



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

7b

AGENDA REPORT
 Business | Action

August 4, 2025

TO: Chair Whitburn and Commissioners

FROM: Keene Simonds, Executive Officer
 Meghan Traynor, Analyst I

SUBJECT: Proposed “450 and 452 Bear Valley Parkway Out-of-Agency Services” |
 City of Escondido (OAS24-16)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a request from the City of Escondido to extend out-of-agency wastewater service to an unincorporated 0.6-acre parcel located entirely within the agency's sphere of influence. The affected territory is currently developed with two single-family residences – each assigned its own street address at 450 and 452 Bear Valley Parkway. This request relates to a prior administrative approval granted by the Executive Officer in August 2021 authorizing a wastewater connection to the original residence at 450 Bear Valley Parkway due to a failed septic system and related public health threats. The current request seeks to authorize out-of-agency wastewater service to a new second single-family residence at 452 Bear Valley Parkway and in doing so facilitate a pending Senate Bill (SB) 9 lot split. Staff recommends approval of the request and related service allowances to accommodate accessory dwelling units for both single-family residences. Staff further recommends the Commission forgo the practiced condition requiring the landowner to submit an annexation proposal based on local conditions as detailed. A categorical exemption from environmental review is also recommended pursuant to the California Environmental Quality Act (CEQA).

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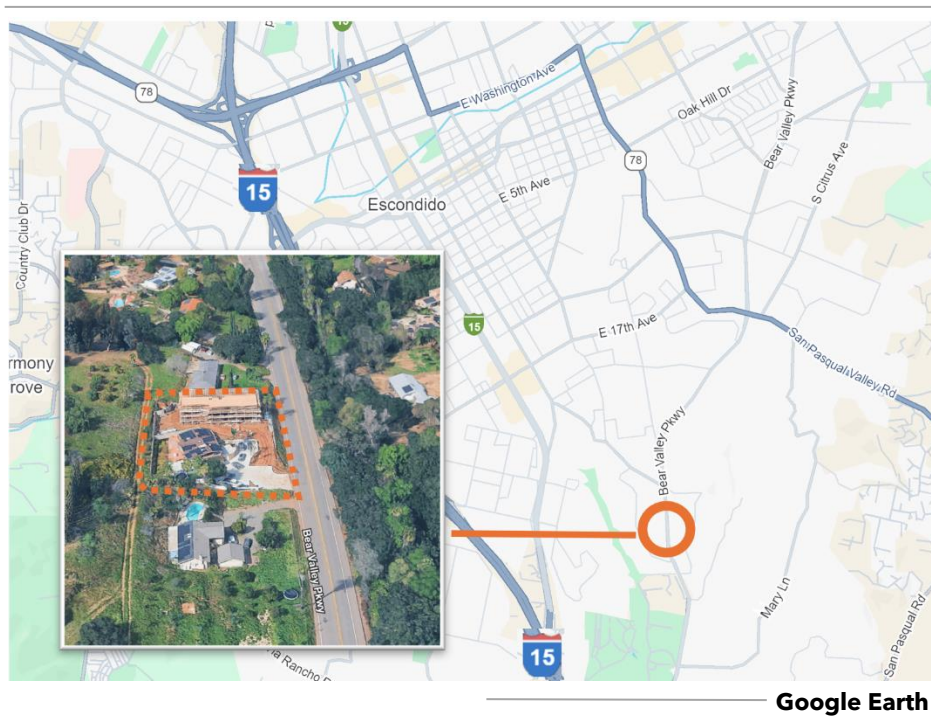
BACKGROUND

Out-of-Agency Services

State statute requires all cities and special districts to request and receive written approval from LAFCOs to provide "out-of-agency" services by contract except for certain limited exceptions. The statute also provides cities and special districts may only be authorized to provide out-of-agency services within their spheres of influence in anticipation of later annexations. If the affected territory lies beyond the spheres, out-of-agency services may only be authorized in response to documented threats to public health and safety. San Diego LAFCO’s administrative policies governing out-of-agency services are footnoted.¹

