02; and

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, as governing body of the County and the Consolidated Fire Protection District ("CFPD"), the City Council of the City of Rolling Hills Estates; and the City Council of Rancho Palos Verdes have determined that the amount of property tax revenue to be exchanged among their respective agencies as a result of the proposal identified as City of Rancho Palos Verdes Reorganization No. 2009-02, which includes the detachment of territory from the City of Rolling Hills Estates and annexation of that territory to the City of Rancho Palos Verdes, is as set forth below:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenues between the City of Rolling Hills Estates and the City of Rancho Palos Verdes resulting from the reorganization proposal identified as the City of Rancho Palos Verdes Reorganization No. 2009-02 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2010, or the July 1 after the effective date of this jurisdictional change, whichever is later, Zero Dollars (\$0) in base property tax revenue attributable to the City of Rancho Palos Verdes Reorganization shall be transferred from the City of Rolling Hills Estates to the County of Los Angeles. In addition, for each fiscal year commencing on or after July 1, 2010, or the July 1 after the effective date of this jurisdictional change, whichever is later, 0.066910981 percent of the annual property tax growth attributable to the City of Rancho Palos Verdes Reorganization 2009-02, shall be transferred from the City of Rolling Hills Estates to the County of Los Angeles.

3. For fiscal years commencing on and after July 1, 2010 or the July 1 after the effective date of this jurisdictional change, whichever is later, Zero Dollars (\$0) in base property tax revenue shall be transferred from the County of Los Angeles to the City of Rancho Palos Verdes. In addition, for each fiscal year commencing on or after July 1, 2010, or the July 1 after the effective date of this jurisdictional change, whichever is later, 0.113193419 percent of the annual property tax growth attributable to the City of Rancho Palos Verdes Reorganization No. 2009-02 area shall be transferred from the County of Los Angeles to the City of Rancho Palos Verdes.

4. For the fiscal years commencing on and after July 1, 2010 or the July 1 after the effective date of this jurisdictional change, whichever is later, Zero Dollars (\$0) in base property tax revenue shall be transferred between the CFPD and the County of Los Angeles. In addition, for each fiscal year commencing on or after July 1, 2010 or the July 1 after the effective date of this jurisdictional change, whichever is later, the annual tax increment attributable to the City of Rancho Palos Verdes Reorganization No. 2009-02 area for the CFPD shall remain the same as before the effective date of the jurisdictional change.

PASSED, APPROVED AND ADOPTED this 1st day of September, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor
City of Rancho Palos Verdes

ATTEST:

City Clerk

(Signed in Counterpart)

COPY

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2009
by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

Mayor, City of Rolling Hills Estates

ATTEST:

City Clerk

(Signed in Counterpart)

COPY

The foregoing resolution was on the ____ day of _____ 2009, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing district, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors
Of the County of Los Angeles

By, _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

BY _____
Deputy

SIGNED IN COUNTERPART)

ORDINANCE NO. 483U

**AN ORDINANCE OF THE CITY OF RANCHO PALOS VERDES
PREZONING THE 440-SQUARE-FOOT PORTION OF THE HIGHRIDGE
CONDOMINIUMS PROJECT (ASSESSOR'S PARCEL NO. 7589-007-
802), LOCATED AT 28220 HIGHRIDGE ROAD, AS "RESIDENTIAL
MULTI-FAMILY, 22 DWELLING UNITS PER ACRE" (RM-22), AND
DECLARING THE URGENCY THEREOF**

WHEREAS, on October 21, 2008, the City Council of the City of Rancho Palos Verdes conditionally approved an application for a 28-unit residential condominium project on an undeveloped 1.25-acre site, of which a 440-square-foot portion lies within the corporate boundaries of the City of Rolling Hills Estates, a municipal corporation; and,

WHEREAS, on December 2, 2008, the City Council of the City of Rancho Palos Verdes adopted Resolution No. 2008-116 requesting that the Local Agency Formation Commissioner (LAFCO) initiate proceedings for the reorganization of territory for the detachment of said 440-square-foot area from the City of Rolling Hills Estates and the annexation of said 440-square-foot area to the City of Rancho Palos Verdes; and,