Applicant Request

San Diego LAFCO has received a request from the City of Escondido – on behalf of landowner Adam Fares – seeking approval to establish out-of-agency wastewater service covering a new single-family residence at 452 Bear Valley Parkway as well as accessory dwelling units at 452 and 450 Bear Valley Parkway. The affected territory comprises one legal parcel identified by the County of San Diego Assessor’s Office as 239-060-05 and developed with an inhabited single-family residence at 450 and an uninhabited single-family residence at 452. Approval would fulfill a County condition for the landowner to complete their pending lot-split as allowed under SB 9. No documentation was provided to substantiate a public health or safety finding, and accordingly the request requires Commission consideration under local policy.



¹ In May 2024, San Diego LAFCO approved a policy to formalize rules and related procedures in receiving, evaluating, and acting on local agencies’ requests to provide new or extended out-of-agency services. The policy specifies LAFCO will consider out-of-agency service requests whenever otherwise merited new or extended services cannot be reasonably accommodated through annexations or other jurisdictional changes. The policy also authorizes the Executive Officer to proceed on their own to approve out-of-agency water and wastewater services in response to documented public threats.

DISCUSSION

This item is for San Diego LAFCO to consider approving the City of Escondido’s request to provide out-of-agency wastewater services (collection, treatment, and disposal classes) to the affected territory and coverage for a new single-family residence at 452 Big Bear Valley Parkway as well as well as accessory dwelling units at 452 and 450 Bear Valley Parkway. The item has been forwarded to the Commission for formal consideration in lieu of staff making a public health or safety finding. The Commission retains discretion to approve the request with or without conditions, provided such conditions do not directly regulate land use, property development, or subdivision standards. Additional discussion follows.

Proposal Purpose

The purpose of the proposal and the underlying request to authorize out-of-agency wastewater service by the City of Escondido to the subject parcel is to accommodate a pending lot-split tentatively approved by the County of San Diego under SB 9.

Current and Planned Land Uses

The affected territory comprises an unincorporated parcel located entirely within the City of Escondido's sphere of influence. The County of San Diego designates and zones the affected territory for moderate residential density as Rural Residential with a minimum lot standard of 0.5 acres. The City of Escondido has similarly designated the affected territory as Residential Estate II with a minimum lot standard of 20,000 square feet.

Irrespective of these local land use regulations, SB 9 (Atkins) became effective in January 2022 and establishes a statewide allowance applicable to the affected territory. SB 9 allows for the development of new, for-sale homes, either on newly subdivided lots or through the conversion of existing single-family homes into multiple units with a minimum lot requirement of 0.05 acres. Eligibility criteria under SB 9 is footnoted.²

ANALYSIS

Staff has identified three central and sequential policy items for San Diego LAFCO in considering the merits of the requested approval for the City of Escondido to provide extended out-of-agency wastewater services to the affected territory as described. These items are headlined by the stand-alone merits of the timing of the request and whether discretionary terms are appropriate. The Commission must also consider the impacts of the request under CEQA statutes. Staff’s analysis follows.

² Parcels eligible for a SB-9 lot split must be located in a single-family residential zone with a minimum lot size of 2,400 square feet. Unincorporated parcels must be located within the boundaries of an urbanized area / cluster. The new parcel created must not be smaller than 40 percent of the lot area of the original parcel. Additional measures detailed here: [SB-9-Brief-July-2021-Final.pdf](#)

Timing Considerations

Underlying San Diego LAFCO's consideration of the request is the timing and whether the membership believes the extension of municipal wastewater service and associated need is merited and available and, if yes, the best means of delivery – annexation or out-of-agency agreement. Staff’s analysis of these two related factors follows.