WHEREAS, on January 15, 2009, the City of Rancho Palos Verdes filed an application with LAFCO for the aforementioned detachment and annexation; and,

WHEREAS, in order to the LAFCO application to be deemed complete for processing, it is necessary for the City of Rancho Palos Verdes to prezone the 440-square-foot subject territory, and;

WHEREAS, on February 17, 2009, the City Council of the City of Rancho Palos Verdes conducted a duly-noticed public hearing to consider the adoption of a rezoning ordinance for the 440-square-foot property that is the subject of the Highridge Condominiums detachment/annexation request.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES DOES ORDAIN AS FOLLOWS:

Section 1: The City Council of the City of Rancho Palos Verdes does hereby make the following findings of fact:

- A. The site (Assessor's Parcel No. 7589-007-802) consists of approximately 0.010 acres (440 square feet) of undeveloped and uninhabited area.
- B. The site is located adjacent to the corporate boundary between the cities of Rancho Palos Verdes and Rolling Hills Estates, and is a portion of an abandoned former Verizon facility, known as 28220 Highridge Road.

- C. The site is a portion of an approved but as-yet-unbuilt 28-unit condominium project, the majority of which (i.e., approximately 1.24 acres) would be located within the City of Rancho Palos Verdes.
- D. The site will accommodate the future development of a 28-unit condominium project, which is not a different use, a more intense use nor a denser use than those already entitled or already permitted to occur by the land use designations and zoning of the site, and for which environmental review has already been conducted.
- E. The site contains a small portion of an abandoned Verizon facility that will be demolished to accommodate the approved 28-unit condominium project. The rezoning of the site will not give the City the legal authority to alter in any way the lawfully approved entitlements that exist at the site, but will instead allow the development of the site in accordance with these existing entitlements.
- F. Such rezoning would become effective upon annexation, and designated upon the Zoning Map incorporated within Chapter 17.88 of Title 17 of the City's Municipal Code.
- G. The Planning Commission held a duly-noticed public hearing on this issue on April 8, 2008, May 13, 2008, June 24, 2008, July 22, 2008 and August 12, 2008. This public hearing was held at Hesse Park Community Building, 29301 Hawthorne Boulevard, Rancho Palos Verdes. At the hearing, the Planning Commission considered Staff's presentation, the Staff report, public testimony on the proposal and the Mitigated Negative Declaration prepared for the project.
- H. The City Council held a duly-noticed public hearing on this issue on September 16, 2008, and October 21, 2008. This public hearing was held at Hesse Park Community Building, 29301 Hawthorne Boulevard, Rancho Palos Verdes. At the hearing, the City Council considered the Planning Commission's recommendation, Staff's presentation, the Staff report, public testimony on the proposal and the Mitigated Negative Declaration prepared for the project.
- I. Public participation and notification requirements pursuant to Sections 65090, 65391 and 65854 of the Government Code of the State of California were duly followed.

Section 2: Based upon the testimony and other evidence received at the hearing, and upon the study and investigation made by the City Council, the City Council further finds as follows:

- A. The purpose of the proposal is to rezone the project site to Residential Multi-Family, 22 Dwelling Units per Acre (RM-22), as indicated on the attached Exhibit 'A', upon adoption of the proposed General Plan Amendment, Zone Change and

the Mitigated Negative Declaration prepared for the project, approved under separate resolution on October 21, 2008.

- B. The prezone has been reviewed for consistency with the City's proposed General Plan Amendment and Zone Change.
- C. Public participation and notification requirements pursuant to Sections 65090 and 65391 of the Government Code of the State of California were duly followed.
- D. The Mitigated Negative Declaration prepared for this project was approved by separate resolution by the City Council on October 21, 2008.

Section 3: Based upon the foregoing facts and findings, the City Council of the City of Rancho Palos Verdes makes the following findings regarding the rezoning of the subject parcel:

- A. The need to prezone to Residential Multi-Family, 22 Dwelling Units per Acre (RM-22) does exist within the area of the project site so the site can be annexed into the City of Rancho Palos Verdes and so the site's zoning designation would be consistent with adjacent land uses.
- B. The subject property is a proper location for the zoning designation because the site is adjacent to areas with similar/compatible zoning designations and similar types of development.
- C. Public necessity, convenience, general welfare and good planning practice justify the prezone classification proposed because the proposed development will be consistent with the surrounding development and consistent with the City's development standards.
- D. The proposed rezoning of the project site is consistent with existing land uses in the area and would not result in a substantive change to the existing zoning of the project site, as existing and approved development complies with the development standards of the proposed zoning designations.

Section 4: In order to protect the public health, safety and welfare it is necessary for the City of Rancho Palos Verdes to adopt an urgency ordinance rezoning the 440-square-foot portion of the Highridge Condominiums project (Assessor's Parcel No. 7589-007-802), located at 28220 Highridge Road, as "Residential Multi-Family, 22 Dwelling Units per Acre" (RM-22). The urgency in this case is that LAFCO's review of the detachment/annexation proposal will not proceed until the "Rezoning Ordinance" is adopted. The approved project includes the provision of two (2) dwelling units that will be affordable to very-low-income families. LAFCO estimates that the detachment and annexation process may take up to a year, but for the financial viability of this project and the timely provision of affordable housing units, it

is important for the detachment/annexation to proceed as quickly as possible. Therefore, this ordinance is necessary for the public health, safety and welfare and shall take effect immediately upon adoption as an Urgency Ordinance.

Section 5: The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be posted in the manner prescribed by law.

PASSED, APPROVED AND ADOPTED THIS 17TH day of February 2009.

/s/ Larry Clark
Mayor

ATTEST:

/s/ Carla Morreale
City Clerk

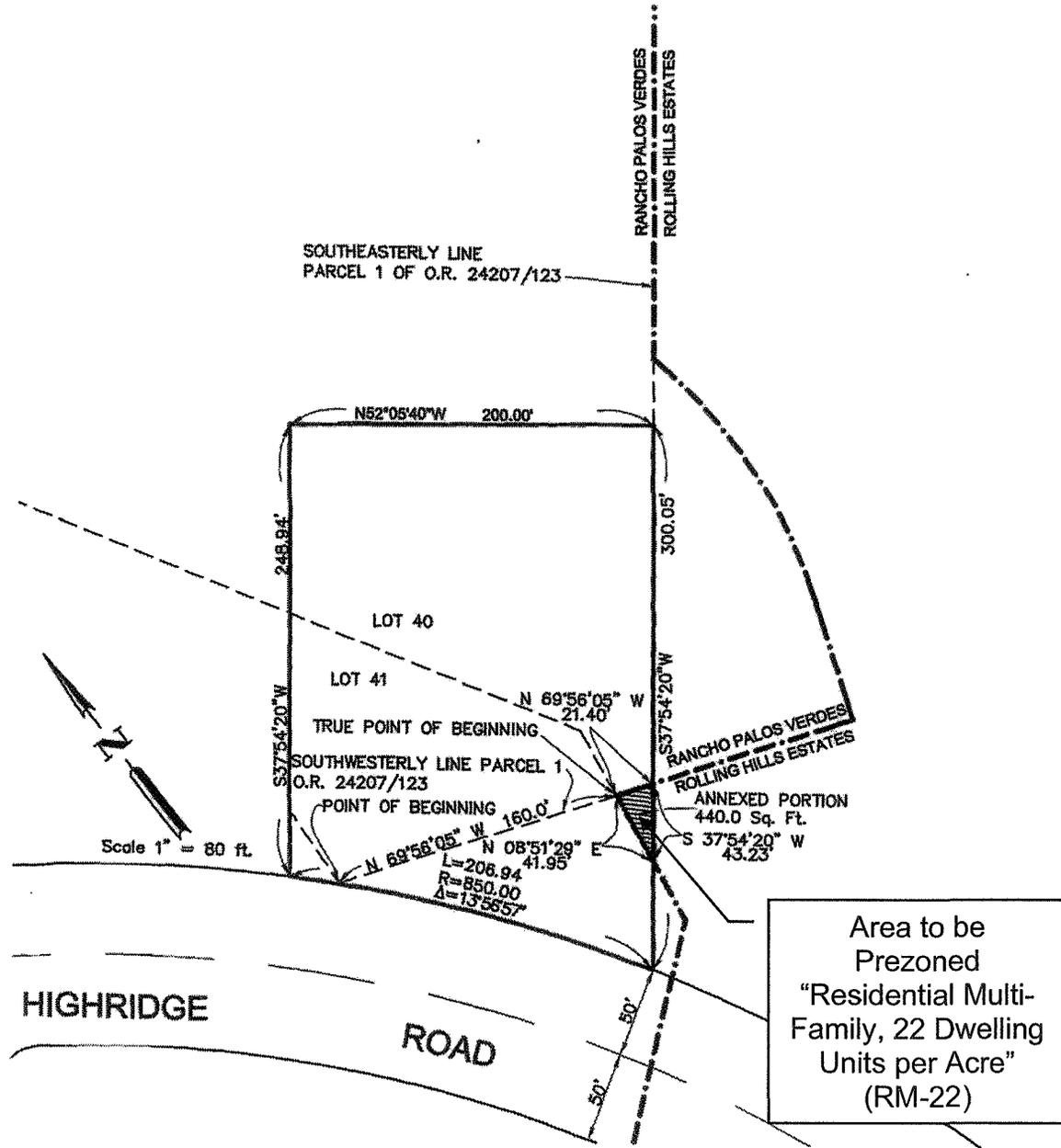
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss
CITY OF RANCHO PALOS VERDES)