- Need and Availability of Service

The affected territory consists of a single developed legal parcel totaling 0.62 acres located entirely within the City of Escondido's sphere of influence. Escondido presently provides wastewater service to a portion of the affected territory involving the single-family residence at 450 Bear Valley Parkway via an authorized out-of-agency service agreement approved by the Executive Officer in August 2021 based on a documented public health threat. A second single-family residence at 452 Bear Valley Parkway has subsequently been constructed within the affected territory as part of a pending SB 9 lot split, which has been ministerially approved by the County subject to establishing public wastewater service. Staff has verified wastewater service is readily available and would be facilitated by a separate private lateral connection to the collector main located within the adjacent public right-of-way. The projected average daily wastewater demand to service the second single-family residence is 250 gallons per day, with expansion to 750 gallons with the allowance of two accessory dwelling units (one for each address at 450 and 452 Bear Valley Parkway). This projected demand can be readily accommodated by Escondido’s wastewater system by representing only 0.016% of the system’s existing available capacity and posing no adverse impact to service levels or infrastructure performance.³

- Out-of-Agency Service v. Annexation

Annexation remains the preferred method under LAFCO law and local policy for formalizing the relationship between territory and municipal service provision unless local conditions indicate otherwise. In this case, staff believes local conditions support an out-of-agency service agreement as the most effective and appropriate means to extend wastewater service to the affected territory and proposed uses. This analysis aligns with the City of Escondido's own preference to defer annexation until outstanding road maintenance responsibilities affecting the portion of Bear Valley Parkway adjacent to the City of Escondido is resolved in coordination with the County of San Diego – a topic expected to be addressed as part of the City of Escondido's upcoming General Plan update.

³ A single-family residence is estimated to generate approximately 250 gallons per day (gpd) of wastewater. The City of Escondido's current average daily wastewater flow is 13.4 million gallons, representing 74.6 percent of the total treatment capacity at its Hale Avenue Resource Recovery Facility.

Potential Terms

Staff believes it would be appropriate for San Diego LAFCO to condition approval to accommodate the newly constructed single-family residence as well as the allowance for two future accessory dwelling units subject to standard terms. This includes the applicant or party of interest paying any outstanding fees necessary to complete the approval consistent with the LAFCO fee schedule. Staff further believes it is appropriate for the Commission to forgo the standard condition of requiring the landowner to submit an annexation proposal given local conditions and, most notably, in deference to the City of Escondido's concerns about assuming spot road maintenance for a portion of Bear Valley Parkway.

Environmental Impacts

San Diego LAFCO serves as lead agency to assess environmental impacts of the requested out-of-agency wastewater service to facilitate a planned development activity. Staff believes the request qualifies as a project under CEQA but is categorically exempt from further review under State Guidelines Section 15268. This exemption appropriately applies given that accommodation of an SB 9 development plan is ministerial.

RECOMMENDATION

It is recommended San Diego LAFCO conditionally approve the requested out-of-agency wastewater service authorization allowing the City of Escondido to extend service to the affected territory as described with terms as specified above. This recommendation is consistent with Alternative One outlined below.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO and can be accomplished through a single-approved motion.

Alternative One (recommended):

- (a) Approve the requested out-of-agency wastewater service authorization between the City of Escondido and the landowner of the affected territory as detailed and subject to the scope and terms provided in the preceding sections.
- (b) Authorize the Executive Officer to file a Notice of Exemption consistent with finding the request qualifies as a “project” under the California Environmental Quality Act but exempt from further review under State CEQA Guidelines Section 15268.

Alternative Two:

Continue item to a future meeting.

Alternative Three:

Disapprove of the request.

PROCEDURES

This item has been placed on the agenda for action as part of San Diego LAFCO's business calendar. The following procedures are suggested in the consideration of this item:

- 1) Receive verbal report from staff unless waived.
- 2) Discuss item and consider recommendation.

On behalf of the Executive Officer,



Meghan Traynor
Analyst I

Attachments:

- 1) Map of the Affected Territory
- 2) Related Request Documents