I, Carla Morreale, City Clerk of the City of Rancho Palos Verdes, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. 483U was duly and regularly adopted by the City Council of said City at a regular meeting thereof held on February 17, 2009, and that the same was passed and adopted by the following roll call vote:

AYES: Long, Stern, Wolowicz and Clark
NOES: None
ABSENT: Gardiner
ABSTAIN: None

City Clerk

EXHIBIT 'A'
ORDINANCE NO. 483U
PRE-ZONING ORDINANCE FOR HIGHRIDGE CONDOMINIUMS ANNEXATION
(LAFCO Proposal Designation No. 2008-20)



RESOLUTION NO. 2008-116

A RESOLUTION OF APPLICATION BY THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR THE REORGANIZATION OF TERRITORY.

WHEREAS, on October 21, 2008, the City Council of the City of Rancho Palos Verdes conditionally approved an application for a 28-unit residential condominium project on an undeveloped 1.25-acre site, of which a 440-square-foot portion lies within the corporate boundaries of the City of Rolling Hills Estates, a municipal corporation; and,

WHEREAS, the City of Rancho Palos Verdes desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for a reorganization which would concurrently annex territory to the City of Rancho Palos Verdes and detach territory from the City of Rolling Hills Estates; and,

WHEREAS, notice of intent to adopt this Resolution of application has been given in accordance with the provisions of Section 56157 of the California Government Code, and this City Council has conducted a public hearing on December 2, 2008, based upon this notification; and,

WHEREAS, the principal reasons for the proposed reorganization are as follows: to allow the development of the approved residential condominium project to occur wholly within the corporate boundaries of the City of Rancho Palos Verdes so as to simplify and maximize the efficiency of providing public services to the future residents of the project; to facilitate the timely development of two (2) new dwelling units that will be affordable to very-low-income families, which are required as a part of the approved residential condominium project; and to correct an apparent error in the logical placement of a portion of the corporate boundary between the City of Rancho Palos Verdes and the City of Rolling Hills Estates; and,

WHEREAS, the following agency or agencies would be affected by the proposed jurisdictional changes:

| Agency | Nature of Change |
|-------------------------------|--------------------------|
| City of Rancho Palos Verdes | Annexation of 0.010 acre |
| City of Rolling Hills Estates | Detachment of 0.010 acre |

and,

WHEREAS, the territory proposed to be reorganized is uninhabited, and a map and description of the boundaries of the territory are attached hereto as Exhibits 'A' and 'B', respectively, and by this reference incorporated herein; and,

WHEREAS, it is desired to provide that the proposed reorganization be subject to the following terms and conditions: all mitigation measures adopted in conjunction with the certification of the Mitigated Negative Declaration approved by the City Council of the City of Rancho Palos Verdes pursuant to Resolution No. 2008-101 on October 21, 2008; and all conditions of approval for Vesting Tentative Tract Map No. 68796, General Plan Amendment, Zone Change, Conditional Use Permit, Grading Permit and Density Bonus (Planning Case Nos. SUB2007-00003 and ZON2007-00072) approved by the City Council of the City of Rancho Palos Verdes pursuant to Resolution No. 2008-102 on October 21, 2008; and,

WHEREAS, this proposal is not consistent with the adopted spheres of influence for all of the agencies which would be affected by reorganization, so this request also includes amendments to the spheres of influence of the cities of Rancho Palos Verdes and Rolling Hills Estates; and,

WHEREAS, this City Council of the City of Rancho Palos Verdes certifies that, pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Section 21000 *et. seq.* ("CEQA"), the State's CEQA Guidelines, California Code of Regulations, Title 14, Section 15000 *et. seq.*, the City's Local CEQA Guidelines, and Government Code Section 65962.5(F) (Hazardous Waste and Substances Statement), the City of Rancho Palos Verdes revised the Initial Study and determined that, by incorporating mitigation measures into the Negative Declaration, there is no substantial evidence that the approval of Planning Case Nos. SUB2007-00003 and ZON2007-00072—as revised—would result in a significant adverse effect on the environment. Accordingly, a Revised Draft Mitigated Negative Declaration was prepared and circulated for public review for twenty (20) days between July 2, 2008 and July 22, 2008, and notice of that fact was given in the manner required by law; and,

NOW, THEREFORE, this Resolution of Application is hereby adopted and approved by the City Council of the City of Rancho Palos Verdes, and the Local Agency Formation Commission of Los Angeles County is hereby requested to take proceedings for the annexation of territory as authorized and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED, AND ADOPTED this 2nd day of December 2008.

/s/ Larry Clark
Mayor

Attest:

/s/ Carla Morreale
City Clerk

State of California)
County of Los Angeles) ss
City of Rancho Palos Verdes)

I, Carla Morreale, City Clerk of the City of Rancho Palos Verdes, hereby certify that the above Resolution No. 2008-116 was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on December 2, 2008.

City Clerk

Resolution No. 2008-116
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EXHIBIT 'A'
Annexation No. 2008-20
Map

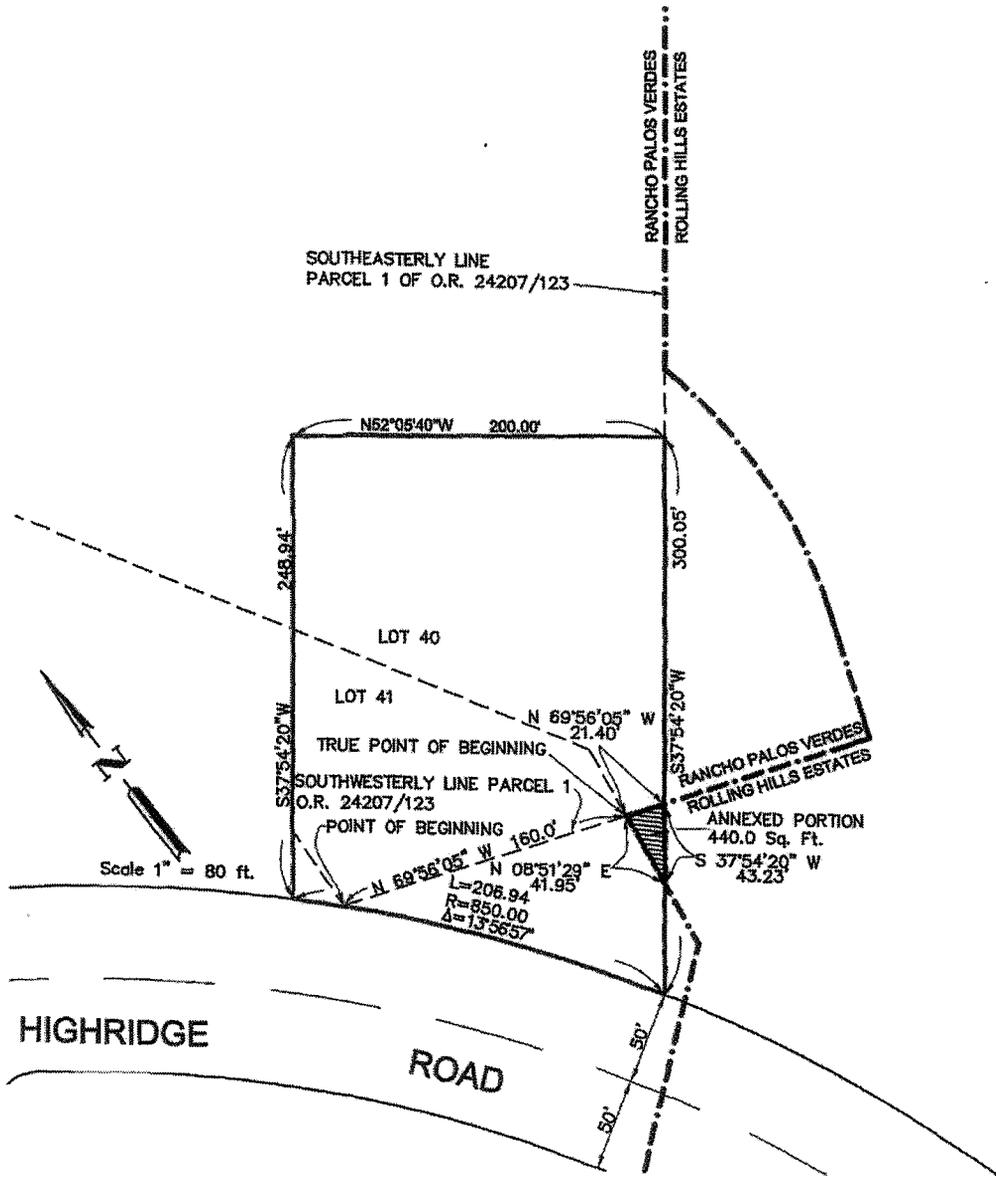


EXHIBIT 'B'
Annexation No. 2008-20
Legal Description

That portion of Lot 40 of Los Angeles County Assessor's Map No. 51, in the City of Rolling Hills Estates, in the County of Los Angeles, State of California, as per map recorded in Book 1 Page 1 of Assessor's Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at the most Westerly corner of the land described as Parcel 1, in the Deed recorded as Document No. 122, on February 3, 1947, in Book 23207 Page 123 of Official Records of said County; thence along the Southwesterly line of said Parcel 1, South 69°56'05" East, 160.00 feet to a point on the Westerly boundary of said Lot 40, said point being the True Point of Beginning; thence continuing along said Southwesterly line of Lot 40, South 69°56'05" East, 21.40 feet to the Southwesterly prolongation of the Southeasterly line of said Parcel 1; thence along said prolongation South 37°54'20" West, 43.23 feet to the Easterly boundary of Lot 41 of said Assessor's Map; thence along said boundary North 8°51'29" East, 41.95 feet to the True Point of Beginning.

Contains an area of 440 square feet.